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FPSC - COMMISSION CLERK



July 14, 2016

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

RE: Gulf Power Company's Petition for Approval of its 2016 Depreciation Study, 2016 Dismantlement Study, Proposed Depreciation Rates, Annual Dismantlement Accrual Amounts and Plant Smith Units 1 and 2 Regulatory Asset Amortization

Dear Ms. Stauffer:

Attached is Gulf Power Company's Petition for Approval of its 2016 Depreciation and Dismantlement Studies, Approval of its Proposed Depreciation Rates and Annual Dismantlement Accruals and Plant Smith Units 1 and 2 Regulatory Asset Amortization.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." The signature is written in a cursive, flowing style.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md

**Attachments**

cc: Beggs & Lane  
Jeffrey A. Stone  
Office of Public Counsel  
J. R. Kelly  
Florida Industrial Power Users Group  
John C. Moyle, Jr.  
Federal Executive Agencies  
Thomas A. Jernigan  
Wal-Mart Stores East, LP and Sam's East, Inc.  
Robert Scheffel Wright

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of Gulf Power Company for  
approval of its 2016 Depreciation Study, 2016  
Dismantlement Study, Proposed Depreciation  
Rates, Annual Dismantlement Accrual  
Amounts and Plant Smith Units 1 and 2  
Regulatory Asset Amortization

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Docket No.:  
Filed: July 14, 2016

**PETITION OF GULF POWER COMPANY  
FOR APPROVAL OF ITS 2016 DEPRECIATION AND  
DISMANTLEMENT STUDIES, APPROVAL OF ITS  
PROPOSED DEPRECIATION RATES AND ANNUAL  
DISMANTLEMENT ACCRUALS AND PLANT SMITH  
UNITS 1 AND 2 REGULATORY ASSET AMORTIZATION**

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GULF POWER COMPANY (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned counsel and pursuant to Rules 25-6.0436 and 25-6.04364, Florida Administrative Code, hereby petitions the Florida Public Service Commission (Commission) for approval of its 2016 Depreciation Study, 2016 Dismantlement Study, proposed depreciation rates and annual dismantlement accrual amounts and the Plant Smith Units 1 and 2 regulatory asset amortization.

As grounds for the relief requested by this petition, the Company would respectfully show:

1. Gulf is a utility subject to the jurisdiction of the Commission pursuant to chapter 366, Florida Statutes. It has principal offices at 500 Bayfront Parkway, Pensacola Florida.
2. Notices and communications with respect to this petition and docket should be addressed to:

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

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

3. Gulf's current depreciation rates and annual dismantlement accruals were approved by FPSC Order No. PSC-10-0458-PAA-EI, issued on July 19, 2010 in Docket No. 090319-EI, based on Gulf's 2009 studies. As part of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-13-0670-S-EI issued December 19, 2013 in Docket No. 130140-EI, the Commission's proceedings to address Gulf's 2013 depreciation and dismantlement studies were closed without any change to the depreciation rates or annual dismantlement accrual established for Gulf pursuant to its 2009 studies. Under the terms of the Stipulation and Settlement Agreement, the depreciation and amortization accrual rates in effect at the time of the Stipulation and Settlement Agreement are to remain in effect throughout the term of the Stipulation and Settlement Agreement as set forth therein. Gulf is required to file depreciation and dismantlement studies on or before December 31, 2018 or within a period defined as not more than one year nor less than 60 days before the filing of Gulf Power's next general rate proceeding, whichever is sooner.

4. Pursuant to Rules 25-6.0436 and 25-6.04364, Florida Administrative Code and Order No. PSC-13-0670-S-EI, Gulf Power has prepared and submits herewith for approval its 2016 Depreciation Study, its 2016 Dismantlement Study, proposed depreciation rates and annual dismantlement accrual amounts. Copies of Gulf's 2016 Depreciation Study and 2016 Dismantlement Study are contained in Exhibits A and B to this petition. Within each exhibit, Gulf has provided an executive summary of the relevant study outlining the specific proposals for which Gulf requests approval from the Commission.

5. Gulf's 2016 Depreciation Study excludes Plant Smith Units 1 and 2, which were retired early on March 31, 2016. On February 24, 2016, Gulf filed a petition with the Commission seeking approval to create a regulatory asset and defer recovery until a future

proceeding of the remaining net book value at retirement of Plant Smith Units 1 and 2 and the remaining inventory related to these units. The Commission opened Docket No. 160039-EI to address Gulf's petition. As a result of the early retirement of these units, Gulf proposes the amount of the regulatory asset requested by Gulf in Docket No. 160039-EI be amortized over a 180 month period commencing the earlier of (a) coincident with the commencement of new base rates determined in Gulf's next general rate proceeding for rates to take effect after the last billing cycle of June 2017; or (b) in the event such general rate proceeding is not initiated prior to December 31, 2018, January 1, 2019.

6. As a result of the 2016 Dismantlement Study, the estimates of the costs required to dismantle Gulf's fossil-fired generation facilities decreased significantly from that shown in the Company's 2009 Dismantlement Study approved by the Commission. Based on the revised estimate of costs for all aspects of fossil generating plant dismantlement and except for the estimated costs for compliance with the recently enacted federal rules regarding coal combustion residuals associated with the Company's active generating resources, it now appears that as of December 31, 2016, Gulf's accumulated reserve for fossil generating plant dismantlement is currently sufficient to cover these costs without further accruals to the reserve. This is true both for those dismantlement costs that are addressed through the accrual recovered through Gulf's base rates and those that are addressed through the accrual recovered as part of Gulf's rates established through the Environmental Cost Recovery Clause (ECRC). In addition, the accumulated dismantlement reserve is sufficient to fully cover the Other Cost of Removal regulatory asset that has been accumulated pursuant to the Stipulation and Settlement Agreement. Therefore, the Company seeks authorization to offset the \$62.5 million Other Cost of Removal regulatory asset allowed in the 2013 rate case settlement against the reserve

accumulated to date for fossil generating plant dismantlement, thereby eliminating the Other Cost of Removal regulatory asset and reducing the base rate portion of the accumulated reserve for fossil-fired generating plant dismantlement by like amount. This offset is in accordance with the 2013 Settlement Agreement which states “It is the intent of the Parties that the Other Cost of Removal regulatory asset be considered and accounted for in conjunction with the accumulated aggregate balances in the reserve for cost of removal and the reserve for fossil generating plant dismantlement when the Commission next establishes depreciation rates and dismantlement accruals on a going-forward basis.” The Company further proposes that (a) the annual accrual currently being recovered in base rates for dismantlement be reduced from approximately \$5.2 million to zero until the accrual is again reviewed and established pursuant to the Company’s next dismantlement study; (b) that the annual accrual currently being recovered through the ECRC for dismantlement of the environmental retrofit projects (e.g. the flue gas desulfurization equipment at Gulf’s Plant Crist, etc.) be reduced from approximately \$4.4 million to zero until the accrual is again reviewed and established pursuant to the Company’s next dismantlement study; and (c) that the Company be authorized to accrue approximately \$650,000 to the dismantlement reserve on an annual basis to be recovered through the ECRC to cover the expected costs of compliance at retirement with the recently enacted federal rules regarding coal combustion residuals associated with the Company’s active generating resources.

7. Consistent with the terms of the Stipulation and Settlement Agreement, Gulf Power requests an effective date for the depreciation rates and dismantlement accruals set forth in these studies that is the earlier of (a) coincident with the commencement of new base rates determined in Gulf’s next general rate proceeding for rates to take effect after the last billing cycle of June 2017; or (b) in the event such general rate proceeding is not initiated prior to

December 31, 2018, January 1, 2019.

8. Gulf Power is not aware of any disputed issues of material fact relating to the matters proposed in this petition.

WHEREFORE, Gulf Power, in accordance with Rules 25-6.0436 and 25-6.04364, Florida Administrative Code, requests approval of the accompanying 2016 Depreciation Study, 2016 Dismantlement Study, proposed depreciation rates and dismantlement accrual amounts and the Plant Smith Units 1 and 2 regulatory asset amortization consistent with these studies and this petition.

Respectfully submitted this 14<sup>th</sup> day of July, 2016,



**JEFFREY A. STONE**

Florida Bar No. 325953

**RUSSELL A. BADDERS**

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**Attorneys for Gulf Power Company**

# Exhibit A

## Gulf Power Company's 2016

### Depreciation Study

## **Executive Summary of Gulf Power Company's 2016 Depreciation Study**

Gulf Power Company (Gulf or the Company) is subject to the requirements of the Florida Public Service Commission (FPSC or Commission) set forth in Rule No. 25-6.0436, Depreciation. The studies submitted pursuant to this requirement are reviewed and utilized by the FPSC when the Commission approves changes in Gulf's depreciation rates. Gulf's current depreciation rates were approved by FPSC Order No. PSC-10-0458-PAA-EI, issued on July 19, 2010 in Docket No. 090319-EI, based on Gulf's 2009 study. As part of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-13-0670-S-EI issued December 19, 2013 in Docket No. 130140-EI, the FPSC's proceedings to address Gulf's 2013 depreciation rates were closed without any change to the depreciation rates established for Gulf pursuant to its 2009 study. Under the terms of the Stipulation and Settlement Agreement, Gulf is required to file a depreciation study on or before December 31, 2018 or within a period defined as not more than one year nor less than 60 days before the filing of Gulf Power's next general rate proceeding, whichever is sooner.

This document contains Gulf's 2016 Depreciation Study. For purposes of this study, Gulf excluded Plant Smith Units 1 and 2, which were retired early on March 31, 2016. On February 24, 2016, Gulf filed a petition with the Commission seeking approval to create a regulatory asset and defer recovery until a future proceeding of the remaining net book value at retirement of Plant Smith Units 1 and 2 and the remaining inventory related to these units. The Commission opened Docket No. 160039-EI and on May 26, 2016 the Commission staff recommended Gulf's request be approved.

In Gulf's 2009 Depreciation Study, the expected retirement dates for Smith Units 1 and 2 were 2030 and 2032, respectively. As a result of the early retirement of these units, Gulf proposes the amount of the regulatory asset be amortized over a 180 month period. Using the original estimated retirement date of Plant Smith Unit 2 minimizes any rate impact to customers since both units and the remaining inventory will be amortized until the later of the original estimated retirement dates for Units 1 and 2. Gulf Power proposes the effective date coincide with the commencement of new base rates determined in the next general rate proceeding, for rates to take effect after the last billing cycle of June 2017, unless such general rate proceeding is not initiated prior to December 31, 2018, in which case the proposed effective date would be January 1, 2019.

# **GULF POWER COMPANY**

**ELECTRIC UTILITY PLANT**

**DEPRECIATION RATE STUDY**

**AT DECEMBER 31, 2016**



<http://www.utilityalliance.com>

**GULF POWER COMPANY  
ELECTRIC UTILITY PLANT  
DEPRECIATION RATE STUDY  
AT DECEMBER 31, 2016  
EXECUTIVE SUMMARY**

Gulf Power Company (“Gulf Power”, “Gulf” or “Company”) engaged Alliance Consulting Group to conduct a depreciation study of the Company’s electric utility plant depreciable assets using actual plant asset balances as of December 31, 2014 and projected plant and depreciation reserve balances as of December 31, 2016 (“Study”). To determine depreciation rates for the projected time period of December 31, 2016, the following process occurred: 1) historic data through December 31, 2014 and judgment were used to estimate life and net salvage parameters; 2) the Company provided Alliance a walk-forward of projected plant and depreciation reserve activity from January 1, 2015 to December 31, 2016; 3) additions were projected as of the transaction year the asset went into service; 4) retirements were based on a first-in, first-out approach where the oldest vintages were retired; and 5) the projected vintage balances and reserves at December 31, 2016 were used to compute the proposed depreciation accrual. The total proposed increase in depreciation expense in the Study is \$23.4 million based on projected plant balances as of December 31, 2016.

The Study uses the Straight-Line, Broad (Average Life) Group, Remaining Life (“RL”) depreciation system. The net salvage analysis in the Study parallels the approach previously used in developing the depreciation rates adopted by the Florida Public Service Commission (“Commission” or “FPSC”) in Docket No. 090319-EI.

For Production accounts, the Company provided the current terminal retirement dates for generating units consistent with current expectations, environmental legislation, and resource plans. Terminal demolition costs are provided in a Dismantlement Cost Study performed by Southern Company

Services for all production facilities. These costs are treated separately from the Study as required by the FPSC. The changes in proposed depreciation expense in the production area are mainly due to additional investment in the generating units, changes in the interim retirement ratios and interim net salvage estimates related to electric production plant facilities. The terminal retirement dates of the Steam Production plants remained the same. The proposed increases in depreciation expense by function within Electric Production are \$9.5 million and \$9.7 million for Steam and Other, respectively, based on projected account balances as of December 31, 2016. The total proposed increase in depreciation expense for all Production is \$19.2 million. Appendix B demonstrates the change in depreciation expense for the various accounts based on projected plant balances as of December 31, 2016.

For Transmission, Distribution, General Plant, and Transportation Equipment accounts, the lives of the accounts and net salvage parameters are reviewed in the Study. The Study recommends changes in depreciation in accounts for each function based on the estimated account balances as of December 31, 2016 as follows: an increase of \$3.7 million for Transmission, a decrease of \$141 thousand for Distribution, a decrease of \$259 thousand for General Plant, and an increase of \$878 thousand for Transportation Equipment. The total proposed change in depreciation expense for Transmission, Distribution, General Plant, and Transportation Equipment is an increase of \$4.2 million based on projected account balances as of December 31, 2016. Appendix B demonstrates the change in depreciation expense for the various accounts based on projected plant balances as of December 31, 2016.

For Transmission, Distribution, General Plant, and Transportation Equipment accounts there are twenty (20) accounts that have increasing lives and four accounts that have decreasing lives, while four have no change. There is a trend toward slightly higher negative net salvage, where the projected cost of removal exceeds projected salvage value, with ten (10) accounts increasing their negative net salvage (i.e., decrease in net salvage), no accounts with increasing positive net salvage, and sixteen (16) accounts had no change.

**GULF POWER COMPANY  
ELECTRIC UTILITY PLANT  
DEPRECIATION RATE STUDY  
AT DECEMBER 31, 2016**

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## **I. REPORT ORGANIZATION**

The Proposed Rates shown in Table 1 summarize the annual depreciation accrual rates recommended by the Study. (Florida Administrative Code 25-6.0436 (6) (a)).

The Proforma Expense Comparison shown in Appendix B compares depreciation expense based on projected investment as of December 31, 2016, using both the current and proposed accrual rates. This analysis compares the current and proposed rates, and also shows the change in expense as a result of adopting the proposed rates. (Florida Administrative Code 25-6.0436 (6) (a) & (b)).

The Analysis Results shown in Section VI, Determination of Lives and Net Salvage, contains summary pages for each of the following five major functions: 1) Steam Production Plant, 2) Other Production Plant, 3) Transmission Plant, 4) Distribution Plant, and 5) General Plant and Transportation Equipment. Each summary page presents a narrative of pertinent information related to the analysis. Each summary page is followed by analysis of each account (and sub-account) for life and net salvage, similarly arranged, that comprise that function. (Florida Administrative Code 25-6.0436 (6) (a), (b), (d), (f), (g); (7) (a)).

The Parameter Schedules shown in Appendix C (Transmission, Distribution, General Plant, and Transportation Equipment) and Appendix D (Steam Production Plant and Other Production Plant) summarizes the parameters used in the calculation of depreciation rates for each account (and sub-account) within the five major functions of the Company's depreciable investment. The schedules present the estimates of average service life, net salvage, and average remaining life for each account (and sub-account) within the major study groupings. (Florida Administrative Code 25-6.0436 (6) (d) & (g)).

The Net Salvage Schedules shown in Appendix E provide the historical account analysis. Appendices C and D contain a summary comparison of net salvage factors between approved and proposed. Section VI, Determination of

Lives and Net Salvage, provides a net salvage narrative by account (Florida Administrative Code 25-6.0436 (6) (h)).

Dismantlement per Rule 25-6.0436(4) is outside of the scope of this depreciation study.

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

## **II. PURPOSE OF THE STUDY**

The purpose of the Study is to develop depreciation rates for the depreciable property of Gulf Power based on projected plant balances as of December 31, 2016. Historic data as of December 31, 2014 and judgment were used to estimate life and net salvage. The account-based depreciation rates are designed to recover the total remaining undepreciated investment, adjusted for net salvage and interim retirements, over the remaining life of Gulf's property on a straight-line basis. The Study includes the Company's depreciable electric plant assets. Non-depreciable property and property that is amortized, such as intangible software, are excluded from the analysis of the Study.

The Study includes investment and reserves for the projected plant balances as of December 31, 2016 for all Steam Production units and Other Production units, incorporating current retirement dates, interim retirement rates, and interim retirement net salvage costs for the Company's electric production assets.

Gulf is an investor owned regulated electric utility located in Northwest Florida serving over 447,000 customers. Gulf Power's service territory encompasses 71 communities within Northwest Florida, spanning from the Alabama border eastwardly to the Apalachicola River. Gulf provides the essential service of generating and delivering electricity safely, reliably and economically to end-use consumers through its generation, transmission and distribution systems.

### **III. STUDY RESULTS WITH PROPOSED RATES**

Depreciation rates for all Gulf depreciable property are shown in Appendix A. As shown in Appendix B, these rates translate into an annual depreciation expense of \$183.8 million based on Gulf's depreciable investment for the projected plant balances as of December 31, 2016. This reflects an increase of \$23.4 million as compared to the equivalent annual depreciation expense of \$160.4 million calculated using the currently approved rates. The proposed depreciation rates translate into an annual depreciation accrual for Steam Production of \$89.9 million, Other Production of \$19.2 million, Transmission of \$22.9 million, Distribution of \$44.8 million, General Plant of \$3.3 million, and Transportation Equipment of \$3.6 million. The changes in proposed depreciation expense in each production area are mainly due to the interim retirement and interim net salvage changes and additional investment in the generating units. Changes due to updated dismantling estimates related to electric production plant facilities have an impact on the overall depreciation expense of Gulf Power, but are not included in the above amounts and are addressed separately. The changes in proposed depreciation expense for Transmission, Distribution, General Plant and Transportation Equipment are due to a mix of life and net salvage changes.

Appendix A shows the development of the annual depreciation rates and accruals. Appendix B presents a comparison of approved rates versus proposed rates by account. Appendix C presents a summary of average service lives and net salvage estimates by account. Appendix D presents the terminal retirement dates, interim retirement ratios and net salvage percentages for production facilities. Appendix E presents the net salvage analysis for all accounts. Appendix F presents a comparison between the total book reserves and the theoretical depreciation reserves based on the whole life and remaining life basis. Appendix G is a summary of Plant-in-Service and the Accumulated Depreciation and presents annual activity by function and account.

The depreciation rates proposed in the Study are based on Gulf's estimated depreciable investment as of December 31, 2016. The proposed

rates will provide for the systematic and rational allocation of capital costs over the expected useful life of the property. Capital costs include the acquisition cost of the property in addition to the estimated cost of retirement (salvage and cost of removal).

The majority of Gulf's current depreciation rates were approved by the Florida Public Service Commission under Docket No. 090319-EI. As a result of the Study, the following accrual rates are proposed:

**Table 1**  
**Total Company Comparison**  
**Depreciation Accrual Rates at December 31, 2016**

| <b>Account</b>                   | <b>Description</b>                  | <b>Existing</b>                   | <b>Proposed</b> |
|----------------------------------|-------------------------------------|-----------------------------------|-----------------|
| <b><u>Steam Production</u></b>   |                                     | <b><u>Annual Accrual Rate</u></b> |                 |
|                                  | Crist Plant                         | 3.5%                              | 4.0%            |
|                                  | Daniel Rail Road (RR) Track         | 1.5%                              | 1.6%            |
|                                  | Daniel Easement                     | 1.4%                              | 1.4%            |
|                                  | Daniel Plant                        | 2.8%                              | 3.0%            |
|                                  | Scherer Plant                       | 2.0%                              | 2.2%            |
|                                  | Scholz Plant                        | 4.1%                              | 0.0%            |
|                                  | <b>Total Steam Production Plant</b> | <b>3.1%</b>                       | <b>3.6%</b>     |
| <br>                             |                                     |                                   |                 |
| <b><u>Other Production</u></b>   |                                     |                                   |                 |
|                                  | Pace (Pea Ridge) Plant              | 5.3%                              | 11.5%           |
|                                  | Perdido Landfill                    | 5.0%                              | 7.3%            |
|                                  | Smith Combustion Turbine (CT)       | 3.6%                              | 6.3%            |
|                                  | Smith Combined Cycle (CC)           | 2.8%                              | 5.7%            |
|                                  | <b>Total Other Production Plant</b> | <b>3.0%</b>                       | <b>6.0%</b>     |
| <br>                             |                                     |                                   |                 |
| <b><u>Transmission Plant</u></b> |                                     |                                   |                 |
| 350.1                            | Easements                           | 1.6%                              | 1.5%            |
| 352.0                            | Structures & Improvements           | 2.0%                              | 1.9%            |
| 353.0                            | Station Equipment                   | 2.3%                              | 2.9%            |
| 354.0                            | Towers & Fixtures                   | 2.3%                              | 2.1%            |
| 355.0                            | Poles & Fixtures                    | 3.6%                              | 4.6%            |
| 356.0                            | Overhead Conductors & Devices       | 2.5%                              | 2.6%            |
| 358.0                            | Underground Conductors              | 2.1%                              | 1.7%            |
| 359.0                            | Roads and Trails                    | 2.0%                              | 1.9%            |
|                                  | <b>Total Transmission Plant</b>     | <b>2.7%</b>                       | <b>3.3%</b>     |

**Distribution Plant**

|                                 |                               |             |             |
|---------------------------------|-------------------------------|-------------|-------------|
| 360.1                           | Easements                     | 1.8%        | 1.8%        |
| 361.0                           | Structures & Improvements     | 2.2%        | 2.0%        |
| 362.0                           | Station Equipment             | 2.2%        | 3.1%        |
| 364.0                           | Poles, Towers, & Fixtures     | 5.0%        | 4.9%        |
| 365.0                           | Overhead Conductors & Devices | 3.1%        | 3.6%        |
| 366.0                           | Underground Conduit           | 1.3%        | 1.1%        |
| 367.0                           | Underground Conductors        | 3.3%        | 2.4%        |
| 368.0                           | Line Transformers             | 4.0%        | 3.4%        |
| 369.1                           | Overhead Services             | 3.8%        | 3.9%        |
| 369.2                           | Underground Services          | 2.6%        | 2.6%        |
| 370.0                           | Meters                        | 2.7%        | 7.9%        |
| 370.0                           | Meters - AMI Equipment        | 6.7%        | 4.8%        |
| 373.0                           | Street Lighting               | 5.0%        | 4.1%        |
| <b>Total Distribution Plant</b> |                               | <b>3.6%</b> | <b>3.6%</b> |

**General Plant**

|                            |                           |             |             |
|----------------------------|---------------------------|-------------|-------------|
| 390.0                      | Structures & Improvements | 2.3%        | 2.2%        |
| 396.0                      | Power Operated Equipment  | 4.7%        | 1.7%        |
| 397.0                      | Communication Equipment   | 6.3%        | 5.7%        |
| <b>Total General Plant</b> |                           | <b>3.2%</b> | <b>3.0%</b> |

**Transportation Equipment**

|                             |              |             |              |
|-----------------------------|--------------|-------------|--------------|
| 392.1                       | Automobiles  | 12.1%       | 8.2%         |
| 392.21                      | Light Trucks | 9.3%        | 17.6%        |
| 392.22                      | Heavy Trucks | 7.9%        | 9.0%         |
| 392.6                       | Trailers     | 4.8%        | 3.7%         |
| <b>Total Transportation</b> |              | <b>8.1%</b> | <b>10.7%</b> |
| <b>COMPANY GRAND TOTAL</b>  |              | <b>3.2%</b> | <b>3.7%</b>  |

Gulf Power's annual depreciation expense shown in this report has excluded amounts for the amortization of general plant property.

#### **IV. GENERAL DISCUSSION OF THE DEPRECIATION RATE STUDY PROCESS**

##### **A. Definition of Depreciation**

The term "depreciation" as used in the Study is considered in the accounting sense; that is, depreciation is a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. It is a process of allocation, not valuation. This expense is systematically allocated to accounting periods over the life of the assets. The amount allocated to any one accounting period does not necessarily represent the loss or decrease in value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

##### **B. Basis of Depreciation Estimates**

###### **1. Overview of the Depreciation Method, Procedure and Technique**

The Straight-Line, Broad (Average Life) Group, RL depreciation system is employed to calculate annual and accrued depreciation in the Study. In this system, the annual depreciation accrual for each plant account or sub-account is computed by dividing the original cost of the asset, less allocated depreciation reserve and estimated net salvage, by its respective average life group remaining life. The resulting annual accrual amounts of all depreciable property within a functional group<sup>1</sup> are accumulated, and that total is divided by the original cost of all functional depreciable property to determine the depreciation rate. The calculated remaining lives and annual depreciation accrual rates are based on attained ages of plant-in-service and the estimated service life and salvage

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<sup>1</sup>Function or function group refers to different categories of plant. Specifically, the functions analyzed in the Study are: Steam Production, Other Production, Transmission, Distribution General Plant, and Transportation Equipment.

characteristics of each depreciable group. The computations of the annual depreciation rates are shown in Appendix A.

For production property specifically, annual and accrued depreciation are calculated by the Straight-Line, Broad (Average Life) Group, Life Span (which incorporates the RL technique) depreciation system. In this system, the depreciation accrual uses an allocation of the accumulated provision for depreciation based on each unit/account's theoretical depreciation reserve to determine the net investment needed to be recovered over each unit's remaining life (along with its estimated net salvage). The computations of accrual rates for production property are shown in Appendix A, and the comparison of the accumulated provision for depreciation and the theoretical depreciation reserve is found in Appendix F.

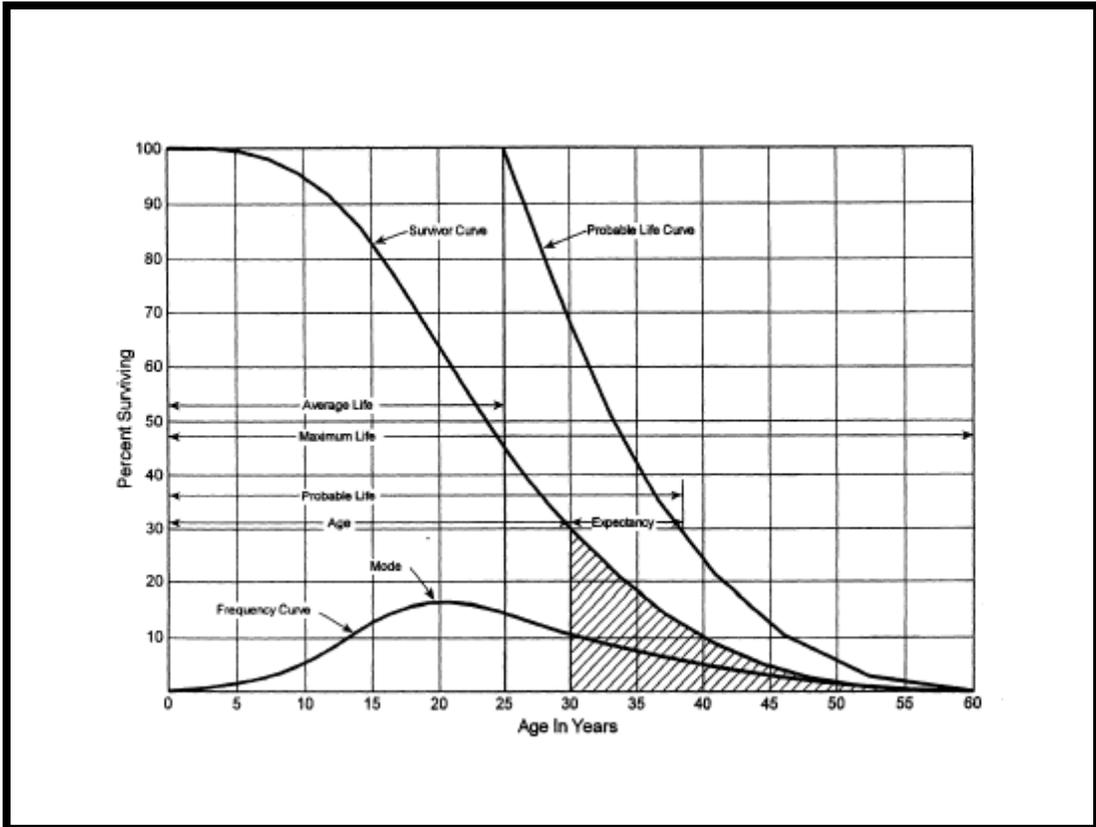
The Life Span estimation approach was incorporated into the analyses of Gulf production data. This method was used to develop the depreciation rates last approved by the Commission in the Gulf's Docket No. 090319-EI and is generally used to determine depreciation rates for electric utility production property. This approach is more fully described in the next section.

For Transmission, Distribution, General Plant and Transportation Equipment actuarial analysis or the Simulated Plant Record - Balances method ("SPR-B") is used for each account within a functional group where sufficient data is available. Judgment is used to some degree on all accounts.

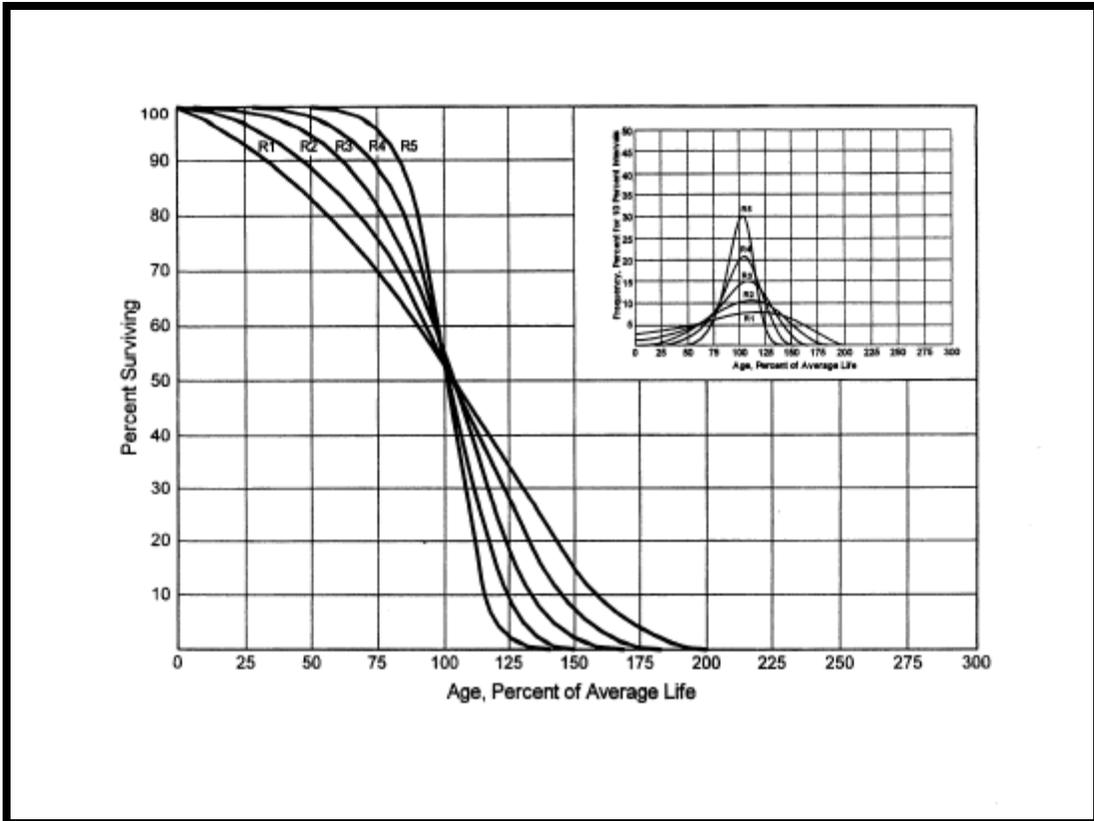
## **2. Survivor Curves**

To fully understand depreciation projections in a regulated utility setting, there must be a basic understanding of survivor curves. Individual property units within a group do not normally have identical lives or investment amounts. The average life of a group can be determined by first constructing a survivor curve, which is plotted as a percentage of the units surviving at each age. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering

Experiment Station in the first half of the prior century. Through common usage, revalidation, and regulatory acceptance, the Iowa Curves have become a descriptive standard for the life characteristics of industrial property. An example of an Iowa Curve is shown below.



There are four families in the Iowa Curves that are distinguished by the relation of the age at the retirement mode (largest annual retirement frequency) and the average life. For distributions with the mode age greater than the average life, an “R” designation (i.e., Right-Modal) is used. The family of “R” moded curves is shown below.



Similarly, an “S” designation (i.e., Symmetric-Modal) is used for the family whose mode age is symmetric about the average life. An “L” designation (i.e., Left-Modal) is used for the family whose mode age is less than the average life. A special case of left modal dispersion is an “O” designation (i.e. Origin-Modal) curve family. Within each curve family, numerical designations are used to describe the relative magnitude of the retirement frequencies at the mode. A “6” indicates that the retirements are not greatly dispersed from the mode (i.e., high mode frequency), while a “1” indicates a large dispersion about the mode (i.e., low mode frequency). For example, a curve with an average life of 30 years and an “L3” dispersion is a moderately dispersed, Left-Modal curve that can be designated as a 30 L3 Curve. An “SQ”, or square, survivor curve occurs where no dispersion is present (i.e., units of common age retire simultaneously).

Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the

depreciation analyst to make an informed selection of an account's average life and retirement dispersion pattern.

### **3. Life Span Procedure**

The Life Span calculation is used for production facilities for which most components are expected to have a retirement date concurrent with the planned retirement date of the generating unit. The terminal retirement date refers to the year that each unit will cease operations. The terminal retirement date, along with the interim retirement characteristics of the assets that will retire prior to the facility ceasing operation, describes the pattern of retirement of the assets that comprise a generating unit. The estimated terminal retirement dates for the various generating units were calculated using the retirement dates used to develop the depreciation rates last approved by the Commission in the Company's Docket No. 090319-EI. These dates are then updated based on the terminal retirement dates provided by the Company for the current estimated retirement dates of specific generation units. The estimated terminal retirement dates are shown in Appendix D-1.

### **4. Interim Retirement Ratios**

Interim retirement rates are used to model the retirement of individual assets within primary plant accounts for each generating unit prior to the terminal retirement of the facility. The Life Span calculation assumes all assets are depreciated (straight-line) for the same number of periods and retire at the same time (the terminal retirement date). Adding interim retirement rates to the procedure reflects the fact that some of the assets at a power plant will not survive to the end of the life of the facility and should be depreciated (straight-line) more quickly and retired earlier than the terminal life of the overall facility. The goal of interim retirement rates is to project how many of the assets that are currently in service will retire each year in the future using historical analysis and judgment. The interim retirement methodology was used in the development of the depreciation rates for Gulf production depreciation rates. The interim

retirement ratios recommended for production accounts are shown in Appendix D-2. By applying interim retirements, recognition is given to the obvious fact that generating units will have retirements of depreciable property before the end of their lives.

The assets that are being modeled for interim retirement are already reflected in the Company's plant accounts. Depreciation rates using interim retirements are known and measurable in the same way that setting depreciation rates for transmission or distribution property using Iowa Curves is known and measurable. There is no depreciable asset that is expected to live forever. All assets at a power plant will retire at some point. Interim retirements simply model when those retirements will occur in the same way that is followed for transmission or distribution assets.

Interim retirements are modeled by examining retirement activity by plant account from transaction years 1981-2014. Terminal retirement transactions, including retirements, gross salvage, and removal cost, are excluded from the analysis to arrive at the interim retirement transactions related to units continuing to operate. Averages are computed over that period for interim retirement rates and used in analyzing production plant activity. Also, net salvage realized for those assets over the same period is analyzed. Interim net salvage for those retirements occurring prior to a plant's terminal retirement date is modeled prospectively.

## **5. Actuarial Analysis**

For certain Transmission, Distribution, General Plant and Transportation Equipment, an actuarial analysis known as the "Retirement Rate" method is used in evaluating historical asset retirement experience, where vintage data is available and sufficient retirement activity is present. In actuarial analysis, interval exposures (total property subject to retirement at the beginning of the age interval, regardless of vintage) and age interval retirements are calculated. The complement of the ratio of interval retirements to interval exposures establishes a survivor ratio. The survivor ratio is the fraction of property surviving

to the end of the selected age interval, given that it has survived from the beginning of that age interval. Survivor ratios for all of the available age intervals are computed by successive multiplications to establish a series of survivor factors, collectively known as an observed life table. The observed life table shows the experienced mortality characteristic of the account and may be compared to standard mortality curves, such as the Iowa Curves. Where data is available, accounts are analyzed using this method. Placement bands are used to illustrate the composite history over a specific era, and experience bands are used to focus on retirement history for all vintages during a set period. The results from the analyses for the accounts having data sufficient to be analyzed using this method are shown in the Life Analysis section of the Study

## **6. Simulated Plant Record Procedure**

The SPR-B approach is one of the commonly accepted approaches to analyze mortality characteristics of utility property. SPR-B was applied to Distribution (Accounts 364-373), due to the unavailability of vintage (aged) transactional data. In this method, an Iowa Curve and average service life are selected as a starting point of the analysis and its survivor factors applied to the actual annual additions to give a sequence of annual balance totals. These simulated balances are compared with the actual balances by using both graphical and statistical analyses. Through multiple comparisons, the mortality characteristics (as defined by an average life and Iowa Curve) that are the best match to the property in the account can be found.

The Conformance Index ("CI") is one measure used to evaluate various SPR-B analyses. CIs are also used to evaluate the "goodness of fit" between the actual data and the Iowa Curve being referenced. The Sum of Squares Difference ("SSD") is a summation of the difference between the calculated balances and the actual balances for the band or study year being analyzed. This difference is squared and then summed to arrive at the SSD.

$$SSD = \sum_i^n (\text{Calculated Balance}_i - \text{Observed Balance}_i)^2$$

Where  $n$  is the number of years in the test band.

This calculation can then be used to develop other calculations, which the analyst feels might give a better indication for the “goodness of fit” for the representative curve under consideration. The Residual Measure (“RM”) is the square root of the average squared differences as developed above. The RM is calculated as follows:

$$RM = \sqrt{\left( \frac{SSD}{n} \right)}$$

The CI is developed from the RM and the average observed plant balances for the band or study year being analyzed. The calculation of CI is shown below:

$$CI = \frac{\sum_i^n \text{Balances}_i / n}{RM}$$

The Retirement Experience Index (REI) gives an indication of the maturity of the account and is the percent of the property retired from the oldest vintage in the band at the end of the study year. Retirement indices range from zero percent to 100 percent and an REI of 100 percent indicates that a complete curve was used. An REI less than 100 percent indicates that the survivor curve was truncated at that point. The originator of the SPR-B method, Alex Bauhan, suggests ranges of value for the CI and REI. The relationship for CI proposed by Bauhan is shown below<sup>2</sup>:

| <b>CI</b> | <b>Value</b> |
|-----------|--------------|
| Over 75   | Excellent    |
| 50 to 75  | Good         |
| 25 to 50  | Fair         |
| Under 25  | Poor         |

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<sup>2</sup> Public Utility Depreciation Practices, p. 96., National Association of Regulatory Utility Commissioners, 1996

The relationship for REI proposed by Bauhan<sup>3</sup> is shown below:

| REI      | Value     |
|----------|-----------|
| Over 75  | Excellent |
| 50 to 75 | Good      |
| 33 to 50 | Fair      |
| 17 to 33 | Poor      |
| Under 17 | Valueless |

Despite the fact there has not been empirical research to validate Bauhan's conclusions, depreciation analysts have used these measures in analyzing SPR-B results for nearly 60 years, since the SPR-B method was developed. Each of these statistics provides the analyst with a different perspective of the comparison between a band of simulated or calculated balances and the observed or actual balances in the account being studied. Although one statistic is not necessarily superior over the others, the conformance index is the one many analysts use in depreciation studies. The depreciation analyst should carefully weigh the data from REIs to ensure that a mature curve is being used to estimate life.

Statistics are useful in analyzing mortality characteristics of accounts as well as determining a range of service lives to be analyzed using the detailed graphical method. However, these statistics boil all the information down to one, or at most, a few numbers for comparison. Visual matching through comparison between actual and calculated balances expands the analysis by permitting the analyst to view many points of data at a time. The goodness of fit should be visually compared to plots of other Iowa Curve dispersions and average lives for the selection of the appropriate curve and life. Detailed information for each account is shown later in the Study and in the workpapers.

## 7. Net Salvage

When a capital asset is retired, physically removed from service, and finally disposed of, terminal retirement is said to have occurred. The residual

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<sup>3</sup> Public Utility Depreciation Practices, p. 97. National Association of Regulatory Utility Commissioners, 1996

value of a terminal retirement is called gross salvage. Net salvage is the difference between the gross salvage (what the asset was sold for) and the removal cost (cost to remove and dispose of the asset).

Gross salvage and cost of removal related to retirements are recorded to the general ledger in the accumulated provision for depreciation at the time retirements occur within the system.

Removal cost percentages are calculated by dividing the current cost of removal by the original installed cost of the asset. Some plant assets can experience significant negative removal cost percentages due to the timing of the addition versus the retirement. For example, a distribution asset in FERC Account 365 with a current installed cost of \$500 (2015) would have had an installed cost of \$36.64 in 1958<sup>4</sup> (which is the proposed average life of the account). A removal cost of \$50 for the asset calculated (incorrectly) on current installed cost would only have a negative 10 percent removal cost ( $\$50/\$500$ ). However, a correct removal cost calculation would show a negative 136 percent removal cost for that asset ( $\$50/\$36.64$ ). Inflation from the time of installation of the asset until the time of its removal must be taken into account in the calculation of the removal cost percentage because the depreciation rate, which includes the removal cost percentage, will be applied to the original installed cost of assets.

## **8. Judgment**

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of understanding in depreciation theory are needed to apply this informed judgment. Judgment is used in areas such as survivor curve modeling and selection, depreciation method selection, simulated plant record method analysis, and actuarial analysis.

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<sup>4</sup> Using the Handy-Whitman Bulletin No. 178, E-5, line 45,  $\$36.64 = \$500 \times 48 / 655$ .

Judgment is not used in cases where there are specific, significant pieces of information that influence the choice of a life or curve. Those cases would simply be a reflection of applying specific facts to the relevant analysis. Where there are multiple factors, activities, actions, property characteristics, statistical inconsistencies, implications of applying certain curves, property mix in accounts or a multitude of other considerations that impact the analysis (potentially in various directions), judgment is used to take all of these factors and synthesize them into a general direction or understanding of the characteristics of the property. Individually, no one factor in these cases may have a substantial impact on the analysis, but overall, may shed light on the utilization and characteristics of assets. Judgment also may include deduction, inference, wisdom, common sense, or the ability to make sensible decisions. Statistical analysis is a tool in life estimation and all facets of selecting a life estimate require judgment. At the very least, as an example, any analysis requires choosing upon which bands to place more emphasis.

The establishment of appropriate average service lives and retirement dispersions for the Transmission, Distribution and General Plant accounts requires judgment to incorporate the understanding of the operation of the system with the available accounting information analyzed using the Retirement Rate actuarial methods. The appropriateness of lives and curves depends not only on statistical analyses, but also on how well future retirement patterns will match past retirements. Current applications and trends in use of the equipment also need to be factored into life and survivor curve choices in order for appropriate mortality characteristics to be chosen.

## **9. Broad (Average Life) Group Depreciation Procedure**

Gulf's current depreciation rates, as authorized by the Commission in Docket No. 090319-EI for electric Transmission, Distribution and General Plant were developed using the Broad (Average Life) Group ("ALG") depreciation procedure. At the request of Gulf, the Study continues to use the ALG depreciation procedure to group the assets within each account. After an

average service life and dispersion are selected for each account, those parameters are used to estimate what portion of the surviving investment of each vintage is expected to retire. The depreciation of the group continues until all investment in the vintage group is retired. ALG is defined by each group's respective account dispersion, life, and salvage estimates. A straight-line rate for each ALG is calculated by computing a composite remaining life for each group across all vintages within the group, dividing the remaining investment to be recovered by the remaining life to find the annual depreciation expense and then dividing the annual depreciation expense by the surviving investment. The resulting rate for each account using the ALG procedure is designed to recover all retirements less net salvage when the last unit retires. The ALG procedure recovers net estimated book cost over the life of each account by averaging many components.

### **10. Theoretical Depreciation Reserve – Production Accounts**

The book accumulated provision for depreciation within the production functions – Steam and Other is used. The theoretical reserve of a property group (in this case, a generating unit and account) is developed from the estimated remaining life of the group, the total life of the group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current expectations were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The straight-line, remaining life theoretical reserve ratio at any given age (RR) is calculated as:

$$RR = 1 - \frac{(Average\ Remaining\ Life)}{(Average\ Service\ Life)} * (1 - Net\ Salvage\ Ratio)$$

In Appendices A, a theoretical reserve is computed for each unit and account at December 31, 2016 using the proposed retirement date, interim retirement percentage and current age of each unit and account combination.

For generating units in-service, the theoretical reserve for each unit is computed using the unit's original in-service date, plant balance, interim net salvage amount, and accumulated depreciation for each generating unit at the Study date of December 31, 2016, as well as the remaining period to recover costs associated with these assets (usually the retirement date).

### **11. Theoretical Depreciation Reserve – Transmission, Distribution, General Plant, and Transportation Equipment**

The book depreciation reserve is derived from Company records. The Study uses a reserve model that relies on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. The theoretical reserve of a group is developed from the estimated remaining life, total life of the property group, and estimated net salvage. The theoretical reserve represents the portion of the group cost that would have been accrued if current expectations were used throughout the life of the group for future depreciation accruals. The computation involves multiplying the vintage balances within the group by the theoretical reserve ratio for each vintage. The ALG method requires an estimate of dispersion and service life to establish how much of each vintage is expected to be retired in each year until all property within the group is retired. Estimated average service lives and dispersion determine the amount within each average life group. The straight-line, remaining life theoretical reserve ratio at any given age (RR) is calculated as:

$$RR=1-\frac{(Average\ Remaining\ Life)}{(Average\ Service\ Life)} * (1-Net\ Salvage\ Ratio)$$

In the workpapers, a theoretical reserve is computed for each account as of December 31, 2016, using the proposed life and net salvage percentage.

## **V. THE DETAILS OF THE DEPRECIATION RATE STUDY**

### **A. The Four Phases of the Depreciation Study Process**

The Study encompasses four distinct phases. The first phase involves data collection and field interviews. The second phase is where the initial data analysis occurs. The third phase is where the information and analysis is evaluated. Once the first three stages are complete, the fourth phase begins. This fourth phase involves the calculation of depreciation rates and documentation of the corresponding recommendations.

During the Phase I data collection process, historical data is compiled from property records and general ledger systems. Data is validated for accuracy by extracting and comparing to multiple financial system sources. This data is validated against historical data from prior periods, historical general ledger sources, and field personnel discussions. This data is reviewed extensively to put it in the proper format for the Study. Further discussion on data review and adjustment is found in the Salvage Considerations section of the Study. Also as part of the Phase I data collection process, numerous discussions are conducted with engineers and field operations personnel, along with site visits, to obtain information that will assist in formulating life and salvage recommendations in the Study. One of the most important elements of performing a proper depreciation study is to understand how the Company utilizes assets and the environment of those assets. Interviews with engineering and operations personnel are important ways to allow the analyst to obtain information that is beneficial when evaluating the output from the life and net salvage programs in relation to the Company's actual asset utilization and environment. Information regarding these discussions is found in the life analysis and salvage analysis discussions below in this Section VI of the Study and also in the workpapers.

Phase 2 is where the actuarial analysis is performed. Phase 2 and 3 overlap to a significant degree. The detailed property records information is used in Phase 2 to develop observed life tables for life analysis. These tables are

visually compared to industry standard tables to determine historical life characteristics. It is possible that the analyst will cycle back to Phase 2 based on the evaluation process performed in Phase 3. Net salvage analysis consists of compiling historical salvage and removal data by functional group to determine values and trends in gross salvage and removal cost. This information is then carried forward into Phase 3 for the evaluation process.

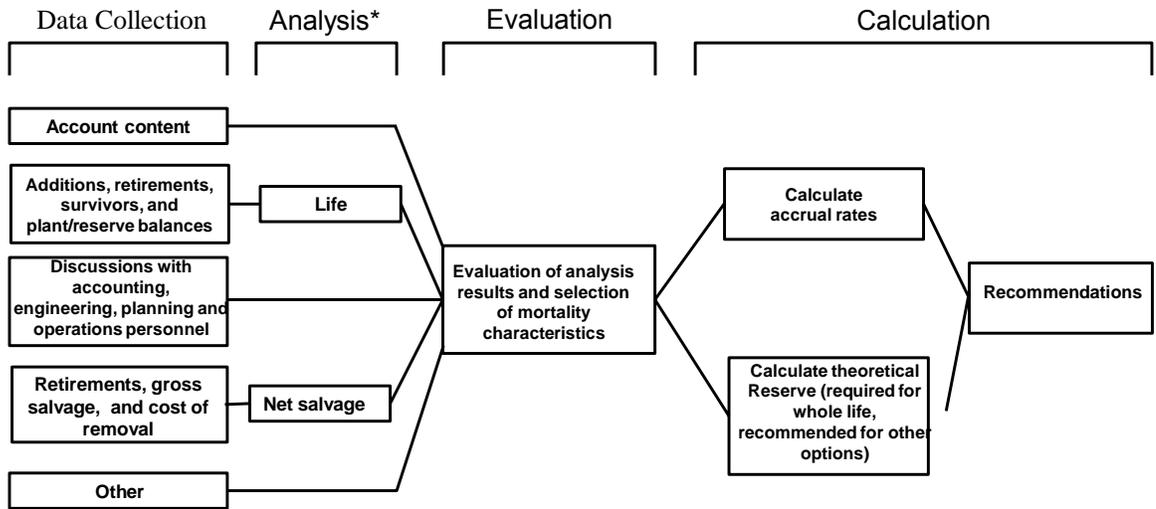
Phase 3 is the evaluation process, which synthesizes analyses, interviews, and operational characteristics into a final selection of asset lives and net salvage parameters. The historical analysis from Phase 2 is further enhanced by the incorporation of recent or future changes in the characteristics or operations of assets that were revealed in Phase 1. Phases 2 and 3 allow the depreciation analyst to validate the asset characteristics as seen in the accounting transactions with actual Company operational experience.

Finally, Phase 4 involves the calculation of accrual rates, making recommendations and documenting the conclusions in the Study. The calculation of accrual rates is found in Appendix A. Recommendations for the various accounts are contained within Section VI of the Study. The depreciation study flow diagram shown as Figure 1<sup>5</sup> below also documents the steps used in conducting the Study. Depreciation Systems<sup>6</sup>, at page 289, documents the same basic processes in performing a depreciation study which are: statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, and document recommendations.

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<sup>5</sup>INTRODUCTION TO DEPRECIATION FOR PUBLIC UTILITIES & OTHER INDUSTRIES, AGA EEI (2013).

<sup>6</sup> W. C. Fitch and F.K.Wolf, DEPRECIATION SYSTEMS, Iowa State Press, at page 289 (1994).



Source: Introduction to Depreciation for Public Utilities and Other Industries, AGA EEI , 2013.

\*Although not specifically noted, the mathematical analysis may need some level of input from other sources (for example, to determine analysis bands for life and adjustments to data used in all analysis).

Figure 1

***GULF POWER DEPRECIATION STUDY PROCESS***

## B. Depreciation Rate Calculation for Production

### 1. The Standard Process

Annual depreciation expense amounts for the Steam Production and Other Production accounts are calculated by the Straight-Line Broad (Average Life) Group, Life Span procedure. As background, in a whole-life representation, the annual accrual rate is computed by the following equation:

$$\text{AnnualAccrualRate} = \frac{(100\% - \text{NetSalvagePercent})}{\text{AverageServiceLife}}$$

In the case of production facilities with a terminal life and terminal net salvage, the account/unit combination will determine the annual depreciation accrual rate as follows:

Annual Accrual Rate = [Plant Balance + Interim Additions over Life of the Unit – Terminal Retirement – Interim Net Salvage – Accumulated Depreciation Reserve] /  $\sum$  Average Plant Balance over the remaining life of the unit.

In the Study, there are no interim additions considered in developing depreciation rates beyond the projected balances as of December 31, 2016. Interim retirements reduce the average plant balance over the remaining life of the unit, while interim net salvage increases the total net salvage of the unit. The estimated terminal retirement dates are shown in Appendix D-1. Depreciation accrual rates and interim retirement percentages use the same methodology as were used in developing the depreciation rates approved by the Commission in Docket No. 090319-EI. Depreciation expense computations by generating unit and account are found in Appendices A-1 for Steam Production and A-2 for Other Production. Proposed terminal lives are found in Appendix D-1, proposed interim retirement ratios and interim net salvage percentages are found in Appendix D-2. The end of life dismantling costs are not included in the study, but will be handled separately.

## C. Depreciation Rate Calculation for Transmission, Distribution General Plant, and Transportation Equipment

### 1. Overview of Calculation

Annual depreciation expense amounts for accounts other than production are calculated by the Average Life, Straight-Line, Remaining Life system.

In a whole-life representation, the annual accrual rate is computed by the following equation:

$$\text{Annual Accrual Rate} = \frac{(100\% - \text{Net Salvage Percent})}{\text{Average Service Life}}$$

Use of the remaining life depreciation system adds a self-correcting mechanism, which accounts for any differences between theoretical and book depreciation reserve over the remaining life of the group. With the straight-line, remaining life system using Iowa Curves, composite remaining lives are calculated according to standard broad group expectancy techniques, noted in the formula below:

$$\text{Composite Remaining Life} = \frac{\sum \text{Original Cost} - \text{Theoretical Reserve}}{\sum \text{Whole Life Annual Accrual}}$$

For each FERC plant account, the difference between the surviving investment, adjusted for estimated net salvage, and the allocated projected book depreciation reserve as of December 31, 2016, is divided by the composite remaining life to yield the annual depreciation expense as noted in this equation.

$$\text{Annual Depr Expense} = \frac{\text{Orig Cost} - \text{Allocated Reserve} - (\text{Orig Cost}) * (1 - \text{Net Salv \%})}{\text{Composite Remaining Life}}$$

In the equation above the Net Salv% represents future net salvage.

Within a group, the sum of the group annual depreciation expense amounts, as a percentage of the depreciable original cost investment summed, gives the annual depreciation rate as shown below:

$$\text{Annual Depreciation Rate} = \frac{\sum \text{Annual Depreciation Expense}}{\sum \text{Original Cost}}$$

These calculations are shown in Appendix A. The calculations of the theoretical depreciation reserve values and the corresponding remaining life calculations are shown in the workpapers. Projected book depreciation reserves as of December 31, 2016 are allocated from a functional level to individual accounts and the theoretical reserve computation is used to compute a composite remaining life for each account.

The calculation of the accrual rates are shown in Appendix A. The book reserve allocations by functional level are shown in Appendix F.

## **2. Remaining Life Calculation**

The establishment of appropriate average service lives and retirement dispersions for each account within a functional group is based on engineering judgment that incorporates available accounting information analyzed using the Retirement Rate actuarial methods. After establishment of appropriate average service lives and retirement dispersion, remaining life is computed for each account. Theoretical depreciation reserve is calculated using theoretical reserve ratios as defined in the theoretical reserve portion of Section III of the Study. The difference between plant balance and theoretical reserve is then spread over the ALG depreciation accruals for each plant account. Remaining life computations are found for each account in the workpapers.

## **VI. DETERMINATION OF LIVES AND NET SALVAGE**

### **A. Production Plant Life**

The detailed Analysis Results (by plant) appear on pages 34 to 47 and represent Gulf Power Company's projected depreciable investment in Steam and Other Production Plant as of December 31, 2016.

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

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

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

Any plant investment currently in service which is not expected to survive to the plant's retirement date is referred to as an interim retirement. As interim retirements will affect the average service life of their property group, it is important to identify and project all anticipated interim retirements as part of the rate development process. Interim retirements for the Study have been estimated and an interim retirement ratio calculated.

The detailed schedules for each production plant are available. These schedules present the calculations used to estimate the Average Service Life ("ASL"), Average Remaining Life ("ARL"), Interim Salvage, and Calculated Reserve utilizing the forecast life span method. Appendix D provides generating

unit retirement dates and the proposed interim retirement ratios and interim net salvage parameters.

## **B. Production Plant Net Salvage**

### **1. Production Property – Dismantlement Costs**

The Southern Company Services 2016 Dismantlement Cost Study provides for a Company-specific set of cost estimates for the end of life dismantling of Gulf Power's generation fleet. These amounts were not included in the Study and will be handled separately according to FPSC rules.

### **2. Steam and Other Production Interim Net Salvage (INS)**

Production interim retirements also record salvage and cost of removal activities. An analysis was performed and has been included in Appendix E. The resulting interim net salvage factor recommendation is incorporated into the depreciation rate calculations. Appendix D provides the comparison of existing and proposed interim retirement net salvage.

The removal rates established in Docket No. 090319-EI were based on the results of the depreciation study filed in that docket. The removal costs are included in the depreciation rate for each unit and account. These rate calculations are based on direct observation of the removal experience of interim retirements at units within the Company's production plants.

For most accounts, the data for interim retirements, gross salvage, and cost of removal for each account is based on historical data from years 1981-2014. Moving averages, which remove timing differences between retirement and salvage and removal cost, were analyzed over periods varying from one to 10 years. These calculations are found in Appendix E. For Production interim net salvage, the analysis was performed by account and a brief summary of the account interim net salvage analysis follows the account interim retirement ratio summaries below.

ANALYSIS RESULTS  
Steam Production Depreciable Property

| Plant Crist                                 |           |                  |                 |                |               |              |
|---|-----------|------------------|-----------------|----------------|---------------|--------------|
| Item  |           |                  |                 | 2009 FPSC      | 2016          | Change       |
| Total Investment                            |           |                  |                 | 1,109,816,352  | 1,551,930,888 | 442,114,536  |
| Retirement Dates:                           |           |                  |                 |                |               |              |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |                |               |              |
| 4   | 75.0      | Coal/Gas         | 1959            | 2024           | 2024          |              |
| 5   | 75.0      | Coal/Gas         | 1961            | 2026           | 2026          |              |
| 6   | 320.0     | Coal/Gas         | 1970            | 2035           | 2035          |              |
| 7   | 500.0     | Coal             | 1973            | 2038           | 2038          |              |
| Life Span (Years):                          |           |                  |                 |                |               |              |
|   | Unit 4    |                  |                 | 65             | 65            |              |
|   | Unit 5    |                  |                 | 65             | 65            |              |
|   | Unit 6    |                  |                 | 65             | 65            |              |
|   | Unit 7    |                  |                 | 65             | 65            |              |
|   | Common    |                  |                 | 93             | 93            |              |
| Study Method/Dispersion                     |           |                  |                 | Forecast       | Forecast      |              |
| Average Service Life                        |           |                  |                 | 30.1           | 29.5          |              |
| Theoretical Reserve                         |           |                  |                 | 264,696,667    | 575,849,350   | 311,152,683  |
| Book/Allocated Reserve (excl dismantlement) |           |                  |                 | 219,121,519    | 439,733,184   | 220,611,665  |
| Reserve Variance                            |           |                  |                 | (45,497,214)   | (136,116,166) | (90,541,018) |
| Book Reserve Ratio                          |           |                  |                 | 19.74%         | 28.33%        |              |
| Gross Salvage                               |           |                  |                 | 0.0%           | 0.0%          |              |
| Removal Cost excl Dismantlement             |           |                  |                 | 4.0%           | 3.3%          |              |
| Net Salvage                                 |           |                  |                 | -4.0%          | -3.3%         |              |
|   |           |                  |                 | <u>Current</u> | <u>2016</u>   |              |
| Annual Dismantlement Expense                |           |                  |                 | 6,458,948      | N/A           | N/A          |
| Avg Whole Life Rate                         |           |                  |                 | 3.2%           | 3.5%          |              |
| AWL 2016 Expense excl Dismantlement         |           |                  |                 | 49,661,788     | 54,317,581    | 4,655,793    |
| Average Remaining Life                      |           |                  |                 | 24.0           | 18.5          |              |
| ARL Rate                                    |           |                  |                 | 3.5%           | 4.0%          |              |
| ARL 2016 Expense excl Dismantlement         |           |                  |                 | 54,317,581     | 62,077,236    | 7,759,655    |

| Plant Daniel                                |           |                  |                 | 2009 FPSC      | 2016         | Change       |
|---|-----------|------------------|-----------------|----------------|--------------|--------------|
| Item  |           |                  |                 |                |              |              |
| Total Investment                            |           |                  |                 | 240,203,220    | 645,441,969  | 405,238,749  |
| Retirement Dates:                           |           |                  |                 |                |              |              |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |                |              |              |
| 1   | 500       | Coal/Oil         | 1977            | 2042           | 2042         |              |
| 2   | 500       | Coal/Oil         | 1981            | 2046           | 2046         |              |
| Life Span (Years):                          |           |                  |                 |                |              |              |
| Unit 1                                      |           |                  |                 | 65             | 65           |              |
| Unit 2                                      |           |                  |                 | 65             | 65           |              |
| Common 1-2                                  |           |                  |                 | 69             | 69           |              |
| Common 1-4                                  |           |                  |                 | 65             | 65           |              |
| Study Method/Dispersion                     |           |                  |                 | Forecast       | Forecast     |              |
| Average Service Life                        |           |                  |                 | 41.0           | 36.5         |              |
| Theoretical Reserve                         |           |                  |                 | 127,666,056    | 194,874,693  | 67,208,637   |
| Book/Allocated Reserve (excl dismantlement) |           |                  |                 | 117,975,435    | 166,455,162  | 48,479,727   |
| Reserve Variance                            |           |                  |                 | (9,690,621)    | (28,419,531) | (18,728,910) |
| Book Reserve Ratio                          |           |                  |                 | 49.11%         | 25.79%       |              |
| Gross Salvage                               |           |                  |                 | 0.0%           | 0.0%         |              |
| Removal Cost excl Dismantlement             |           |                  |                 | 10.0%          | 4.7%         |              |
| Net Salvage                                 |           |                  |                 | -10.0%         | -4.7%        |              |
|   |           |                  |                 | <u>Current</u> | <u>2016</u>  |              |
| Annual Dismantlement                        |           |                  |                 | 684,446        | N/A          | N/A          |
| Avg Whole Life Rate                         |           |                  |                 | 2.2%           | 2.9%         |              |
| AWL 2016 Expense excl Dismantlement         |           |                  |                 | 14,199,723     | 18,717,817   | 4,518,094    |
| Average Remaining Life                      |           |                  |                 | 22.0           | 25.9         |              |
| ARL Rate                                    |           |                  |                 | 2.8%           | 3.0%         |              |
| ARL 2016 Expense excl Dismantlement         |           |                  |                 | 18,072,375     | 19,363,259   | 1,290,884    |

| Plant Daniel Easements                      |                |             |          |
|---|----------------|-------------|----------|
| Item  | 2009 FPSC      | 2016        | Change   |
| Total Investment                            | 77,160         | 77,160      | 0        |
| Retirement Dates                            | 2046           | 2046        |          |
| Study Method/Dispersion                     | Forecast       | Forecast    |          |
| Average Service Life                        | 69.0           | 69.5        |          |
| Theoretical Reserve                         | 36,343         | 43,854      | 7,511    |
| Book/Allocated Reserve (excl dismantlement) | 37,192         | 44,753      | 7,561    |
| Reserve Variance                            | 17,802         | 899         | (16,903) |
| Book Reserve Ratio                          | 48.20%         | 58.00%      |          |
| Gross Salvage                               | 0.0%           | 0.0%        |          |
| Removal Cost excl Dismantlement             | 0.0%           | 0.0%        |          |
| Net Salvage                                 | 0.0%           | 0.0%        |          |
|   | <u>Current</u> | <u>2016</u> |          |
| Avg Whole Life Rate                         | 1.4%           | 1.4%        |          |
| AWL 2016 Expense excl Dismantlement         | 1,080          | 1,080       | 0        |
| Average Remaining Life                      | 37.0           | 30.0        |          |
| ARL Rate                                    | 1.4%           | 1.4%        |          |
| ARL 2016 Expense excl Dismantlement         | 1,080          | 1,080       | 0        |

| Plant Daniel Rail Tracks                    |                |             |          |
|---|----------------|-------------|----------|
| Item  | 2009 FPSC      | 2016        | Change   |
| Total Investment                            | 2,741,618      | 2,828,013   | 86,395   |
| Retirement Dates                            | 2046           | 2046        |          |
| Study Method/Dispersion                     | Forecast       | Forecast    |          |
| Average Service Life                        | 67.4           | 66.0        |          |
| Theoretical Reserve                         | 1,256,914      | 1,590,770   | 333,856  |
| Book/Allocated Reserve (excl dismantlement) | 1,220,019      | 1,508,465   | 288,446  |
| Reserve Variance                            | (36,895)       | (82,304)    | (45,409) |
| Book Reserve Ratio                          | 44.50%         | 53.34%      |          |
| Gross Salvage                               | 0.0%           | 0.0%        |          |
| Removal Cost excl Dismantlement             | 0.0%           | 0.6%        |          |
| Net Salvage                                 | 0.0%           | -0.6%       |          |
|   | <u>Current</u> | <u>2016</u> |          |
| Avg Whole Life Rate                         | 1.5%           | 1.5%        |          |
| AWL 2016 Expense excl Dismantlement         | 42,420         | 42,420      | 0        |
| Average Remaining Life                      | 36.5           | 29.1        |          |
| ARL Rate                                    | 1.5%           | 1.6%        |          |
| ARL 2016 Expense excl Dismantlement         | 42,420         | 45,248      | 2,828    |

| Plant Scherer                               |           |                  |                 |              |
|---|-----------|------------------|-----------------|--------------|
| Item  |           | 2009 FPSC        | 2016            | Change       |
| Total Investment                            |           | 233,800,884      | 381,199,620     | 147,398,736  |
| Retirement Dates:                           |           |                  |                 |              |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |              |
| 3   | 818       | Coal             | 1987            |              |
|   |           | 2052             | 2052            |              |
| Life Span (Years):                          |           |                  |                 |              |
| Unit 3                                      |           | 65               | 65              |              |
| Study Method/Dispersion                     |           | Forecast         | Forecast        |              |
| Average Service Life                        |           | 46.8             | 47.7            |              |
| Theoretical Reserve                         |           | 83,183,301       | 135,127,307     | 51,944,006   |
| Book/Allocated Reserve (excl dismantlement) |           | 92,987,673       | 134,232,210     | 41,244,537   |
| Reserve Variance                            |           | 9,804,372        | (895,096)       | (10,699,468) |
| Book Reserve Ratio                          |           | 39.77%           | 35.21%          |              |
| Gross Salvage                               |           | 0.0%             | 0.0%            |              |
| Removal Cost excl Dismantlement             |           | 6.0%             | 6.0%            |              |
| Net Salvage                                 |           | -6.0%            | -6.0%           |              |
|   |           | <u>Current</u>   | <u>2016</u>     |              |
| Annual Dismantlement                        |           | 98,878           | N/A             | N/A          |
| Avg Whole Life Rate                         |           | 2.0%             | 2.2%            |              |
| AWL 2016 Expense excl Dismantlement         |           | 7,623,992        | 8,386,392       | 762,400      |
| Average Remaining Life                      |           | 33.0             | 31.7            |              |
| ARL Rate                                    |           | 2.0%             | 2.2%            |              |
| ARL 2016 Expense excl Dismantlement         |           | 7,623,992        | 8,386,392       | 762,400      |

| Plant Scholz                                |           |                  |                 |              |
|---|-----------|------------------|-----------------|--------------|
| Item  |           | 2009 FPSC        | 2016            | Change       |
| Total Investment                            |           | 31,074,395       | 8,895,204       | (22,179,191) |
| Retirement Dates:                           |           |                  |                 |              |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |              |
| 1   | 40        | Coal             | 1953            | 2015         |
| 2   | 40        | Coal             | 1953            | 2015         |
| Life Span (Years):                          |           |                  |                 |              |
|   | Unit 1    |                  | 62              | 67           |
|   | Unit 2    |                  | 62              | 67           |
| Study Method/Dispersion                     |           | Forecast         | Forecast        |              |
| Average Service Life                        |           | 19.2             | 32.4            |              |
| Theoretical Reserve                         |           | 29,782,029       | 7,383,989       | (21,933,284) |
| Book/Allocated Reserve (excl dismantlement) |           | 26,273,400       | 10,675,914      | (15,597,486) |
| Reserve Variance                            |           | (3,508,629)      | 2,827,168       | 6,335,797    |
| Book Reserve Ratio                          |           | 84.55%           | 120.02%         |              |
| Gross Salvage                               |           | 0.0%             | 0.0%            |              |
| Removal Cost excl Dismantlement             |           | 3.0%             | 0.2%            |              |
| Net Salvage                                 |           | -3.0%            | -0.2%           |              |
|   |           | <u>Current</u>   | <u>2016</u>     |              |
| Annual Dismantlement                        |           | 799,767          | N/A             | N/A          |
| Avg Whole Life Rate                         |           | 5.1%             | 0.0%            |              |
| AWL 2016 Expense excl Dismantlement         |           | 453,655          | 275,751         | (177,904)    |
| Average Remaining Life                      |           | 4.5              | 3.9             |              |
| ARL Rate                                    |           | 4.1%             | 0.0%            |              |
| ARL 2016 Expense excl Dismantlement         |           | 364,703          | 0               | (364,703)    |

### **Steam Production FERC Accounts 310-316 Interim Retirement Ratios**

Historical data for all steam production units was combined by account to analyze historic activity and develop proposed interim retirement ratios for each account. This combined experience across various generating units was used as a representation of Gulf's retirement history for steam production to model future retirement activity. Proposed interim retirement ratios reflect the recognition that some assets at each plant will retire prior to the end of the life of the unit and were analyzed at an account level for all generating assets within each account. The interim retirement analyses were based on the average interim retirements over the last 10 years (2005-2014) and are shown in Appendix E-1.

### **FERC Account 310.0 Easements**

#### **Life (No IRR)**

This account consists of easements around the power plant. Due to the long term nature of easements, no interim analysis was performed.

#### **Net Salvage (INS 0%)**

This account consists of easements around the power plant. Due to the long term nature of easements and little, if any, salvage or cost of removal associated with these assets, a 0 percent net salvage is utilized.

### **FERC Account 311.0 Structures and Improvements**

#### **Life (IRR 0.21%)**

This account consists of buildings, structures, fences, lighting systems, and other related assets at each power plant. Retirement dates for each unit are found in Appendix D. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 0.2197 percent. The Study recommends an IRR of 0.21 percent for interim retirements.

### **Net Salvage (INS -10%)**

This account consists of any gross salvage or removal cost associated with buildings, structures, fences, lighting systems, and other related assets at each power plant. The approved interim net salvage is negative 20 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are positive 34.96 and negative 33.04 percent, respectively. The positive net salvage is not likely to reoccur, especially at that level. The most recent 2-year average is negative 9.78 percent. Based on the various indications in the analysis, the Study conservatively recommends negative 10 percent for interim net salvage for this account.

### **FERC Account 312.0 Boiler Plant Equipment**

#### **Life (IRR 0.75%)**

This account consists of boiler plant equipment, bag houses, preheaters and other related equipment. Retirement dates for each unit are found in Appendix D. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 0.7512 percent. The Study recommends an IRR of 0.75 percent for interim retirements.

### **Net Salvage (INS -30%)**

This account consists of any gross salvage or removal cost associated with boiler plant equipment, bag houses, preheaters and other related equipment. The approved interim net salvage is negative 20 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 42.27 and negative 36.42 percent, respectively. Based on the various indications in the analysis, the Study conservatively recommends negative 30 percent for interim net salvage for this account.

### **FERC Account 314.0 Turbogenerator Equipment**

#### **Life (IRR 1.08%)**

This account consists of turbogenerator equipment, stationary blades, turbine control systems, and other related assets at each power plant. Retirement dates for each unit are found in Appendix D. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 1.0791 percent. The Study recommends an IRR of 1.08 percent for interim retirements.

#### **Net Salvage (INS -30%)**

This account consists of any gross salvage or removal cost associated with turbogenerator equipment, stationary blades, turbine control systems, and other related assets at each power plant. The approved interim net salvage is negative 20 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 45.84 and negative 37.67 percent, respectively. Based on the various indications in the analysis, the Study conservatively recommends negative 30 percent for interim net salvage for this account.

### **FERC Account 315.0 Accessory Electric Equipment**

#### **Life (IRR 0.53%)**

This account consists of power transformer, regulators and related assets at each power plant. Retirement dates for each unit are found in Appendix D. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 0.5260 percent. The Study recommends an IRR of 0.53 percent for interim retirements.

#### **Net Salvage (INS -10%)**

This account consists of any gross salvage or removal cost associated with power transformer, regulators and related assets at each power plant. The approved interim net salvage is negative 20 percent. In examining the Company's

net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 31.95 and negative 8.14 percent, respectively. Based on the various indications in the analysis, the Study conservatively recommends negative 10 percent for interim net salvage, which reflects a change from the existing and toward the 10-year indications for this account.

### **FERC Accounts 316.0 Miscellaneous Power Plant Equipment**

#### **Life (IRR 0.56%)**

This account consists of tanks, pumps, work equipment, and other related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 0.5633 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 0.56% for interim retirements.

#### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with tanks, pumps, work equipment, and other related assets at each power plant. The approved interim net salvage is negative 20 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 7.12 and negative 5.51 percent, respectively. Based on the wider 10-year indications in the analysis, the Study conservatively recommends negative 5 percent for interim net salvage for this account.

ANALYSIS RESULTS  
Other Production Depreciable Property

| Plant Pace ("Pea Ridge")                    |           |                  |                 |             |
|---|-----------|------------------|-----------------|-------------|
| Item  |           | 2009 FPSC        | 2016            | Change      |
| Total Investment                            |           | 10,879,112       | 11,496,153      | 617,041     |
| Retirement Dates:                           |           |                  |                 |             |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |             |
| 1   | 15        | Gas              | 1998            |             |
|   |           | 2018             | 2018            |             |
| Life Span (Years):                          |           |                  |                 |             |
| Unit 1                                      |           | 20               | 20              |             |
| Study Method/Dispersion                     |           | Forecast         | Forecast        |             |
| Average Service Life                        |           | 20.0             | 17.2            |             |
| Theoretical Reserve                         |           | 6,027,104        | 10,161,075      | 4,133,971   |
| Book/Allocated Reserve (excl dismantlement) |           | 6,027,105        | 8,855,731       | 2,828,626   |
| Reserve Variance                            |           | 1                | (1,305,343)     | (1,305,344) |
| Book Reserve Ratio                          |           | 55.40%           | 77.03%          |             |
| Gross Salvage                               |           | 0.0%             | 0.0%            |             |
| Removal Cost excl Dismantlement             |           | 0.0%             | 0.0%            |             |
| Net Salvage                                 |           | 0.0%             | 0.0%            |             |
|   |           | <u>Current</u>   | <u>2016</u>     |             |
| Annual Dismantlement                        |           | 17,334           | N/A             | N/A         |
| Avg Whole Life Rate                         |           | 5.0%             | 5.8%            |             |
| AWL 2016 Expense excl Dismantlement         |           | 574,808          | 666,777         | 91,969      |
| Average Remaining Life                      |           | 8.5              | 2.0             |             |
| ARL Rate                                    |           | 5.3%             | 11.5%           |             |
| ARL 2016 Expense excl Dismantlement         |           | 609,296          | 1,320,956       | 711,660     |

| Perdido Landfill                            |           |                  |                      |             |           |
|---|-----------|------------------|----------------------|-------------|-----------|
| Item  |           |                  | 2010 Amended<br>FPSC | 2016        | Change    |
| Total Investment                            |           |                  | 5,100,000            | 8,239,086   | 3,139,086 |
| Retirement Dates:                           |           |                  |                      |             |           |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u>      |             |           |
| 1   |           | Gas              | 2010                 | 2030        | 2030      |
| Life Span (Years):                          |           |                  |                      |             |           |
| Unit 3                                      |           |                  | 20                   | 20          |           |
| Study Method/Dispersion                     |           |                  | Forecast             | Forecast    |           |
| Average Service Life                        |           |                  | 20.0                 | 15.4        |           |
| Theoretical Reserve                         |           |                  | 0                    | 2,259,471   | 2,259,471 |
| Book/Allocated Reserve (excl dismantlement) |           |                  | 0                    | 1,629,185   | 1,629,185 |
| Reserve Variance                            |           |                  | 0                    | (630,287)   | (630,287) |
| Book Reserve Ratio                          |           |                  | 0.00%                | 19.77%      |           |
| Gross Salvage                               |           |                  | 0.0%                 | 0.0%        |           |
| Removal Cost excl Dismantlement             |           |                  | 0.0%                 | 1.1%        |           |
| Net Removal Cost                            |           |                  | 0.0%                 | -1.1%       |           |
|   |           |                  | <u>Current</u>       | <u>2016</u> |           |
| Annual Dismantlement                        |           |                  | 0                    | N/A         | N/A       |
| Avg Whole Life Rate                         |           |                  | 5.0%                 | 6.6%        |           |
| AWL 2016 Expense excl Dismantlement         |           |                  | 411,954              | 543,780     | 131,826   |
| Average Remaining Life                      |           |                  |                      | 11.2        |           |
| ARL Rate                                    |           |                  | 5.0%                 | 7.3%        |           |
| ARL 2016 Expense excl Dismantlement         |           |                  | 411,954              | 600,986     | 189,032   |

| Plant Smith Combustion Turbine              |           |                  |                 |             |
|---|-----------|------------------|-----------------|-------------|
| Item  |           | 2009 FPSC        | 2016            | Change      |
| Total Investment                            |           | 4,963,480        | 12,136,671      | 7,173,191   |
| Retirement Dates:                           |           |                  |                 |             |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |             |
| A   | 40        | Nat. Gas         | 1971            |             |
|   |           | 2017             | 2027            |             |
| Life Span (Years):                          |           |                  |                 |             |
| Unit 1                                      |           | 46               | 56              |             |
| Study Method/Dispersion                     |           | Forecast         | Forecast        |             |
| Average Service Life                        |           | 41.0             | 21.6            |             |
| Theoretical Reserve                         |           | 3,607,076        | 6,538,949       | 2,931,873   |
| Book/Allocated Reserve (excl dismantlement) |           | 3,623,340        | 4,489,946       | 866,606     |
| Reserve Variance                            |           | 16,264           | (2,049,003)     | (2,065,267) |
| Book Reserve Ratio                          |           | 73.00%           | 36.99%          |             |
| Gross Salvage                               |           | 0.0%             | 0.0%            |             |
| Removal Cost excl Dismantlement             |           | 0.0%             | 0.6%            |             |
| Net Salvage                                 |           | 0.0%             | -0.6%           |             |
|   |           | <u>Current</u>   | <u>2016</u>     |             |
| Annual Dismantlement                        |           | 3,258            | N/A             | N/A         |
| Avg Whole Life Rate                         |           | 2.4%             | 4.7%            |             |
| AWL 2016 Expense excl Dismantlement         |           | 291,280          | 570,424         | 279,144     |
| Average Remaining Life                      |           | 7.5              | 10.0            |             |
| ARL Rate                                    |           | 3.6%             | 6.3%            |             |
| ARL 2016 Expense excl Dismantlement         |           | 436,920          | 770,182         | 333,262     |

| Plant Smith Combined Cycle                  |           |                  |                 |              |
|---|-----------|------------------|-----------------|--------------|
| Item  |           | 2009 FPSC        | 2016            | Change       |
| Total Investment                            |           | 187,471,268      | 292,429,663     | 104,958,395  |
| Retirement Dates:                           |           |                  |                 |              |
| <u>Unit</u>                                 | <u>MW</u> | <u>Fuel Type</u> | <u>In-Serv.</u> |              |
| 3   |           | Gas              | 2002            |              |
|   |           | 2042             | 2042            |              |
| Life Span (Years):                          |           |                  |                 |              |
| Unit 3                                      |           | 40               | 40              |              |
| Study Method/Dispersion                     |           | Forecast         | Forecast        |              |
| Average Service Life                        |           | 37.1             | 28.9            |              |
| Theoretical Reserve                         |           | 29,255,448       | 6,538,949       | (22,716,499) |
| Book/Allocated Reserve (excl dismantlement) |           | 21,384,117       | (27,297,948)    | (48,682,065) |
| Reserve Variance                            |           | (7,871,331)      | (33,836,897)    | (25,965,566) |
| Book Reserve Ratio                          |           | 11.41%           | -9.33%          |              |
| Gross Salvage                               |           | 0.0%             | 0.0%            |              |
| Removal Cost excl Dismantlement             |           | 0.1%             | 1.7%            |              |
| Net Removal Cost                            |           | -0.1%            | -1.7%           |              |
|   |           | <u>Current</u>   | <u>2016</u>     |              |
| Annual Dismantlement                        |           | 280,020          | N/A             | N/A          |
| Avg Whole Life Rate                         |           | 2.7%             | 3.5%            |              |
| AWL 2016 Expense excl Dismantlement         |           | 7,895,601        | 10,235,038      | 2,339,437    |
| Average Remaining Life                      |           | 32.0             | 19.3            |              |
| ARL Rate                                    |           | 2.8%             | 5.7%            | 5.7%         |
| ARL 2016 Expense excl Dismantlement         |           | 8,188,031        | 16,804,578      | 8,616,547    |

### **Other Production FERC Accounts 340-346 Interim Retirement Ratios**

Historical data for all other production units was combined by account to analyze historic activity and develop proposed interim retirement ratios for each account. This combined experience across various generating units was used as a representation of Gulf's retirement history for other production to model future retirement activity. Proposed interim retirement ratios reflect the recognition that some assets at each plant will retire prior to the end of the life of the unit and were analyzed at an account level for all generating assets within each account. The interim retirement analysis was based on the average interim retirements over the last 10 years (2005-2014) and is shown in Appendix E-1.

### **FERC Account 340.0 Easements**

#### **Life (No IRR)**

This account consists of easements around other production. Retirement dates for each unit are found in Appendix D. Due to the long term nature of easements, no interim analysis was performed.

#### **Net Salvage (INS 0%)**

This account consists of easements around other production. Due to the long term nature of easements and little, if any, salvage or cost of removal associated with these assets, a 0 percent net salvage is proposed.

### **FERC Account 341.0 Structures and Improvements**

#### **Life (IRR 2.20%)**

This account consists of buildings, structures, fences, lighting systems, and other related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 2.1814 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 2.20 percent for interim retirements.

### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with buildings, structures, fences, lighting systems, and other related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 6.51 and negative 17.09 percent, respectively. The more recent 2, 3, and 4-year moving averages are negative 0.09, 0.05, and 8.83 percent net salvage. Based on the range of indications, the Study conservatively recommends retention of the existing negative 5 percent interim net salvage.

### **FERC Account 342.0 Fuel Holders and Accessory Equipment**

#### **Life (IRR 1.30%)**

This account consists of pumps, storage tanks, natural gas/fuel oil piping and other related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 1.2685 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 1.30 percent for interim retirements.

#### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with pumps, storage tanks, natural gas/fuel oil piping and other related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 14.68 and negative 98.12 percent, respectively. The more recent 2, 3, and 4-year moving averages are negative 5.93, 5.48, and 4.59 percent net salvage. Based on the more recent indications, the Study recommends retention of the existing negative 5 percent interim net salvage.

## **FERC Account 343.0 Prime Movers**

### **Life (IRR 3.00%)**

This account consists of foundations, chimneys, demineralizers, fire protection systems and other related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 3.0037 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 3.00 percent for interim retirements.

### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with foundations, chimneys, demineralizers, fire protection systems and other related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 13.04 and negative 9.91 percent, respectively. The more recent 2, 3, and 4-year moving averages are negative 8.92, 8.60, and 8.26 percent net salvage. Giving some consideration to 2014 results of negative 5.86 percent along with the 2, 3, and 4-year moving averages, the Study conservatively recommends retention of the existing negative 5 percent interim net salvage.

## **FERC Account 344.0 Generators**

### **Life (IRR 0.25%)**

This account consists of generators and other related assets at each power plant. Retirement dates for each unit are found in Appendix D. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 0.08520 percent. There has been a small amount of retirements over the past 10 years, which make it statistically small given the investment in the account. However, a higher amount is expected to occur in the future so the Study recommends an IRR of 0.25 percent for interim retirements.

### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with generators and other related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 5.86 and negative 2.90 percent, respectively. The more recent 2, 3, and 4-year moving averages are negative 12.33, 11.93, and 5.05 percent net salvage. Based on the more recent indications, the Study conservatively recommends retention of the existing negative 5 percent interim net salvage.

### **FERC Account 345.0 Accessory Electric Equipment**

#### **Life (IRR 1.50%)**

This account consists of power transformers, regulators and related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 1.5061 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 1.50 percent for interim retirements.

### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with power transformers, regulators and related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 17.15 and negative 21.00 percent, respectively. The more recent 2, 3, and 4-year moving averages are negative 16.95, 25.53, and 23.28 percent net salvage. Despite the recent and overall indications in the analysis, the Study conservatively recommends retention of the existing negative 5 percent interim net salvage at this time.

## **FERC Account 346.0 Miscellaneous Power Plant Equipment**

### **Life (IRR 1.80%)**

This account consists of work equipment, test equipment, pumps, fire protection systems, and other related assets at each power plant. The interim retirement analysis from 2005-2014, as shown in Appendix E-1, indicated an interim retirement ratio of 1.8210 percent. Retirement dates for each unit are found in Appendix D. The Study recommends an IRR of 1.80 percent for interim retirements.

### **Net Salvage (INS -5%)**

This account consists of any gross salvage or removal cost associated with work equipment, test equipment, pumps, fire protection systems, and other related assets at each power plant. The approved interim net salvage is negative 5 percent. In examining the Company's net salvage history for this function, the most recent five-year and 10-year net salvage percentages are negative 5.98 and negative 10.55 percent, respectively. Based on the five-year indications, the Study recommends negative 5 percent interim net salvage.

## **C. Transmission Plant**

The Analysis Results in front of each account discussion below represent Gulf Power's projected depreciable investment in Transmission Plant as of December 31, 2016 and provide an overall summary of the account rate details.

The net changes by year to Transmission Plant investment and depreciation reserves are presented in Appendix G, which summarizes annual changes since the prior study.

In the Analysis Results for Transmission Plant the "average life property" concept is used. The average life property concept is property that is expected to have a continuous life. In other words, additions and retirements will continually occur creating an average service life as opposed to the location life referred to in the Production Plant Summary. The average service

life used for average life properties is based in part upon the analysis of historical accounting data using the Actuarial Method.

The Actuarial Method, employed for all Transmission Plant, is used for property that has aged data available. It measures the life of past retirements relative to the original investments. The results of this analysis are fitted to the Iowa- Survivor curves.

The average remaining life ("ARL") is a function of several variables. For example, a change in average service life, a change in the selection of Iowa Survivor curve, or a change in the investment balance, all affect the ARL. A selected Iowa Curve for each account is shown below. The observed life tables for all analyzed placement and experience bands are provided in the workpapers.

The cost of demolition and removal of transmission assets has increased over time. The following help explain some of the pressures that are increasing the cost to remove transmission assets from service. Many general factors have occurred, creating changes that increase removal cost including:

- Time Value of Money. The assets being retired are 40 or more years old in many cases. The original cost of those assets installed that long ago were much lower than the same assets being installed today.
- Environmental Regulations and Restrictions. The cost to remove assets from service and/or the cost of demolition has increased due to increased regulation and restrictions related to environmental impact, mitigation and restoration measures. Equipment, labor and other expenses will increase with hard-to-access locations. Many construction or demolition permits require increased focus on restoration of vegetation to a natural state that spans several growing seasons to restore. All these requirements increase the cost of construction/demolition of transmission assets.
- Change in NERC and FERC requirements. Increased regulation and requirements on operating and planning standards increase the frequency of removal. NERC may issue a ruling that requires assets be removed before they are at the end of their lives.

- Labor Costs. Such costs have increased for the following reasons: (1) more NERC and FERC operating requirements and standards; (2) increased regulation related to operating standards that can require construction to occur in the evening or on weekends, resulting in the need to pay for overtime of crews; (3) higher labor costs since the time that the assets were installed, given that wages have increased for journeyman and apprentices over the years; and (4) an increased demand for resources due to a shortage of licensed workers, causing upwards price pressure on labor costs. The increased demand for resources is the result of a limited number of qualified persons available to perform the work in the face of increased construction and investment in transmission facilities across the country in the last decade. The increases in capital expenditures are such that utilities now have to augment their internal workforces with external contract construction providers, who often come at a higher cost.
- Safety Requirements. The industry has become intolerant of unsafe working practices. The equipment and provisions required today have increased substantially from decades ago. This has increased the cost of doing business.
- Salvage Value. Many of the assets that are removed do not carry a high salvage value. Some of the assets may be sold as scrap but it would not amount to the cost of installation or offset the removal costs. Assets that can be reused are placed into inventory instead of being sold. In several cases, the assets being removed are made of wood, which has no salvage value.
- Asset Renewal. Utilities across the nation are now dealing with an antiquated, aging transmission infrastructure. It is now a necessity for utilities to have proactive asset renewal programs to proactively replace transmission assets before they fail. The frequency of projects requiring removal of existing assets has increased substantially over the last decade, and will continue to increase into the future.

## Transmission Plant FERC Accounts 350.2–359.0

### FERC Account 350.2 Land Rights

| Account 350.2               |               |              |             |  |
|-----------------------------|---------------|--------------|-------------|--|
| Easements and Rights of Way |               |              |             |  |
| Item                        | FPSC Approved | 2016         | Change      |  |
| Investment                  | \$12,707,117  | \$12,654,559 | (\$52,558)  |  |
| Iowa Curve                  | SQ            | R5           |             |  |
| Average Service Life        | 60            | 65           | 5           |  |
| Theoretical Reserve         | \$6,589,648   | \$7,270,108  | \$680,460   |  |
| Book Reserve                | \$5,925,900   | \$7,310,897  | \$1,384,997 |  |
| Reserve Variance            | (\$663,748)   | \$40,789     | \$704,537   |  |
| Reserve Ratio               | 46.63%        | 57.77%       |             |  |
| Gross Salvage               | 0%            | 0%           | 0%          |  |
| Removal Cost                | 0%            | 0%           | 0%          |  |
| Net Salvage                 | 0%            | 0%           | 0%          |  |
| Avg. Whole Life Rate        | 1.7%          | 1.5%         | -0.2%       |  |
| AWL Expense (2016)          | \$215,128     | \$194,880    | (\$20,248)  |  |
| Average Remaining Life      | 34.0          | 27.7         | (6.3)       |  |
| ARL Rate                    | 1.6%          | 1.5%         | -0.1%       |  |
| ARL Expense (2016)          | \$202,473     | \$193,615    | (\$8,858)   |  |

### **Life 65 R5**

This account includes the cost of rights of way in connection with transmission plant. The estimated plant balance at December 31, 2016, is approximately \$12.7 million. Currently, the life for this account is 60 years with an SQ dispersion. There is limited information on which to perform actuarial analysis. Based on judgment and the type of assets in this account, the Study recommends moving to a 65-year life and an R5 dispersion. Due to limited retirement activity, no curve fits are provided.

### Net Salvage (NS 0%)

This account includes any salvage and removal cost of rights of way in connection with transmission plant. The current authorized net salvage for this account is zero percent and is retained.

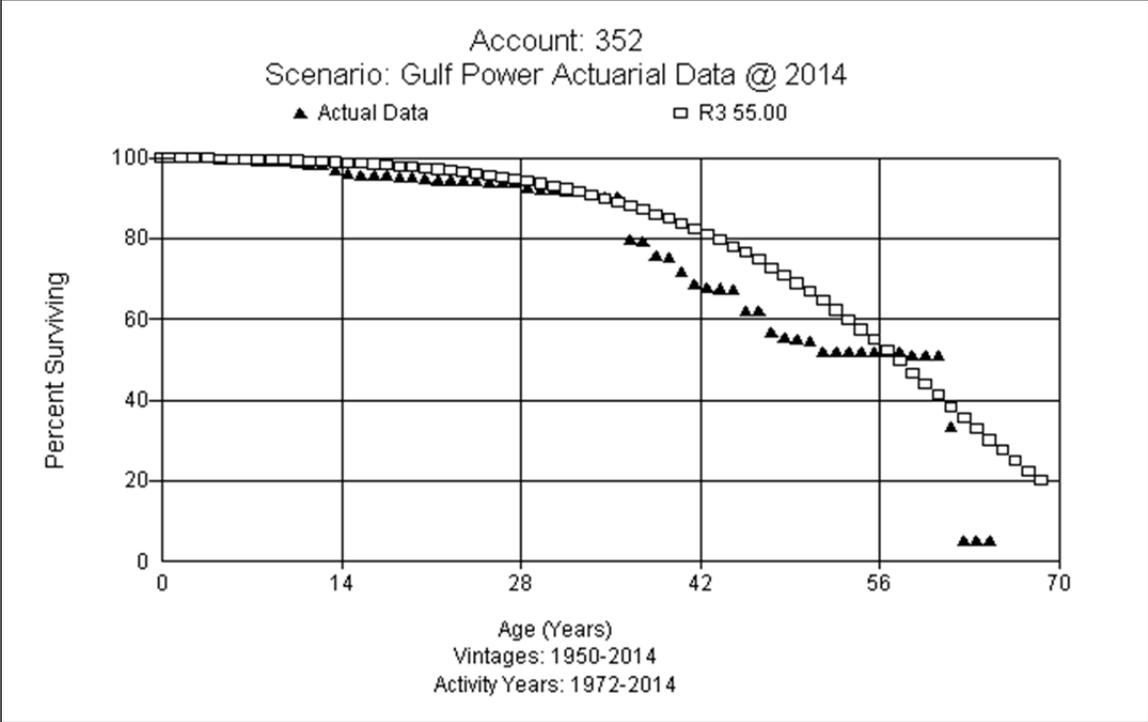
### FERC Account 352.0 Structures and Improvements

| Account 352<br>Structures and Improvements |               |              |              |
|--|---------------|--------------|--------------|
| Item                                       | FPSC Approved | 2016         | Change       |
| Investment                                 | \$8,426,311   | \$24,391,124 | \$15,964,813 |
| Iowa Curve                                 | R4            | R3           |              |
| Average Service Life                       | 50            | 55           | 5            |
| Theoretical Reserve                        | \$2,533,378   | \$3,879,607  | \$1,346,229  |
| Book Reserve                               | \$2,772,524   | \$4,557,952  | \$1,785,428  |
| Reserve Variance                           | \$239,146     | \$678,346    | \$439,200    |
| Reserve Ratio                              | 32.90%        | 18.69%       |              |
| Gross Salvage                              | 0%            | 0%           | 0%           |
| Removal Cost                               | 5%            | 5%           | 0%           |
| Net Salvage                                | -5%           | -5%          | 0%           |
| Avg. Whole Life Rate                       | 1.9%          | 1.9%         | 0.0%         |
| AWL Expense (2016)                         | \$463,431     | \$465,870    | \$2,439      |
| Average Remaining Life                     | 36.0          | 46.7         | 10.7         |
| ARL Rate                                   | 2.0%          | 1.9%         | -0.2%        |
| ARL Expense (2016)                         | \$487,822     | \$451,236    | (\$36,586)   |

### Life 55 R3

This account includes the cost of structures and improvements in connection with building station control, security systems, yard improvements, protective fencing and other structures for transmission plant. The projected balance at December 31, 2016, is approximately \$24.4 million in this account. The current approved life for this account is 50 years with an R4 dispersion. The

limited actuarial analysis on this account and judgment shows a slightly longer life and flatter dispersion pattern across most of the bands analyzed. Based on the limited indications from the actuarial analysis, judgment, and the type of assets in this account, the Study recommends increasing the life to 55 years and moving the dispersion to an R3. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-5%)**

This account includes any salvage and removal cost of structures and improvements in connection with transmission plant. The current authorized net salvage for this account is negative 5 percent. In examining the Company’s net salvage history for this account, the most recent year is negative 40 percent and is affecting the overall moving averages. Since it appears 2014 is an exception, at this point, the Study recommends retaining the existing negative 5 percent net

salvage. The Company's next depreciation study will examine future trends in this account.

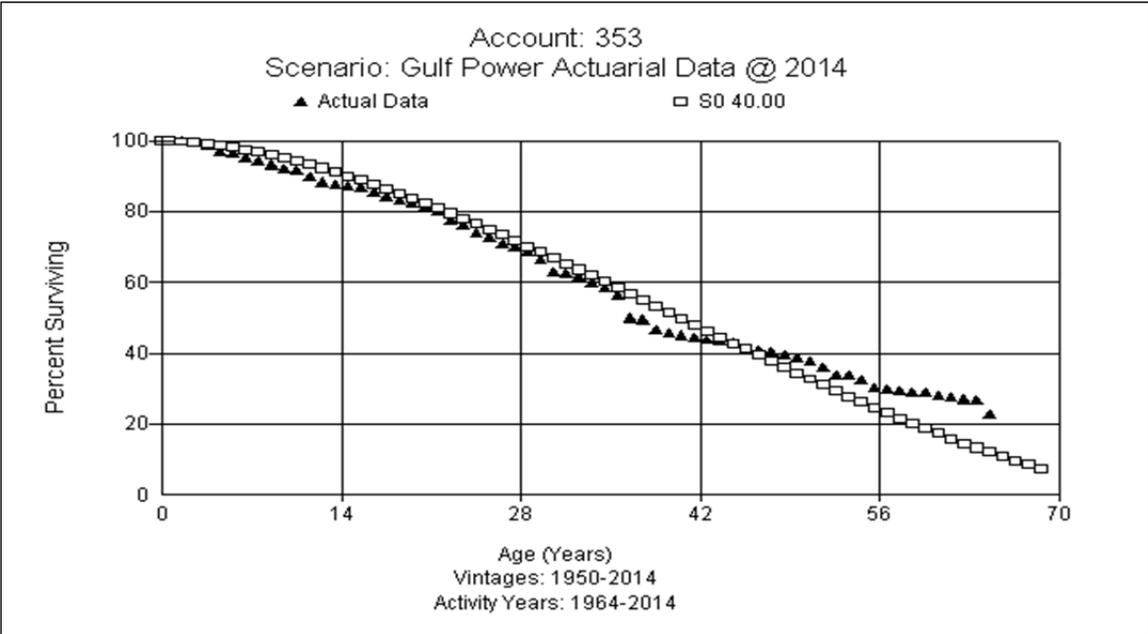
**FERC Account 353.0 Station Equipment**

| Account 353<br>Station Equipment |               |                |                |
|----------------------------------|---------------|----------------|----------------|
| Item                             | FPSC Approved | 2016           | Change         |
| Investment                       | \$100,888,004 | \$250,073,126  | \$149,185,122  |
| Iowa Curve                       | S0            | S0             |                |
| Average Service Life             | 45            | 40             | (5)            |
| Theoretical Reserve              | \$24,668,981  | \$44,761,649   | \$20,092,668   |
| Book Reserve                     | \$24,777,411  | \$33,409,988   | \$8,632,577    |
| Reserve Variance                 | \$108,430     | (\$11,351,661) | (\$11,460,091) |
| Reserve Ratio                    | 24.56%        | 13.36%         |                |
| Gross Salvage                    | 2%            | 0%             | -2%            |
| Removal Cost                     | 7%            | 10%            | 3%             |
| Net Salvage                      | -5%           | -10%           | -5%            |
| Avg. Whole Life Rate             | 2.3%          | 2.8%           | 0.5%           |
| AWL Expense (2016)               | \$5,751,682   | \$6,877,011    | \$1,125,329    |
| Average Remaining Life           | 35.0          | 33.5           | (1.5)          |
| ARL Rate                         | 2.3%          | 2.9%           | 0.6%           |
| ARL Expense (2016)               | \$5,751,682   | \$7,227,113    | \$1,475,431    |

**Life 40 S0**

This account includes the cost of transformers, capacitor banks, circuit breakers, cubicle switchgear, equipment foundation, station controls and station wiring for transmission plant. The projected balance at December 31, 2016 is approximately \$250.1 million in this account. The current approved life for this account is 45 years with an S0 dispersion. Discussions with Company personnel indicated it moved from oil circuit breakers to SF6 in the 1990s, which have a 50 year life compared to a 35-40 year life, respectively. Gulf primarily has SF6 on its

system. Electromechanical relays lasted 50 years or more; the new electronic relays expected life is 25 years. Nearly all of the electromechanical relays have been replaced. Newer transformers have a smaller margin and a lower expected life. Transformers are now run nearer their rated capacity. We would expect a 40-year life for the composite transmission substation account. Actuarial analysis indicates a slightly shorter life, which supports the information from Company personnel noted above. Based on the actuarial analysis, type and mix of assets, input from Company, and judgment, the Study recommends decreasing the life to 40 years while retaining an S0 dispersion. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-10%)**

This account includes any salvage and removal cost of transformers, capacitor banks, circuit breakers, cubicle switchgear, equipment foundation, station controls and station wiring for transmission plant. The current authorized net salvage for this account is negative 5 percent. The most recent five-year and 10-year net salvage percentages are negative 22.47 and negative 16.27 percent, respectively. 2014 is impacting the overall moving averages. Using the individual

year indications in the most recent prior years, using the information for the widest 10-year band, and judgment, the Study recommends an increase in negative net salvage but limiting it to negative 10 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

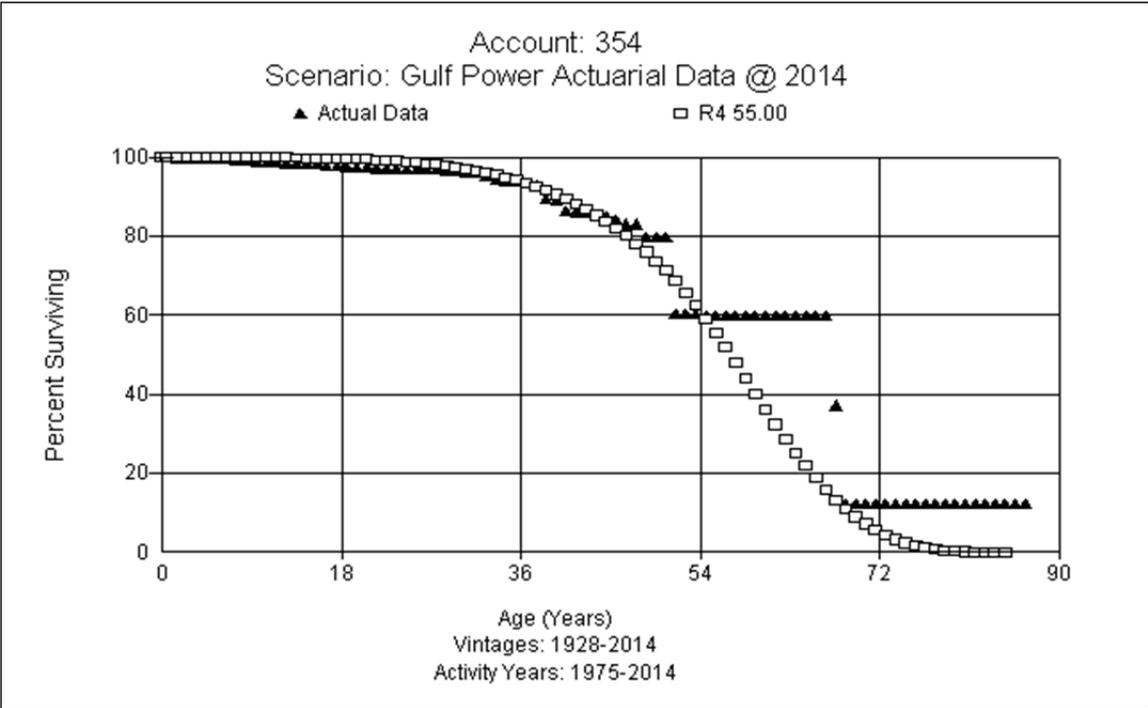
**FERC Account 354.0 Towers & Fixtures**

| Account 354<br>Towers and Fixtures |               |              |             |
|------------------------------------|---------------|--------------|-------------|
| Item                               | FPSC Approved | 2016         | Change      |
| Investment                         | \$38,868,886  | \$42,290,155 | \$3,421,269 |
| Iowa Curve                         | R5            | R4           |             |
| Average Service Life               | 50            | 55           | 5           |
| Theoretical Reserve                | \$20,718,255  | \$23,268,888 | \$2,550,633 |
| Book Reserve                       | \$22,734,772  | \$24,879,312 | \$2,144,540 |
| Reserve Variance                   | \$2,016,517   | \$1,610,424  | (\$406,093) |
| Reserve Ratio                      | 58.49%        | 58.83%       |             |
| Gross Salvage                      | 0%            | 0%           | 0%          |
| Removal Cost                       | 20%           | 25%          | 5%          |
| Net Salvage                        | -20%          | -25%         | -5%         |
| Avg. Whole Life Rate               | 2.4%          | 2.3%         | -0.1%       |
| AWL Expense (2016)                 | \$1,014,964   | \$959,987    | (\$54,977)  |
| Average Remaining Life             | 27.0          | 30.8         | 3.8         |
| ARL Rate                           | 2.3%          | 2.1%         | -0.2%       |
| ARL Expense (2016)                 | \$972,674     | \$888,093    | (\$84,581)  |

**Life 55 R4**

This account includes towers and non-wood poles for transmission plant. The projected balance at December 31, 2016 is approximately \$42.3 million in this account. The current approved life for this account is 50 years with an R5 dispersion. Discussions with Company personnel indicated steel poles are also in the tower account. Most of the recent tower replacements in the last few years are

due to NERC clearance issues, a few relocation projects, and also issues with foundations. Many of the towers are aluminum. The design of many of the towers are good but don't lend themselves to modifications. Steel poles rust faster here than in some other areas of the country and galvanization sometimes disappears faster in this environment. The fuller placement bands provide better indication of expected life. In the fuller placement band experience, the expected life is increasing from the existing life. Based on the actuarial analysis, Company input, judgment, and the type of assets in this account, the Study recommends an increase in the life to 55 years and moving to a flatter R4 dispersion. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-25%)**

This account includes any salvage and removal cost for towers, non-wood poles, and equipment foundation for transmission plant. The current authorized net salvage for this account is negative 20 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 38.80 and negative 37.53 percent, respectively.

The analysis indicates erratic activity since 2009, with 2 years over negative 700 percent and two years with nearly zero percent. However, it does appear net salvage has steadily become more negative. As a conservative approach, the Study recommends a change to negative 25 percent net salvage, but the Company's next depreciation study will further examine future trends in this account.

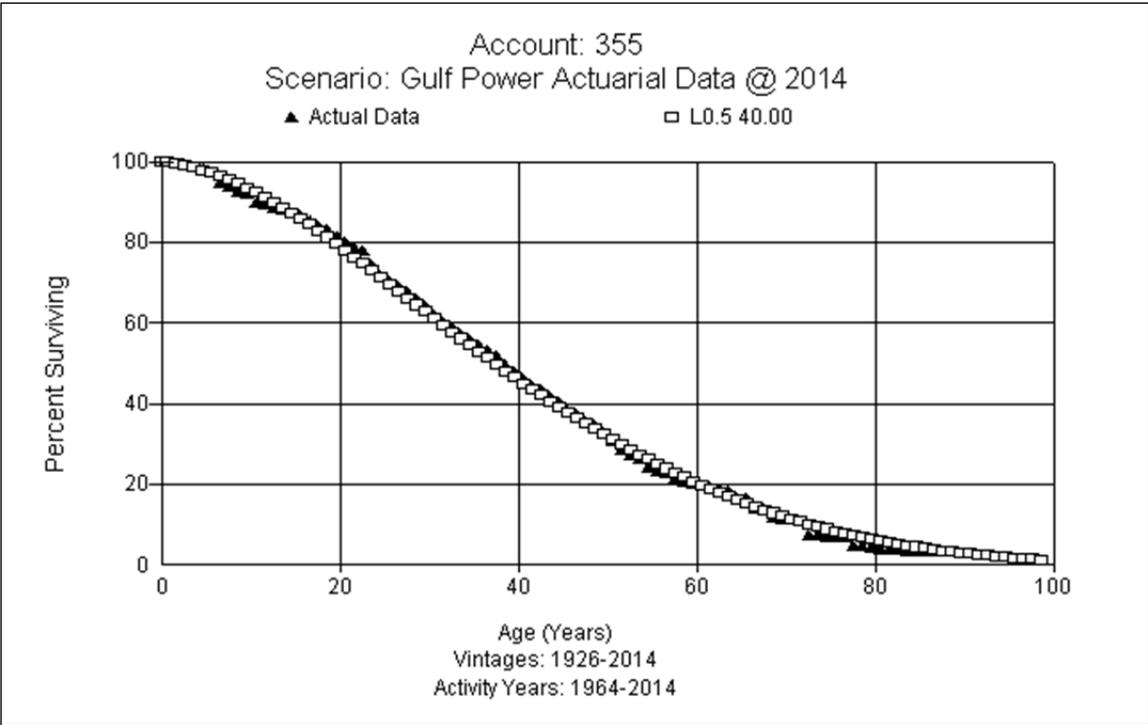
### **FERC Account 355.0 Poles and Fixtures**

| ANALYSIS RESULTS<br>Depreciable Property<br>Account 355<br>Poles and Fixtures |               |                |                |
|---|---------------|----------------|----------------|
| Item  | FPSC Approved | 2016           | Change         |
| Investment  | \$76,122,945  | \$230,339,009  | \$154,216,064  |
| Iowa Curve  | S0            | L0.5           |                |
| Average Service Life  | 38            | 40             | 2              |
| Theoretical Reserve   | \$23,541,296  | \$47,321,011   | \$23,779,715   |
| Book Reserve  | \$24,129,546  | \$28,946,820   | \$4,817,274    |
| Reserve Variance  | \$588,250     | (\$18,374,191) | (\$18,962,441) |
| Reserve Ratio   | 31.70%        | 12.57%         |                |
| Gross Salvage   | 0%            | 0%             | 0%             |
| Removal Cost  | 40%           | 75%            | 35%            |
| Net Salvage   | -40%          | -75%           | -35%           |
| Avg. Whole Life Rate  | 3.7%          | 4.4%           | 0.7%           |
| AWL Expense (2016)  | \$8,522,543   | \$10,134,916   | \$1,612,373    |
| Average Remaining Life  | 30.0          | 32.7           | 2.7            |
| ARL Rate  | 3.6%          | 4.6%           | 1.0%           |
| ARL Expense (2016)  | \$8,292,204   | \$10,595,594   | \$2,303,390    |

### **Life 40 L0.5**

This account includes equipment foundation and poles for transmission plant. The projected plant balance at December 31, 2016 is approximately \$230.3 million in this account. The current approved life for this account is 38 years with an S0 dispersion. Discussions with Company personnel indicated that wet

conditions and woodpeckers would create a shorter life for wood poles. Concrete poles would have a much longer life. There have been a number of rebuild projects where the poles and conductors had to be replaced for capacity reasons. The poles purchased today don't last as long as those in the past. The Company is replacing all wooden cross arms on Transmission poles by 2017 with steel based on Commission storm hardening rules (along with adding storm guy wires to wooden H-Frames). The actuarial analysis has consistent life indications from 37-40 years, which supports Company provided information. The fuller placement and experience band provides an excellent fit with the 40-year life and an L0.5 dispersion. Based on the actuarial analysis, Company input, judgment, and the type of assets in this account, the Study recommends moving to a 40-year life and an L0.5 dispersion. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-75%)**

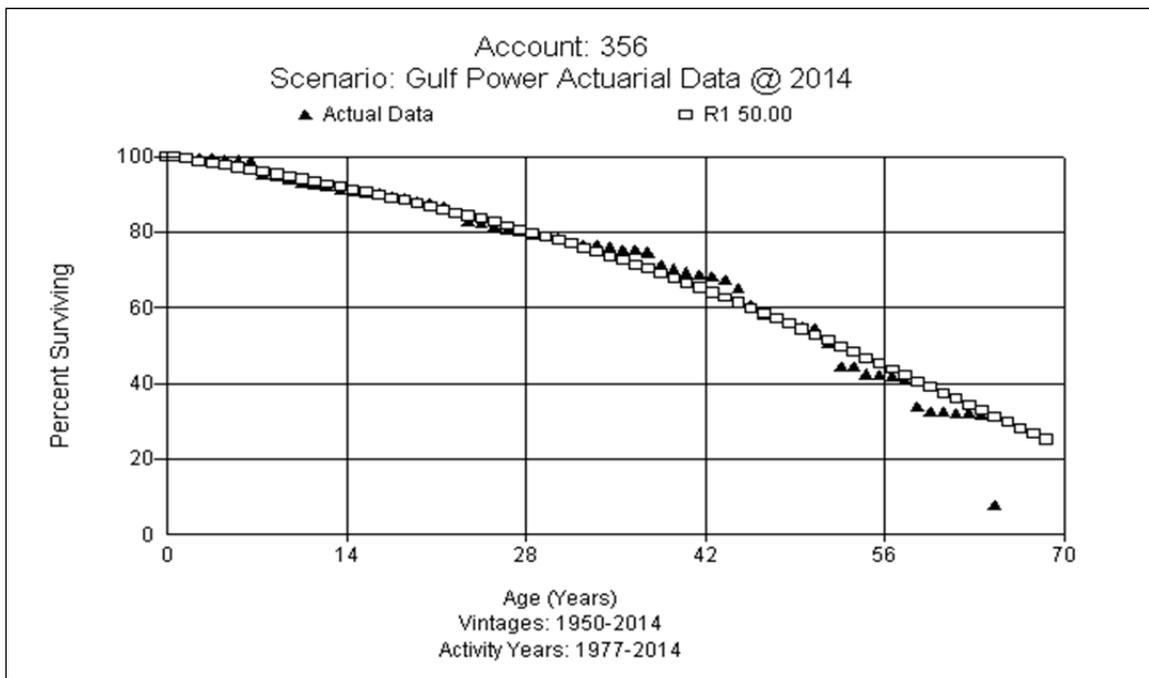
This account includes any salvage and removal cost of equipment foundation and poles for transmission plant. The current authorized net salvage for this account is negative 40 percent. Discussions with Company personnel indicated poles must be cut in 8 foot lengths for disposal. The Company uses an estimating system to determine the time for each task and the appropriate portion of the project that is charged to removal cost. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 199.33 and negative 181.99 percent, respectively. In the analysis, the 2009 25-year moving average is negative 69.57 percent net salvage. The full moving averages of 25, 30, and 34 years have moved to negative 100 percent or higher. As a conservative approach, the Study recommends a change to negative 75 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

**FERC Account 356.0 Overhead Conductors & Devices**

| ANALYSIS RESULTS             |               |               |              |
|------------------------------|---------------|---------------|--------------|
| Depreciable Property         |               |               |              |
| Account 356                  |               |               |              |
| Overhead Conductor & Devices |               |               |              |
| Item                         | FPSC Approved | 2016          | Change       |
| Investment                   | \$63,854,915  | \$123,801,393 | \$59,946,478 |
| Iowa Curve                   | R2            | R1            |              |
| Average Service Life         | 50            | 50            | 0            |
| Theoretical Reserve          | \$20,911,337  | \$25,293,966  | \$4,382,629  |
| Book Reserve                 | \$22,843,042  | \$27,851,093  | \$5,008,051  |
| Reserve Variance             | \$1,931,705   | \$2,557,127   | \$625,422    |
| Reserve Ratio                | 35.77%        | 22.50%        |              |
| Gross Salvage                | 5%            | 0%            | -5%          |
| Removal Cost                 | 35%           | 30%           | -5%          |
| Net Salvage                  | -30%          | -30%          | 0%           |
| Avg. Whole Life Rate         | 2.6%          | 2.6%          | 0.0%         |
| AWL Expense (2016)           | \$3,218,836   | \$3,218,836   | \$0          |
| Average Remaining Life       | 37.0          | 42.1          | 5.1          |
| ARL Rate                     | 2.5%          | 2.6%          | 0.1%         |
| ARL Expense (2016)           | \$3,095,035   | \$3,218,836   | \$123,801    |

## Life 50 R1

This account includes overhead conductors and devices for transmission plant. The projected balance at December 31, 2016 is approximately \$123.8 million in this account. The current approved life for this account is 50 years with an R2 dispersion. Discussions with Company personnel indicate conductors are expected to last longer than poles. Galvanized shield wire is getting to the end of its life, which has the shortest life of any conductors, and comprises close to half of the system. Some deterioration and some capacity increases drive replacements. Insulators have the most problems of any conductor assets. Suspended insulators are rusting out much earlier than expected. The Company expects the polymer insulators to have a much shorter life than ceramic or glass. A 50-year average is reasonable for the transmission conductor account overall in this environment. The actuarial analysis supports the life range of 40-50 years, as does information from Company personnel. Based on the actuarial analysis, Company input, judgment, and the type of assets in this account, the Study recommends retention of the 50-year life and moving to an R1 dispersion. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (-30%)

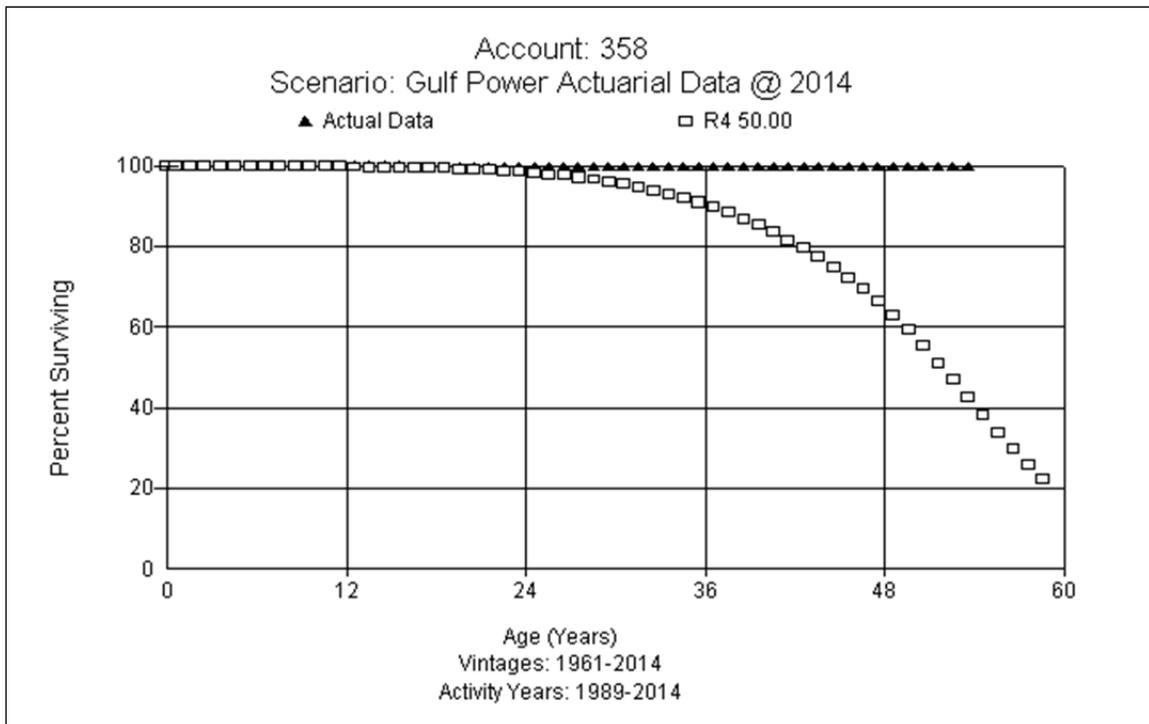
This account includes any salvage and removal cost of overhead conductors and devices for transmission plant. The current authorized net salvage for this account is negative 30 percent. In examining the Company's net salvage history for this account, the most recent five-year and 10-year net salvage percentages are negative 43.26 and negative 30.83 percent, respectively. In evaluating the other moving averages and prior years, the Study recommends retention of the negative 30 percent net salvage. The Company's next study will examine future trends in this account.

### FERC Account 358.0 Underground Conductor & Devices

| ANALYSIS RESULTS                |               |              |             |
|---------------------------------|---------------|--------------|-------------|
| Depreciable Property            |               |              |             |
| Account 358                     |               |              |             |
| Underground Conductor & Devices |               |              |             |
| Item                            | FPSC Approved | 2016         | Change      |
| Investment                      | \$14,094,502  | \$14,402,363 | \$307,861   |
| Iowa Curve                      | R3            | R4           |             |
| Average Service Life            | 45            | 50           | 5           |
| Theoretical Reserve             | \$5,961,692   | \$7,442,406  | \$1,480,714 |
| Book Reserve                    | \$6,349,055   | \$8,392,435  | \$2,043,380 |
| Reserve Variance                | \$387,363     | \$950,029    | \$562,666   |
| Reserve Ratio                   | 45.05%        | 58.27%       |             |
| Gross Salvage                   | 0%            | 0%           | 0%          |
| Removal Cost                    | 0%            | 0%           | 0%          |
| Net Salvage                     | 0%            | 0%           | 0%          |
| Avg. Whole Life Rate            | 2.2%          | 2.0%         | -0.2%       |
| AWL Expense (2016)              | \$316,852     | \$288,047    | (\$28,805)  |
| Average Remaining Life          | 26.0          | 24.2         | (1.8)       |
| ARL Rate                        | 2.1%          | 1.7%         | -0.4%       |
| ARL Expense (2016)              | \$302,450     | \$249,161    | (\$53,289)  |

## Life 50 R4

This account includes underground conductors and devices for transmission plant. The balance at December 31, 2016 is approximately \$14.4 million in this account. The current approved life for this account is 45 years with an R3 dispersion. There is limited data on which to perform life analysis which would not produce meaningful indications. Currently the Company only has submarine cable, two 115kV lines, and limited 46kV lines. There was little activity to analyze, so based on judgment and the type of assets in this account, the Study recommends moving to a 50-year life and an R4 dispersion. A graph of the observed life table versus the proposed curve is shown below even though no analysis was performed.



## Net Salvage (0%)

This account includes any salvage and removal cost of underground conductors and devices for transmission plant. The current authorized net salvage for this account is zero percent. In examining the Company's net salvage

history for this account, the most recent 5-year net salvage percentage is zero and the 10-year net salvage percentage is negative 34.27 percent. Since retirement history is limited, the Study recommends retention of the existing zero percent net salvage for this account. Gulf’s next depreciation study will examine future trends in this account.

**FERC Account 359.0 Roads and Trails**

| ANALYSIS RESULTS       |               |           |           |  |
|------------------------|---------------|-----------|-----------|--|
| Depreciable Property   |               |           |           |  |
| Account 359            |               |           |           |  |
| Roads and Trails       |               |           |           |  |
| Item                   | FPSC Approved | 2016      | Change    |  |
| Investment             | \$61,447      | \$235,918 | \$174,471 |  |
| Iowa Curve             | SQ            | SQ        |           |  |
| Average Service Life   | 50            | 55        | 5         |  |
| Theoretical Reserve    | \$61,447      | \$55,781  | (\$5,666) |  |
| Book Reserve           | \$28,903      | \$51,951  | \$23,048  |  |
| Reserve Variance       | (\$32,544)    | (\$3,830) | \$28,714  |  |
| Reserve Ratio          | 47.04%        | 22.02%    |           |  |
| Gross Salvage          | 0%            | 0%        | 0%        |  |
| Removal Cost           | 0%            | 0%        | 0%        |  |
| Net Salvage            | 0%            | 0%        | 0%        |  |
| Avg. Whole Life Rate   | 2.0%          | 1.8%      | -0.2%     |  |
| AWL Expense (2016)     | \$4,718       | \$4,294   | (\$424)   |  |
| Average Remaining Life | 27.0          | 42.0      | 15.0      |  |
| ARL Rate               | 2.0%          | 1.9%      | -0.1%     |  |
| ARL Expense (2016)     | \$4,718       | \$4,388   | (\$330)   |  |

**Life 55 SQ**

This account includes bridges, roads, and yard improvements for transmission plant. The projected balance at December 31, 2016 is approximately \$236 thousand in this account. The current approved life for this account is 50 years with an SQ dispersion. No retirements have occurred, so no

analysis was performed. Based on judgment, the Study recommends moving to a 55-year life while retaining an SQ dispersion. No graph is provided.

### **Net Salvage (0%)**

This account includes any salvage and removal cost of bridges, roads, and yard improvements for transmission plant. The current authorized net salvage for this account is zero percent. There is no retirement history for this account. The Study recommends retaining the current zero percent net salvage.

### **D. Distribution Plant**

The Analysis Results in front of each account discussion below represent Gulf Power's projected depreciable investment in Distribution Plant as of December 31, 2016 and provides an overall summary of the account rate details.

The net changes by year to Distribution Plant investment and depreciation reserves are presented in Appendix G, which summarizes annual changes to plant-in-service.

The "average life property" concept discussed under Transmission Plant also applies to Distribution Plant. Average life property is that property expected to have a continuous life. In other words, additions and retirements will continually occur creating an average service life as opposed to the location life referred to in the Production Plant Summary. The average service life used for average life properties is based in part upon the analysis of historical accounting data using either the Actuarial Method or the SPR-B methods.

The Actuarial Method is used for substations (Accounts 361 and 362). For mass distribution property (Accounts 364 to 373), the SPR-B method is utilized as an aid in estimating the average service life.

Similar to Transmission, the factors outlined previously are also contributing to increases in distribution asset retirement costs. More safety related equipment is required than in the past. Labor costs have increased over time. Travel and other overheads have increased over time also. There are

many general factors that are changing which have the effect of driving removal costs higher and are reflected in the movement of Distribution net salvage to be more negative.

**Distribution Plant FERC Accounts 360.2–373.0**

**FERC Account 360.2 Land Rights**

| ANALYSIS RESULTS<br>Depreciable Property<br>Account 360.2<br>Easements and Rights of Way |               |           |           |
|--|---------------|-----------|-----------|
| Item   | FPSC Approved | 2016      | Change    |
| Investment   | \$204,176     | \$204,176 | (\$0)     |
| Iowa Curve   | SQ            | SQ        |           |
| Average Service Life   | 50            | 55        | 5         |
| Theoretical Reserve  | \$11,587      | \$38,979  | \$27,392  |
| Book Reserve   | \$12,657      | \$38,383  | \$25,726  |
| Reserve Variance   | \$1,070       | (\$596)   | (\$1,666) |
| Reserve Ratio  | 6.59%         | 18.80%    |           |
| Gross Salvage  | 0%            | 0%        | 0%        |
| Removal Cost   | 0%            | 0%        | 0%        |
| Net Salvage  | 0%            | 0%        | 0%        |
| Avg. Whole Life Rate   | 2.0%          | 1.8%      | -0.2%     |
| AWL Expense (2016)   | \$4,084       | \$3,716   | (\$368)   |
| Average Remaining Life   | 52.0          | 44.5      | (7.5)     |
| ARL Rate   | 1.8%          | 1.8%      | 0.0       |
| ARL Expense (2016)   | \$3,675       | \$3,716   | \$41      |

**Life 55 SQ**

This account contains rights of way for distribution plant. The projected balance at December 31, 2016 is approximately \$204 thousand in this account. The current approved life for this account is 50 years with an SQ dispersion. There has been no retirement activity so no actuarial analysis was performed. Based on the type of assets in this account and judgment, the Study recommends increasing the life to 55 years while retaining an SQ dispersion. Due to no actuarial analysis, no graph of the observed life table versus the proposed curve is shown.

**Net Salvage (0%)**

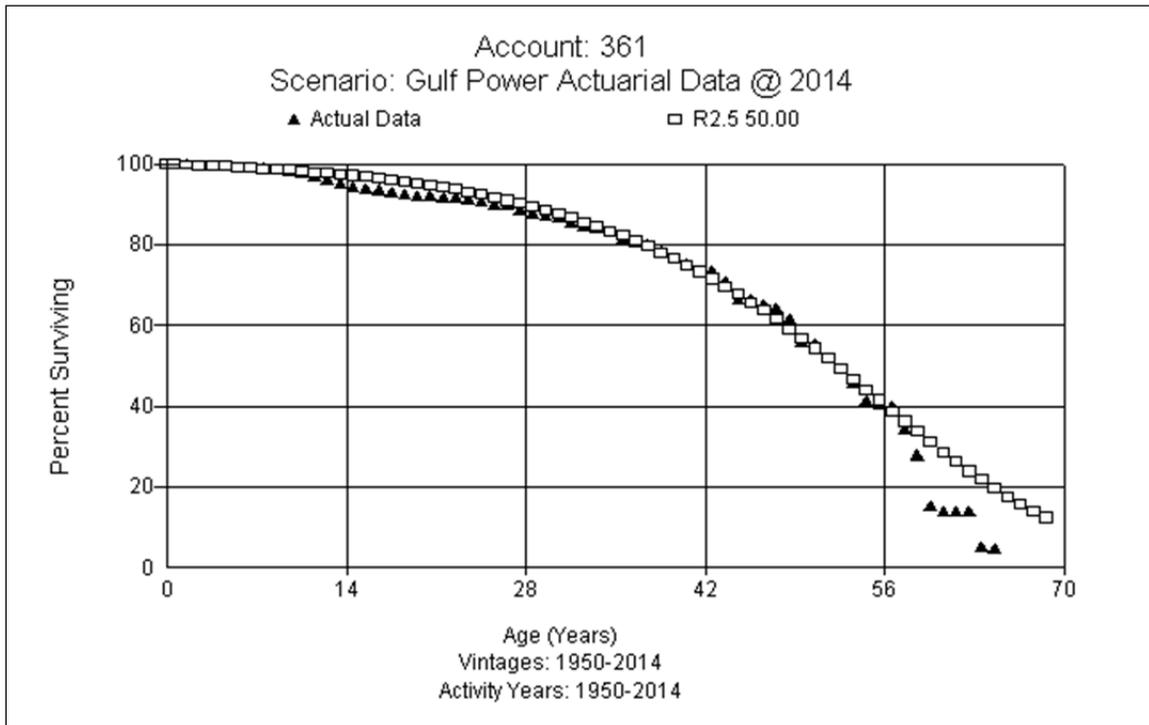
This account contains any gross salvage and cost of removal for rights of way for distribution plant. The current authorized net salvage for this account is zero percent and is recommended to be retained.

## **FERC Account 361.0 Structures and Improvements**

| ANALYSIS RESULTS<br>Depreciable Property<br>Account 361<br>Structures and Improvements |               |              |             |
|--|---------------|--------------|-------------|
| Item   | FPSC Approved | 2016         | Change      |
| Investment   | \$16,745,219  | \$26,412,569 | \$9,667,350 |
| Iowa Curve   | R3            | R2.5         |             |
| Average Service Life   | 48            | 50           | 2           |
| Theoretical Reserve  | \$5,406,769   | \$7,179,948  | \$1,773,179 |
| Book Reserve   | \$5,963,267   | \$8,307,855  | \$2,344,588 |
| Reserve Variance   | \$556,498     | \$1,127,907  | \$571,409   |
| Reserve Ratio  | 35.61%        | 31.45%       |             |
| Gross Salvage  | 0%            | 0%           | 0%          |
| Removal Cost   | 5%            | 5%           | 0%          |
| Net Salvage  | -5%           | -5%          | 0%          |
| Avg. Whole Life Rate   | 2.2%          | 2.1%         | -0.1%       |
| AWL Expense (2016)   | \$581,077     | \$554,664    | (\$26,413)  |
| Average Remaining Life   | 32.0          | 37.1         | 5.1         |
| ARL Rate   | 2.2%          | 2.0%         | -0.2%       |
| ARL Expense (2016)   | \$581,077     | \$528,251    | (\$52,826)  |

### **Life 50 R2.5**

This account contains facilities, including building station control, fencing, yard improvements and other structures for distribution plant. The balance at December 31, 2016 is approximately \$26.4 million in this account. The approved life and curve is 48 years with an R3 dispersion. Discussions with Company personnel indicated there are some reconfigurations occurring which could affect the life. The actuarial analysis indicates a life between 47-53 years across the various bands analyzed. Based on the actuarial analysis, the type of assets in this account, and judgment, the Study recommends increasing the life to 50 years and moving to an R2.5 dispersion. A graph of the observed life table versus the proposed curve is shown below.



### Net Salvage (-5%)

This grouping contains any salvage and removal cost of facilities, including building station control, fencing, yard improvements and other structures for distribution plant. The current authorized net salvage for this account is negative 5 percent. The most recent experience with five-year and 10-year bands are negative 0.48 and negative 9.97 percent net salvage, respectively. Analysis indicates cost of removal does exceed salvage and is expected to continue. However, despite the 10-year indications, changing the net salvage is not fully supported at this time. Based on all the analysis, the Study recommends retention of negative 5 percent net salvage. The Company's next depreciation study will examine future trends in this account.

## FERC Account 362.0 Station Equipment

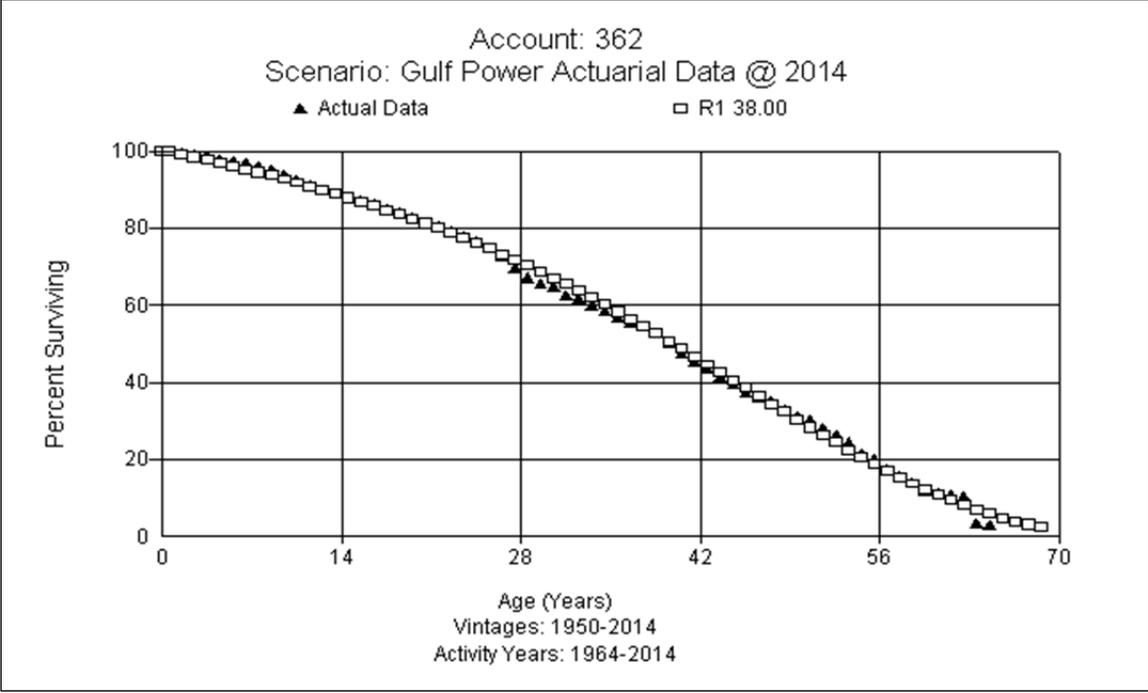
ANALYSIS RESULTS  
Depreciable Property

| Account 362<br>Station Equipment |               |                |                |
|----------------------------------|---------------|----------------|----------------|
| Item                             | FPSC Approved | 2016           | Change         |
| Investment                       | \$159,050,636 | \$213,071,996  | \$54,021,360   |
| Iowa Curve                       | R1.5          | R1             |                |
| Average Service Life             | 45            | 38             | (7)            |
| Theoretical Reserve              | \$44,734,927  | \$61,464,238   | \$16,729,311   |
| Book Reserve                     | \$49,617,252  | \$48,190,373   | (\$1,426,879)  |
| Reserve Variance                 | \$4,882,325   | (\$13,273,865) | (\$18,156,190) |
| Reserve Ratio                    | 31.20%        | 22.62%         |                |
| Gross Salvage                    | 2%            | 0%             | -2%            |
| Removal Cost                     | 7%            | 10%            | 3%             |
| Net Salvage                      | -5%           | -10%           | -5%            |
| Avg. Whole Life Rate             | 2.3%          | 2.9%           | 0.6%           |
| AWL Expense (2016)               | \$4,900,656   | \$6,157,781    | \$1,257,125    |
| Average Remaining Life           | 33.0          | 28.0           | (5.0)          |
| ARL Rate                         | 2.2%          | 3.1%           | 0.9%           |
| ARL Expense (2016)               | \$4,687,584   | \$6,605,232    | \$1,917,648    |

### **Life 38 R1**

This account contains switchboards, station wiring, transformers, and a wide variety of other equipment, from circuit breakers to switchgear, for distribution plant. The projected balance at December 31, 2016 is approximately \$213.1 million in this account. The existing approved life is 45 years with an R1.5 dispersion curve. Discussions with Company personnel indicate a vacuum circuit breaker's life is considerably shorter than an oil circuit breaker (30 versus 45 years). Standard practice is to replace a vacuum breaker if 25 years or older if any project is undertaken in a substation. Electromechanical relays were previously expected to last 50 years or more, but newer electronic relays have an

expected life of 25 years. The older transformers had more margin or safety factor. Newer transformers have a smaller margin and will have a shorter life. Some of the equipment in a distribution substation will not last as long as in a transmission substation (e.g. circuit breakers and regulators). The Company expects a 35-38 year life for the composite distribution substation assets. The fuller to mid-range bands indicate a life of 38-40 years and are an excellent fit with the 38-year life expectancy and an R1 dispersion curve. Based on the analysis, type of assets, and Company input, the Study recommends moving to a life of 38 years and moving to an R1 dispersion curve. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-10%)**

This grouping contains any salvage and removal costs related to switchboards, station wiring, transformers, and a wide variety of other equipment, including circuit breakers and switchgear. The current authorized net salvage for this account is negative 5 percent. The most recent experience with five-year and 10-year bands are negative 14.72 and negative 13.32 percent net salvage,

respectively. Fairly consistent indications exist across the moving averages since 2009, with the majority at around negative 10 percent net salvage. Therefore, the Study recommends a change to negative 10 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

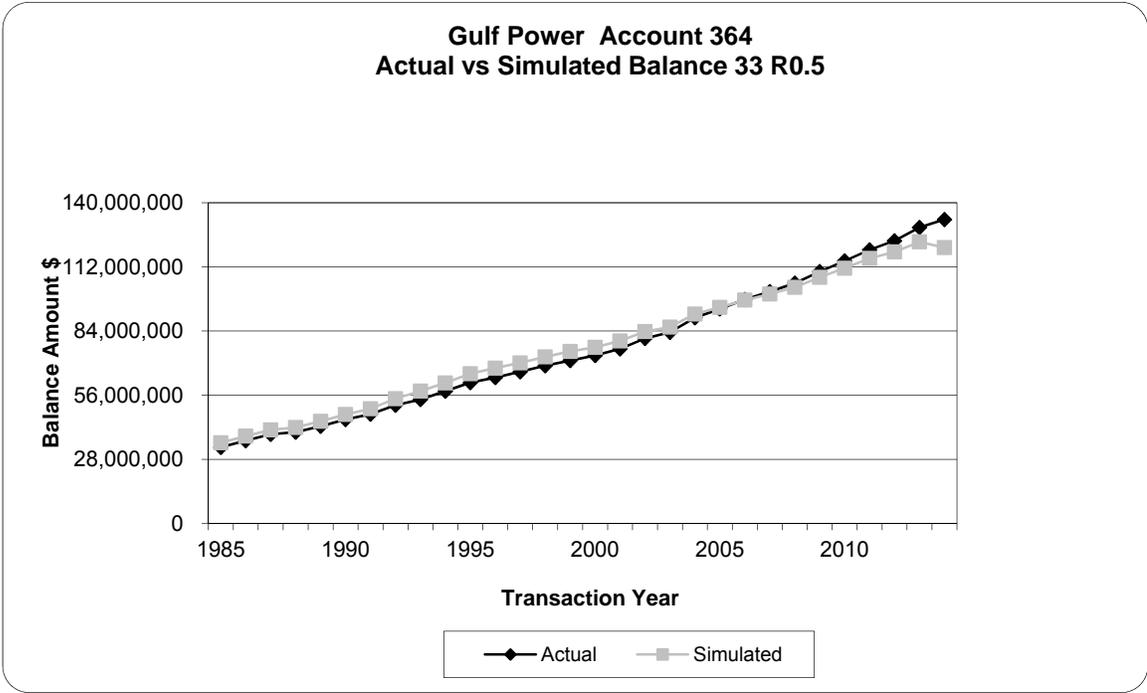
**FERC Account 364.0 Poles, Towers and Fixtures**

| ANALYSIS RESULTS           |               |               |              |
|----------------------------|---------------|---------------|--------------|
| Depreciable Property       |               |               |              |
| Account 364                |               |               |              |
| Poles, Towers and Fixtures |               |               |              |
| Item                       | FPSC Approved | 2016          | Change       |
| Investment                 | \$119,993,792 | \$140,464,604 | \$20,470,812 |
| Iowa Curve                 | R1            | R0.5          |              |
| Average Service Life       | 34            | 33            | (1)          |
| Theoretical Reserve        | \$60,148,557  | \$67,451,759  | \$7,303,202  |
| Book Reserve               | \$65,326,472  | \$79,425,237  | \$14,098,765 |
| Reserve Variance           | \$5,177,915   | \$11,973,478  | \$6,795,563  |
| Reserve Ratio              | 54.44%        | 56.54%        |              |
| Gross Salvage              | 10%           | 0%            | -10%         |
| Removal Cost               | 85%           | 75%           | -10%         |
| Net Salvage                | -75%          | -75%          | 0%           |
| Avg. Whole Life Rate       | 5.1%          | 5.3%          | 0.2%         |
| AWL Expense (2016)         | \$7,163,695   | \$7,444,624   | \$280,929    |
| Average Remaining Life     | 24.0          | 23.9          | (0.1)        |
| ARL Rate                   | 5.0%          | 4.9%          | -0.1%        |
| ARL Expense (2016)         | \$7,023,230   | \$6,882,766   | (\$140,464)  |

**Life 33 R0.5**

This account contains poles, towers, and fixtures for distribution plant which are predominantly made of wood. The projected balance at December 31, 2016 is approximately \$140.5 million in this account. The approved life is 34 years with an R1 dispersion pattern. Discussion with Company personnel indicate

there are marginally more concrete poles than in the past. The environment is subtropical so it is very wet and hot, decreasing the life of the poles. The SPR-B analysis indicated the 33-year life expectancy and an R0.5 dispersion curve to be in the top two ranked life and dispersion curve through the majority of the bands. The CIs were poor to fair but the REIs were excellent. Based on the analysis, Company input, the type and mix of assets in this account, and judgment, this Study recommends moving to a 33-year life with an R0.5 dispersion. A graph of the actual balances versus the simulated balances using the proposed curve is shown below.



**Net Salvage (-75%)**

This account contains any salvage and removal cost related to poles, towers and fixtures for distribution plant which are predominantly made of wood. The current authorized net salvage for this account is negative 75 percent. In the most recent bands, the five-year and 10-year averages are negative 133.92 and negative 105.18 percent net salvage, respectively. Since 2009, only one year, 2013, has not been above or near negative 100 percent net salvage. The most recent 2-year average is negative 76 percent, which is impacted by the unusually

low negative net salvage in 2013. The most recent moving averages for the past 20-34 years ranges from negative 80 to negative 86 percent. However, as a conservative approach, the Study recommends retention of negative 75 percent net salvage. The Company's next depreciation study will further examine future trends in this account.

**FERC Account 365.0 Overhead Conductor & Devices**

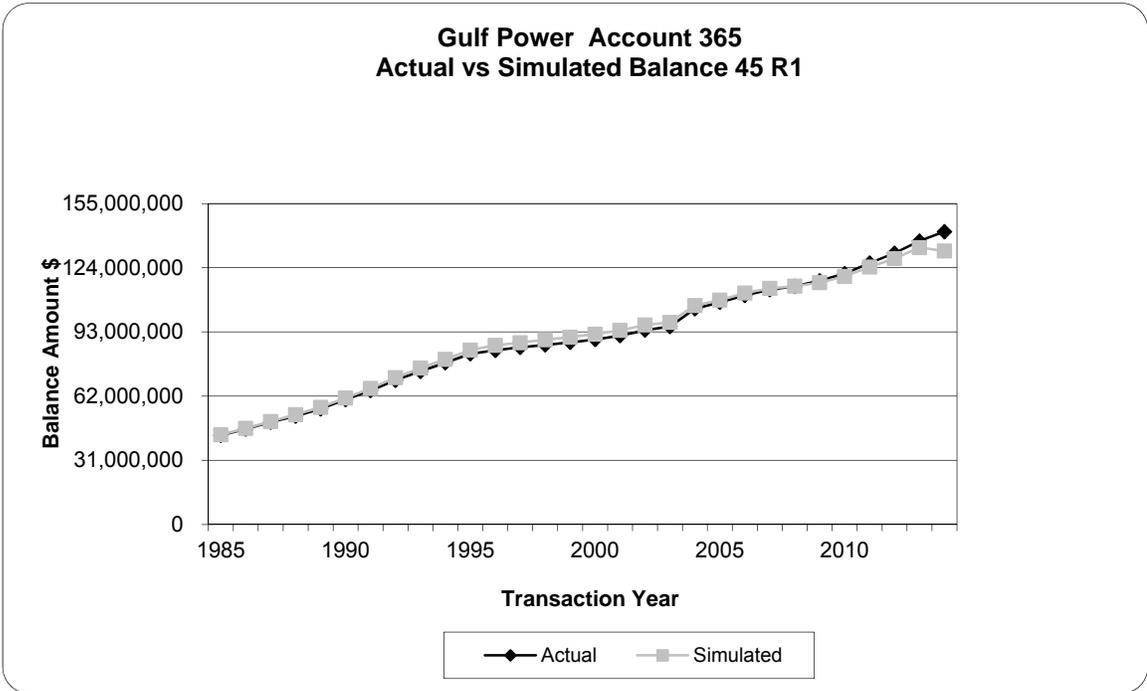
ANALYSIS RESULTS  
Depreciable Property

| Account 365<br>Overhead Conductors & Devices |               |                |                |
|--|---------------|----------------|----------------|
| Item   | FPSC Approved | 2016           | Change         |
| Investment                                   | \$118,489,612 | \$153,061,774  | \$34,572,162   |
| Iowa Curve                                   | R1            | R1             |                |
| Average Service Life                         | 38            | 45             | 7              |
| Theoretical Reserve                          | \$41,911,989  | \$63,664,644   | \$21,752,655   |
| Book Reserve                                 | \$42,336,293  | \$52,068,507   | \$9,732,214    |
| Reserve Variance                             | \$424,304     | (\$11,596,137) | (\$12,020,441) |
| Reserve Ratio                                | 35.73%        | 34.02%         |                |
| Gross Salvage                                | 30%           | 0%             | -30%           |
| Removal Cost                                 | 50%           | 50%            | 0%             |
| Net Salvage                                  | -20%          | -50%           | -30%           |
| Avg. Whole Life Rate                         | 3.2%          | 3.3%           | 0.1%           |
| AWL Expense (2016)                           | \$4,897,977   | \$5,096,957    | \$198,980      |
| Average Remaining Life                       | 27.0          | 32.5           | 5.5            |
| ARL Rate                                     | 3.1%          | 3.6%           | 0.5%           |
| ARL Expense (2016)                           | \$4,744,915   | \$5,464,305    | \$719,390      |

**Life 45 R1**

This account consists of overhead conductors of various thickness, as well as various switches and reclosers. The projected balance at December 31, 2016 is approximately \$153.1 million in this account. The approved life is 38 years with an R1 dispersion curve. Discussions with Company personnel indicate it standardized its conductor on 3 sizes plus neutral in the mid-1980s. Older

conductors were more environmentally sensitive in that the cores of older conductors were more likely to rust or deteriorate. A longer life would not be unreasonable but should be stabilized going forward. The SPR-B analysis indicates a life as long as 50 in the top three ranked life and dispersion curve combinations. The 45 year life and an R1 dispersion curve is ranked in the top three across the bands and has fair CIs with excellent REIs. Based on the analysis, Company input, the type of assets in this account, and judgment, the Study recommends retention of an R1 dispersion curve and increasing the life to 45 years. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-50%)**

This account consists of any salvage and removal cost related to overhead conductors as well as various switches and reclosers. The current authorized net salvage for this account is negative 20 percent. In the most recent bands, the five-year and 10-year averages are negative 54.41 and negative 53.42 percent net salvage, respectively. The analysis indicates since 2009, the 10-year moving

averages are near negative 50 percent or more. Based on trends in the 10-year bands and judgment, the Study proposes moving toward those indications of more negative net salvage, with negative 50 percent net salvage for this account as the recommendation. The Company's next depreciation study will examine future trends in this account.

**FERC Account 366.0 Underground Conduit**

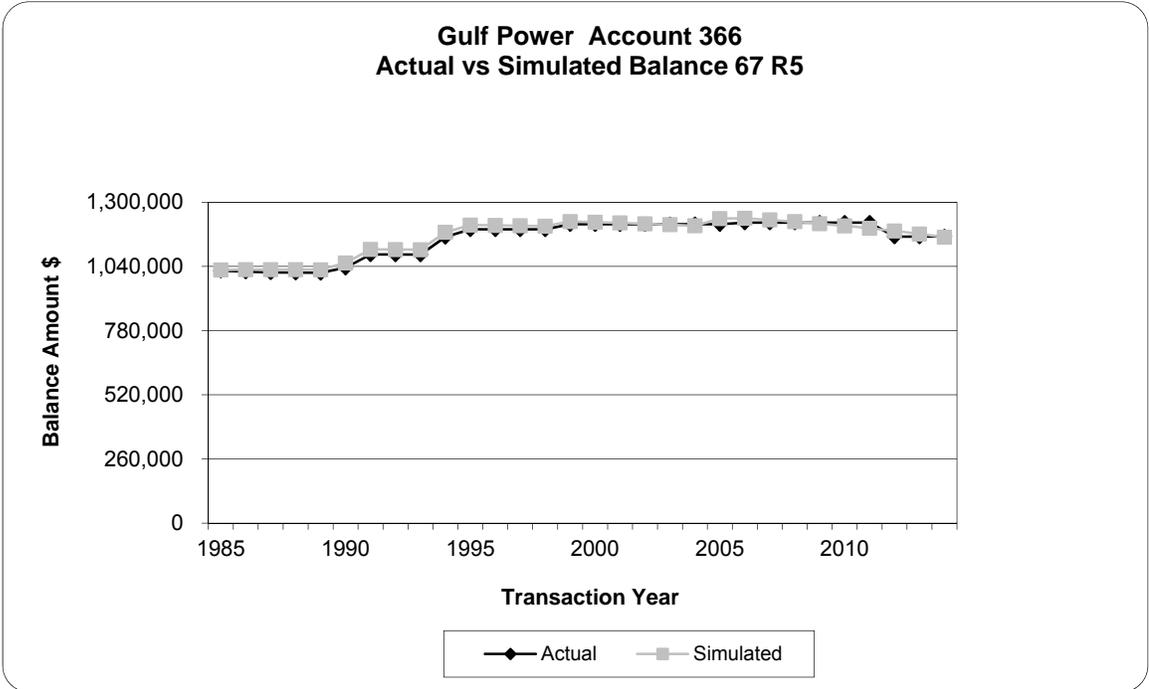
ANALYSIS RESULTS  
Depreciable Property

| Account 366<br>Underground Conduit |               |             |            |
|------------------------------------|---------------|-------------|------------|
| Item                               | FPSC Approved | 2016        | Change     |
| Investment                         | \$1,217,455   | \$1,159,696 | (\$57,759) |
| Iowa Curve                         | R3            | R5          |            |
| Average Service Life               | 60            | 67          | 7          |
| Theoretical Reserve                | \$677,652     | \$686,392   | \$8,740    |
| Book Reserve                       | \$787,726     | \$802,585   | \$14,859   |
| Reserve Variance                   | \$110,074     | \$116,194   | \$6,120    |
| Reserve Ratio                      | 64.70%        | 69.21%      |            |
| Gross Salvage                      | 0%            | 0%          | 0%         |
| Removal Cost                       | 0%            | 0%          | 0%         |
| Net Salvage                        | 0%            | 0%          | 0%         |
| Avg. Whole Life Rate               | 1.7%          | 1.5%        | -0.2%      |
| AWL Expense (2016)                 | \$19,715      | \$17,279    | (\$2,435)  |
| Average Remaining Life             | 27.0          | 27.3        | 0.3        |
| ARL Rate                           | 1.3%          | 1.1%        | -0.2%      |
| ARL Expense (2016)                 | \$15,076      | \$13,105    | (\$1,971)  |

**Life 67 R5**

This account consists of underground conduit, duct banks, vaults, and ventilating system equipment. The projected balance at December 31, 2016 is approximately \$1.2 million. The approved life is 60 years with an R3 dispersion curve. In the SPR-B analysis, there are two life curve combinations in the top 10 ranked curves that have an excellent CI and REI with lives of 67 and 69 years

with R5 and S4 dispersion curves, respectively, across the majority of the bands. Based on indications from the SPR-B analysis, the type of assets in this account, and judgment, the Study recommends increasing to a 67-year life and moving to an R5 dispersion. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (0%)**

This account consists of any salvage and removal cost related to underground conduit, duct banks, vaults, and ventilating system equipment. The current authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages are negative 10.14 and negative 8.24 percent net salvage, respectively. Since retirement history is limited, the Study recommends retention of the existing zero percent net salvage for this account. Gulf’s next depreciation study will examine future trends in this account.

## **FERC Account 367.0 Underground Conductors & Devices**

### ANALYSIS RESULTS

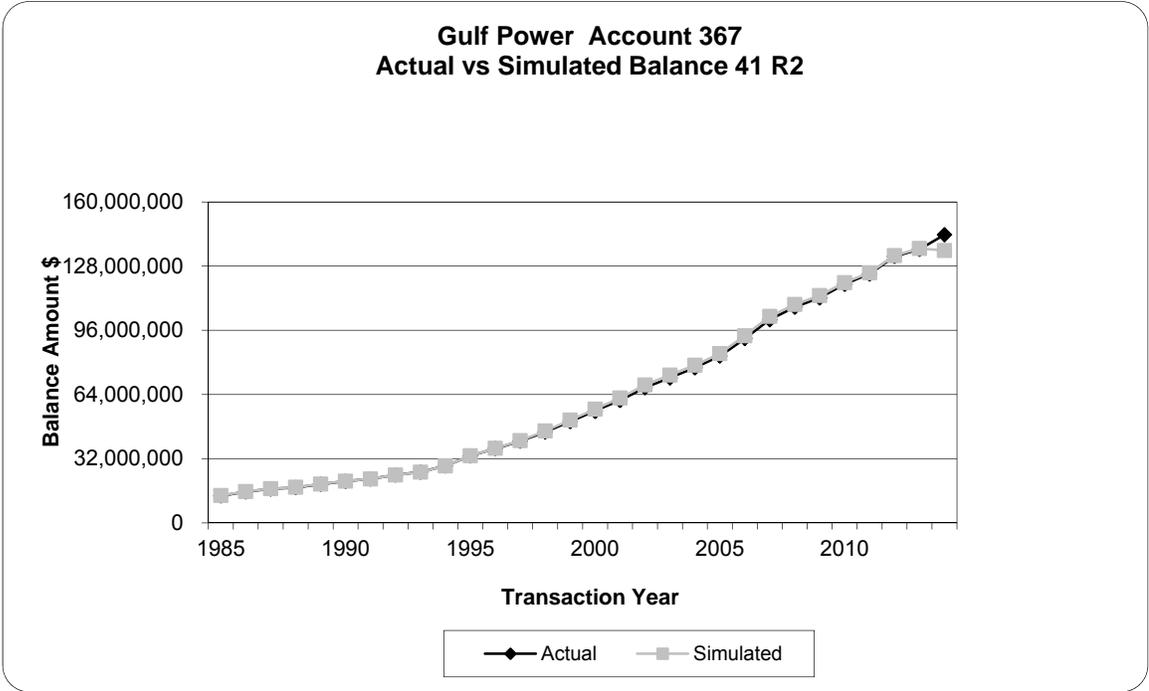
#### Depreciable Property

| Account 367                      |               |               |               |
|----------------------------------|---------------|---------------|---------------|
| Underground Conductors & Devices |               |               |               |
| Item                             | FPSC Approved | 2016          | Change        |
| Investment                       | \$111,391,188 | \$158,145,619 | \$46,754,431  |
| Iowa Curve                       | S3            | R2            |               |
| Average Service Life             | 32            | 41            | 9             |
| Theoretical Reserve              | \$34,908,597  | \$46,476,590  | \$11,567,993  |
| Book Reserve                     | \$36,274,835  | \$63,904,565  | \$27,629,730  |
| Reserve Variance                 | \$1,366,238   | \$17,427,975  | \$16,061,737  |
| Reserve Ratio                    | 32.57%        | 40.41%        |               |
| Gross Salvage                    | 12%           | 0%            | -12%          |
| Removal Cost                     | 20%           | 15%           | -5%           |
| Net Salvage                      | -8%           | -15%          | -7%           |
| Avg. Whole Life Rate             | 3.4%          | 2.8%          | -0.6%         |
| AWL Expense (2016)               | \$5,376,951   | \$4,428,077   | (\$948,874)   |
| Average Remaining Life           | 23.0          | 30.5          | 7.5           |
| ARL Rate                         | 3.3%          | 2.4%          | -0.9%         |
| ARL Expense (2016)               | \$5,218,805   | \$3,858,753   | (\$1,360,052) |

### **Life 41 R2**

This account consists of underground conductors, switches, and switchgear for distribution plant. The projected balance at December 31, 2016 is approximately \$158.1 million in this account. The currently approved life estimate is 32 years with an S3 dispersion curve. Discussions with the Company indicated they would expect underground conductor life to go longer. The Company has been putting conductor in conduit for many years. The Company is also moving to newer, better conductors and would expect a life around 40 years to be reasonable. The SPR-B analysis indicated the best ranked life and curve combinations with excellent CIs and REIs to be a 49-year life expectancy with an R1.5 dispersion curve and a 41-year life expectancy with an R2 dispersion curve.

Based on the existing life, the analysis indications of increasing life, the type of assets, and judgment, the Study recommends increasing from 32 to 41 years and changing to an R2 dispersion. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-15%)**

This account consists of any salvage and removal cost related to underground conductors, switches, and switchgear for distribution plant. The current authorized net salvage for this account is negative 8 percent. In the most recent bands, the five-year and 10-year averages are negative 13.91 and negative 15.88 percent net salvage, respectively. Based on trends in the 10-year band, the Study proposes moving toward the indications of higher negative salvage, with negative 15 percent net salvage for this account as the recommendation. The Company’s next depreciation study will examine future trends in this account.

## **FERC Account 368.0 Line Transformers**

### ANALYSIS RESULTS

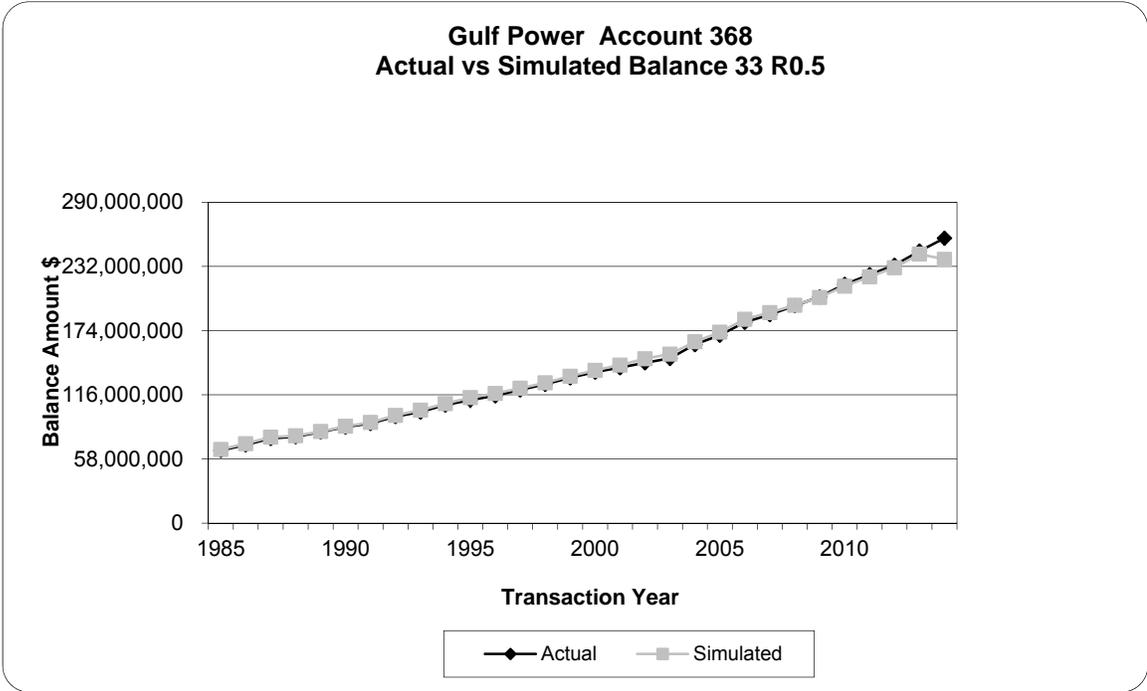
#### Depreciable Property

| Account 368            |               |               |               |
|------------------------|---------------|---------------|---------------|
| Line Transformers      |               |               |               |
| Item                   | FPSC Approved | 2016          | Change        |
| Investment             | \$208,399,324 | \$282,436,706 | \$74,037,382  |
| Iowa Curve             | S0            | R0.5          |               |
| Average Service Life   | 30            | 33            | 3             |
| Theoretical Reserve    | \$74,341,297  | \$83,899,805  | \$9,558,508   |
| Book Reserve           | \$75,023,758  | \$104,889,760 | \$29,866,002  |
| Reserve Variance       | \$682,461     | \$20,989,955  | \$20,307,494  |
| Reserve Ratio          | 36.00%        | 37.14%        |               |
| Gross Salvage          | 10%           | 0%            | -10%          |
| Removal Cost           | 30%           | 22%           | -8%           |
| Net Salvage            | -20%          | -22%          | -2%           |
| Avg. Whole Life Rate   | 4.0%          | 3.7%          | -0.3%         |
| AWL Expense (2016)     | \$11,297,468  | \$10,450,158  | (\$847,310)   |
| Average Remaining Life | 21.0          | 25.0          | 4.0           |
| ARL Rate               | 4.0%          | 3.4%          | -0.6%         |
| ARL Expense (2016)     | \$11,297,468  | \$9,602,848   | (\$1,694,620) |

### **Life 33 R0.5**

This account consists of line transformers, regulators, and capacitors. The projected balance at December 31, 2016 is approximately \$282.4 million in this account. The current approved life for this account is 30 years with an S0 dispersion pattern. Transformers are capitalized when purchased. Transformers are retired only if unreparable as determined by the transformer shop. The Company will rebuild transformers if repairable. The transformers in the coastal areas are all stainless steel. Salt is a problem with transformers. The SPR-B analysis indicates the top five ranked dispersion curve to have a life range of 30-36 years. The REIs are all excellent. The CIs start out fair in the full bands and move to excellent in the shorter bands. The 33-year life expectancy and an R0.5

dispersion curve is in the top two best ranked curves across the bands. Based on the SPR-B analysis, judgment, and the type of assets in this account, the Study recommends an increase to a 33-year life and an R0.5 dispersion. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-22%)**

This account consists of any salvage and removal cost related to line transformers, regulators, and capacitors. The current authorized net salvage for this account is negative 20 percent. In the most recent bands, the five-year and 10-year averages are negative 25.71 and negative 22.49 percent net salvage, respectively. Net salvage percentages for prior periods show a consistent negative trend. Based on trends in the 10-year band, the Study proposes moving toward the indications of higher negative salvage, with negative 22 percent net salvage for this account as the recommendation. The Company’s next depreciation study will examine future trends in this account.

## **FERC Account 369.1 Services**

### ANALYSIS RESULTS

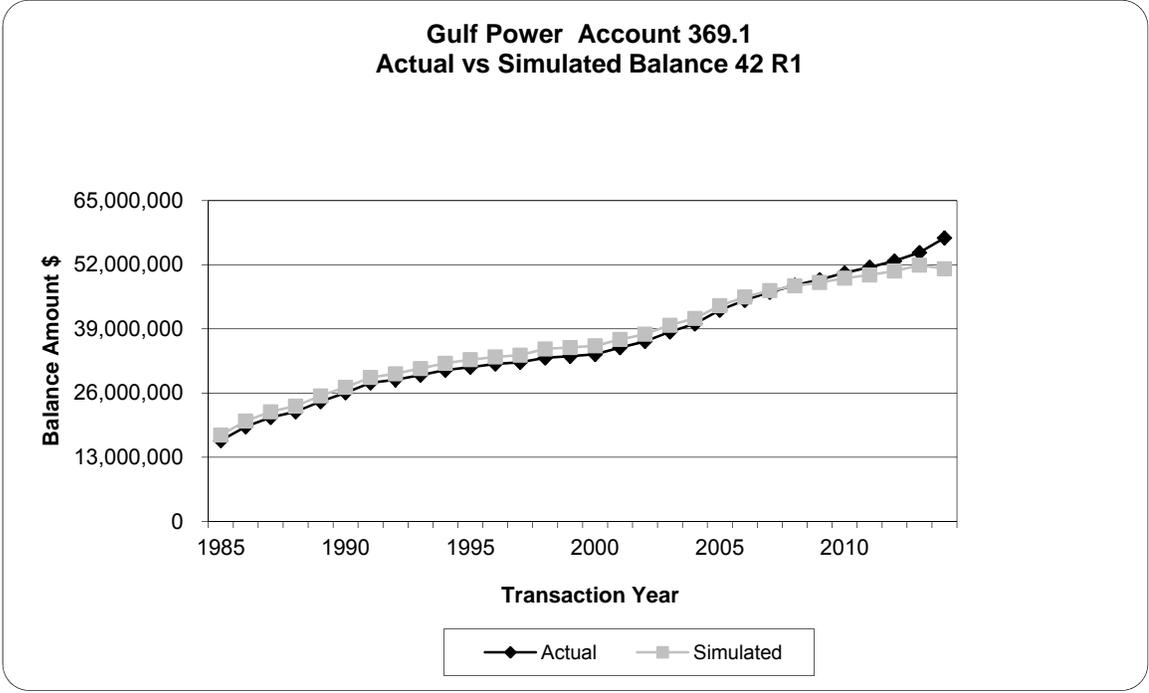
#### Depreciable Property

| Account 369.1<br>Overhead Services |               |              |              |
|------------------------------------|---------------|--------------|--------------|
| Item                               | FPSC Approved | 2016         | Change       |
| Investment                         | \$49,215,769  | \$61,968,191 | \$12,752,422 |
| Iowa Curve                         | R1            | R1           |              |
| Average Service Life               | 35            | 42           | 7            |
| Theoretical Reserve                | \$22,894,722  | \$32,389,783 | \$9,495,061  |
| Book Reserve                       | \$26,438,495  | \$38,141,620 | \$11,703,125 |
| Reserve Variance                   | \$3,543,773   | \$5,751,837  | \$2,208,064  |
| Reserve Ratio                      | 53.72%        | 61.55%       |              |
| Gross Salvage                      | 10%           | 0%           | -10%         |
| Removal Cost                       | 55%           | 75%          | 20%          |
| Net Salvage                        | -45%          | -75%         | -30%         |
| Avg. Whole Life Rate               | 4.1%          | 4.2%         | 0.1%         |
| AWL Expense (2016)                 | \$2,540,696   | \$2,584,074  | \$43,378     |
| Average Remaining Life             | 24.0          | 29.5         | 5.5          |
| ARL Rate                           | 3.8%          | 3.9%         | 0.1%         |
| ARL Expense (2016)                 | \$2,354,791   | \$2,385,775  | \$30,984     |

### **Life 42 R1**

These accounts include overhead electric services and related equipment. The projected balance at December 31, 2016 is approximately \$62 million. The current approved life for these accounts is 35 years with the an R1 dispersion curve. Discussions with Company personnel indicate load and relocations are the primary drivers of retirement for overhead services. The SPR-B analysis shows the top ranked curves have poor to fair CIs but excellent REIs across the bands analyzed. The 42-year life expectancy and an R1 dispersion curve is in the top three ranked curves. Based on the SPR-B analysis, the type of assets in the account, and judgment, the Study recommendation is to move to a 42-year life

and an R1 dispersion curve. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-75%)**

These accounts consist of any salvage and removal cost for overhead electric services and related equipment. The current authorized net salvage for these accounts is negative 45 percent. In the most recent bands, the five-year and 10-year averages are negative 110.81 and negative 115.70 percent net salvage, respectively. Net salvage percentages for prior periods show a consistent negative trend. The Study proposes moving toward the indications of higher negative net salvage but conservatively, the Study recommends only moving to a negative 75 percent net salvage. The Company’s next depreciation study will further examine future trends in this account.

## **FERC Account 369.2 Underground Services**

### ANALYSIS RESULTS

#### Depreciable Property

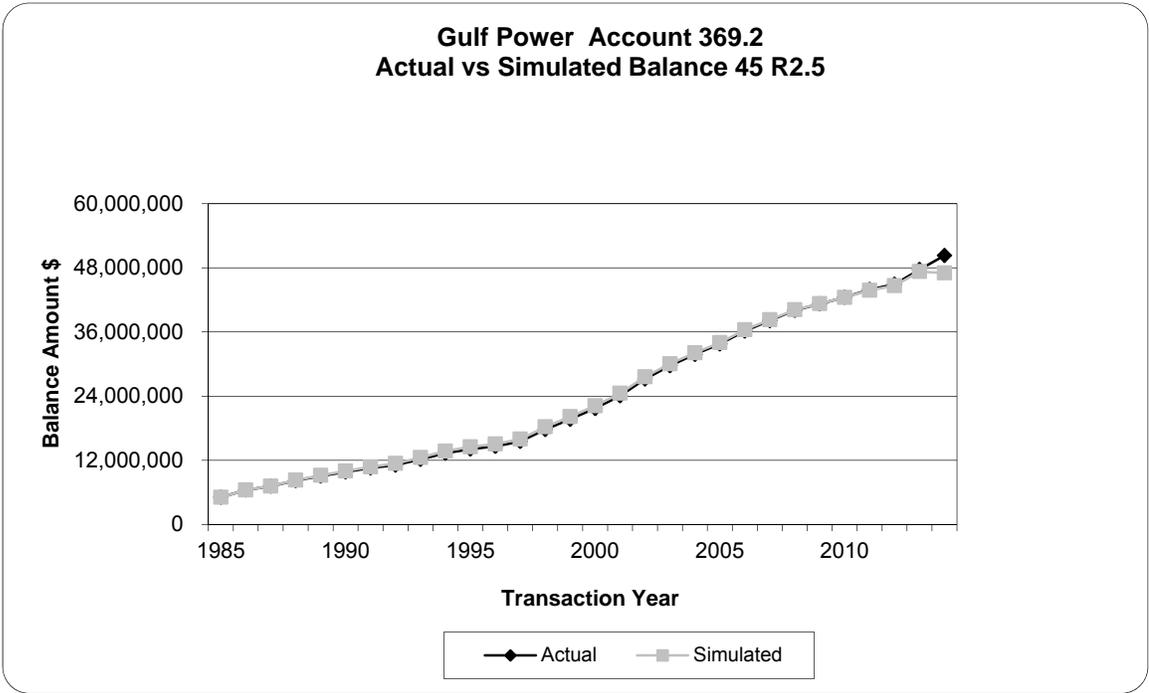
#### Account 369.2 Underground Services

| Item                   | FPSC Approved | 2016         | Change       |
|------------------------|---------------|--------------|--------------|
| Investment             | \$41,248,654  | \$57,120,322 | \$15,871,668 |
| Iowa Curve             | R1            | R2.5         |              |
| Average Service Life   | 40            | 45           | 5            |
| Theoretical Reserve    | \$10,155,904  | \$18,472,024 | \$8,316,120  |
| Book Reserve           | \$12,429,711  | \$20,106,639 | \$7,676,928  |
| Reserve Variance       | \$2,273,807   | \$1,634,615  | (\$639,192)  |
| Reserve Ratio          | 30.13%        | 35.20%       |              |
| Gross Salvage          | 5%            | 0%           | -5%          |
| Removal Cost           | 10%           | 20%          | 10%          |
| Net Salvage            | -5%           | -20%         | -15%         |
| Avg. Whole Life Rate   | 2.8%          | 2.7%         | -0.1%        |
| AWL Expense (2016)     | \$1,599,369   | \$1,525,113  | (\$74,256)   |
| Average Remaining Life | 31.0          | 32.9         | 1.9          |
| ARL Rate               | 2.6%          | 2.6%         | 0.0%         |
| ARL Expense (2016)     | \$1,485,128   | \$1,473,704  | (\$11,424)   |

### **Life 45 R2.5**

These accounts include underground electric services and related equipment. The projected balance at December 31, 2016 is approximately \$57.1 million. The current approved life for these accounts is 40 years with an R1 dispersion curve. Discussions with Company personnel indicate underground has been placed in conduit since the late 1980s. The SPR-B analysis shows the top ranked curves have good to excellent CIs but poor to fair REIs. The 45-year life and an R2.5 dispersion is the first life curve combination to produce excellent REIs and good CIs. Based on the SPR-B analysis, the type of assets in the account, and judgment, the Study recommendation is to move to a 45-year life

and an R2.5 dispersion curve. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-20%)**

These accounts consist of any salvage and removal cost for underground electric services and related equipment. The current authorized net salvage for these accounts is negative 10 percent. In the most recent bands, the five-year and 10-year averages are negative 23.43 and negative 24.15 percent net salvage, respectively. Net salvage percentages for prior periods show a consistent negative trend. The Study proposes moving toward the indications of higher negative net salvage but conservatively, the Study recommends only moving to a negative 20 percent net salvage. The Company’s next depreciation study will further examine future trends in this account as the recommendation.

## **FERC Account 370.0 Meters**

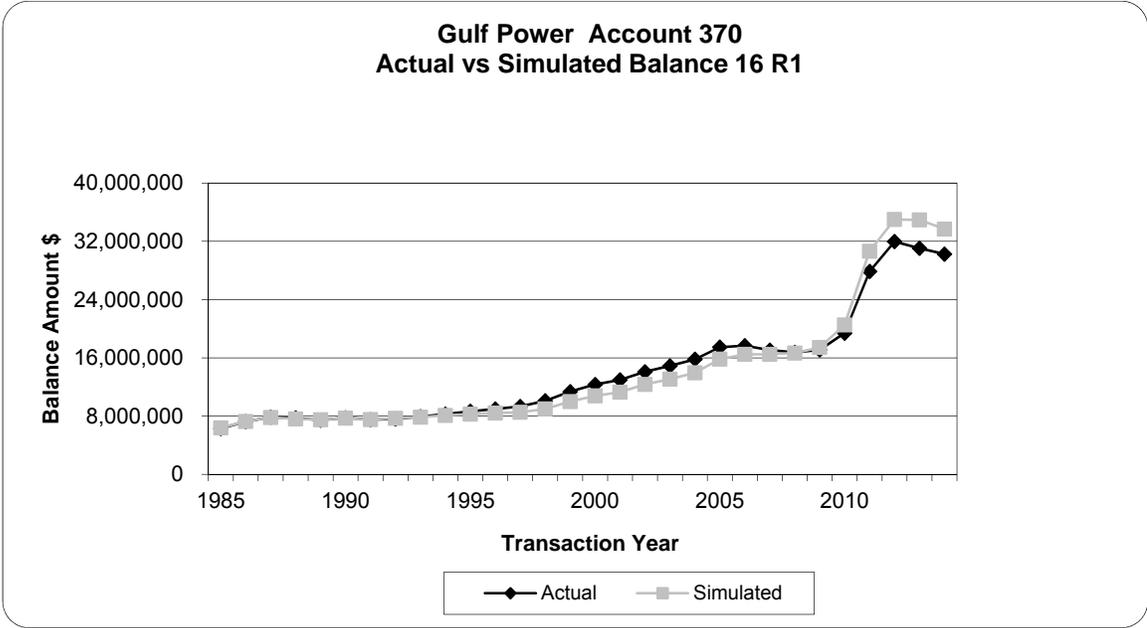
### ANALYSIS RESULTS Depreciable Property

| Account 370<br>Meters  |               |               |                |
|------------------------|---------------|---------------|----------------|
| Item                   | FPSC Approved | 2016          | Change         |
| Investment             | \$51,269,486  | \$36,567,578  | (\$14,701,908) |
| Iowa Curve             | R1            | R1            |                |
| Average Service Life   | 33            | 16            | (17)           |
| Theoretical Reserve    | \$11,099,516  | \$9,339,691   | (\$1,759,825)  |
| Book Reserve           | \$13,148,345  | (\$288,419)   | (\$13,436,764) |
| Reserve Variance       | \$2,048,829   | (\$9,628,111) | (\$11,676,940) |
| Reserve Ratio          | 25.65%        | -0.79%        |                |
| Gross Salvage          | 25%           | 10%           | -15%           |
| Removal Cost           | 15%           | 0%            | -15%           |
| Net Salvage            | 10%           | 10%           | 0%             |
| Avg. Whole Life Rate   | 2.7%          | 5.6%          | 2.9%           |
| AWL Expense (2016)     | \$987,325     | \$2,047,784   | \$1,060,460    |
| Average Remaining Life | 25.0          | 11.5          | (13.5)         |
| ARL Rate               | 2.7%          | 7.9%          | 5.2%           |
| ARL Expense (2016)     | \$987,325     | \$2,888,839   | \$1,901,514    |

### **Life 16 R1**

This account includes all distribution meters and meter accessories, excluding Advanced Metering Infrastructure (“AMI”) Meters. The projected balance at December 31, 2016 is approximately \$36.6 million. The current approved life is 33 years with an R1 dispersion curve. Discussions with Company personnel indicate all meters are AMI except for around 130 customer refusals and 100 industrial customers. Industrial meters are digital meters with communications. Sensus meters have an 8-year warranty. The biggest failure is communications failure. Periodic testing for industrial meters occurs. There was a larger level Advanced Energy Metering (AEM) accessory retirement/replacements during the AMI installation process, which may cause the

life to appear shorter than expected. A 15-year life is reasonable. The SPR-B analysis indicates a decrease in life across the bands, which is expected with the change from electromechanical to electronic metering. The CIs are poor but the REIs are excellent. The 16-year life and an R1 dispersion curve is in the top three ranked curves in the bands analyzed. Based on the SPR-B analysis, the type of assets, Company input, and judgment, the Study recommendation is to decrease the approved life to 16 years but retain an R1 dispersion curve. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (10%)**

This account consists of any salvage and removal cost for all distribution meters and meter accessories, excluding AMI meters. The current authorized net salvage for this account is positive 10 percent. In the most recent bands, the five and 10-year averages are positive 21.20 and positive 23.37 percent net salvage, respectively. The most recent years (2013 and 2014) have lower net salvage indications than those in the wider bands. Discussions with Company personnel indicated they have standardized the costing process for installation and removal.

There should be no gross salvage on meters going forward and there are now special disposal requirements for meters. The Company expects there might be slightly negative net salvage as a result of the new disposal requirements. Based on new costing process and disposal requirements along with Company input, the Study recommends retention of the approved positive 10 percent net salvage for this account. Trends in net salvage for this account will be monitored in the Company's next depreciation study.

**FERC Account 370.1 Meters - AMI Equipment**

ANALYSIS RESULTS  
Depreciable Property

| Account 370<br>Meters - AMI |               |              |              |
|-----------------------------|---------------|--------------|--------------|
| Item                        | FPSC Approved | 2016         | Change       |
| Investment                  | \$34,299,000  | \$41,794,941 | \$7,495,941  |
| Iowa Curve                  | R1            | R1           |              |
| Average Service Life        | 15            | 15           | 0            |
| Theoretical Reserve         | \$0           | \$8,864,118  | \$8,864,118  |
| Book Reserve                | \$0           | \$18,329,633 | \$18,329,633 |
| Reserve Variance            | \$0           | \$9,465,515  | \$9,465,515  |
| Reserve Ratio               | 0.00%         | 43.86%       |              |
| Gross Salvage               | 0%            | 0%           | 0%           |
| Removal Cost                | 0%            | 0%           | 0%           |
| Net Salvage                 | 0%            | 0%           | 0%           |
| Avg. Whole Life Rate        | 6.7%          | 6.7%         | 0.0%         |
| AWL Expense (2016)          | \$2,800,261   | \$2,787,723  | (\$12,538)   |
| Average Remaining Life      | 15.0          | 11.8         | (3.2)        |
| ARL Rate                    | 6.7%          | 4.8%         | -2.0%        |
| ARL Expense (2016)          | \$2,800,261   | \$1,985,260  | (\$815,001)  |

**Life 15 R1**

This account includes AMI equipment. The projected balance at December 31, 2016 is approximately \$41.8 million in this account. The current approved life

is 15 years with an R1 dispersion curve. Discussions with the Company indicated they started installing in 2008 with a pilot program, full installation began in 2009 and was completed by 2012. A 15-year life is reasonable. The Company has experienced various failure modes for AMI meters. The electronics are sensitive to surges (e.g. lightning and they are in a high lightning area. The analysis of three years is too limited to provide meaningful results. Based on Company input, type of assets, and judgment, the Study recommends retention of the existing 15-year life expectancy and an R1 dispersion curve. No graph is provided.

### **Net Salvage (0%)**

This account consists of any salvage and removal cost for all AMI equipment. The current authorized net salvage for this account is zero percent. No retirements, gross salvage or cost of removal has been recorded since the Company began installing AMI Meters. The Study recommends retention of zero percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 373.0 Street Lighting & Signal Systems**

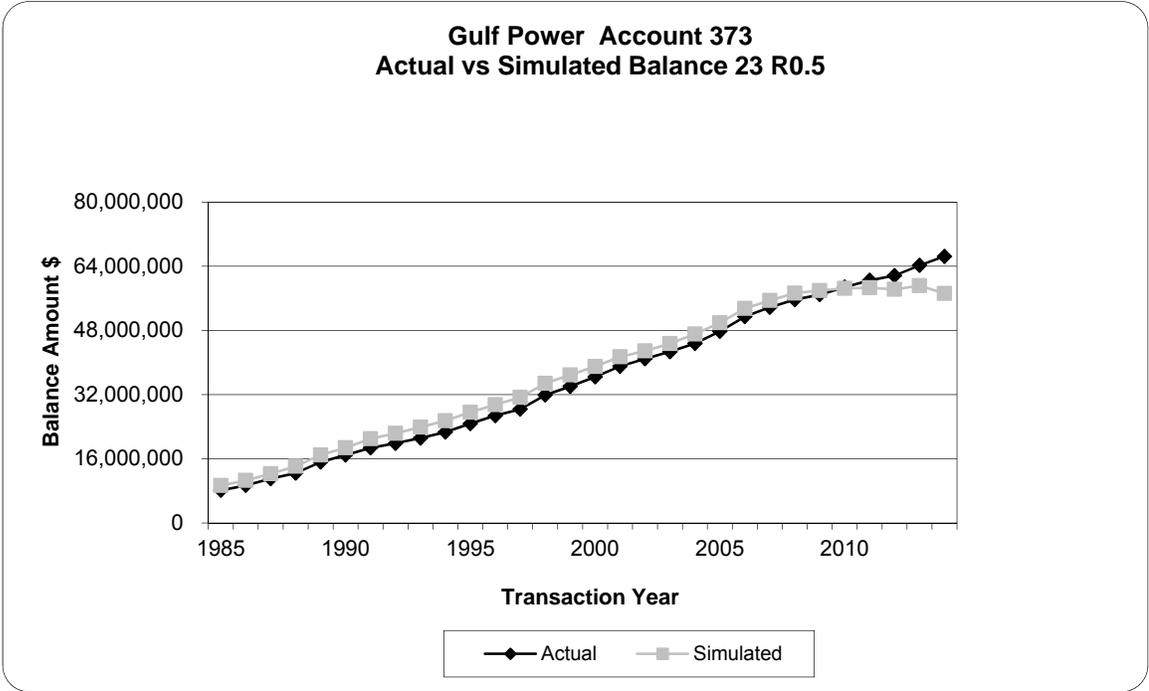
### ANALYSIS RESULTS

#### Depreciable Property

| Account 373<br>Street Lighting & Signal System |               |              |              |
|--|---------------|--------------|--------------|
| Item   | FPSC Approved | 2016         | Change       |
| Investment                                     | \$56,904,425  | \$75,546,351 | \$18,641,926 |
| Iowa Curve                                     | L1            | R0.5         |              |
| Average Service Life                           | 20            | 23           | 3            |
| Theoretical Reserve                            | \$19,709,205  | \$28,184,724 | \$8,475,519  |
| Book Reserve                                   | \$23,219,645  | \$41,162,451 | \$17,942,806 |
| Reserve Variance                               | \$3,510,440   | \$12,977,727 | \$9,467,287  |
| Reserve Ratio                                  | 40.80%        | 54.49%       |              |
| Gross Salvage                                  | 5%            | 0%           | -5%          |
| Removal Cost                                   | 15%           | 20%          | 5%           |
| Net Salvage                                    | -10%          | -20%         | -10%         |
| Avg. Whole Life Rate                           | 5.5%          | 5.2%         | -0.3%        |
| AWL Expense (2016)                             | \$4,155,049   | \$3,943,520  | (\$211,529)  |
| Average Remaining Life                         | 13.8          | 15.9         | 2.1          |
| ARL Rate                                       | 5.0%          | 4.1%         | -0.9%        |
| ARL Expense (2016)                             | \$3,777,318   | \$3,120,064  | (\$657,254)  |

### **Life 23 R0.5**

This account includes all distribution streetlights, conductors, conduits, luminaires, and standards. The projected balance at December 31, 2016 is approximately \$75.5 million in this account. The current approved life for this account is 20 years with an L1 dispersion curve. The SPR-B analysis has poor CIs across the bands analyzed. The REIs are excellent. The 23-year life expectancy and an R0.5 dispersion is the top ranked curve in the bands analyzed. Based on the analysis, type of assets in this account, and judgment, the current Study recommendation is to move to 23 years and an R0.5 dispersion curve. A graph of the actual balances vs the simulated balances using the proposed curve is shown below.



**Net Salvage (-20%)**

This account consists of any salvage and removal cost associated with distribution streetlights, conductors, conduits, luminaires, and standards. The current authorized net salvage for this account is negative 10 percent. In the most recent bands, the five and 10-year averages are negative 4.51 and negative 21.98 percent net salvage, respectively. Based on the Company history from the most recent 10 years, the Study recommends moving to negative 20 percent net salvage for this account. The Company’s next depreciation study will examine future trends in this account.

**E. General Plant and Transportation Equipment**

**Electric General Plant and Transportation Equipment Depreciated  
FERC Accounts 390.0, 392.1, 392.21, 392.22, 392.6, 396, and 397**

**FERC Account 390.0 Structures and Improvements**

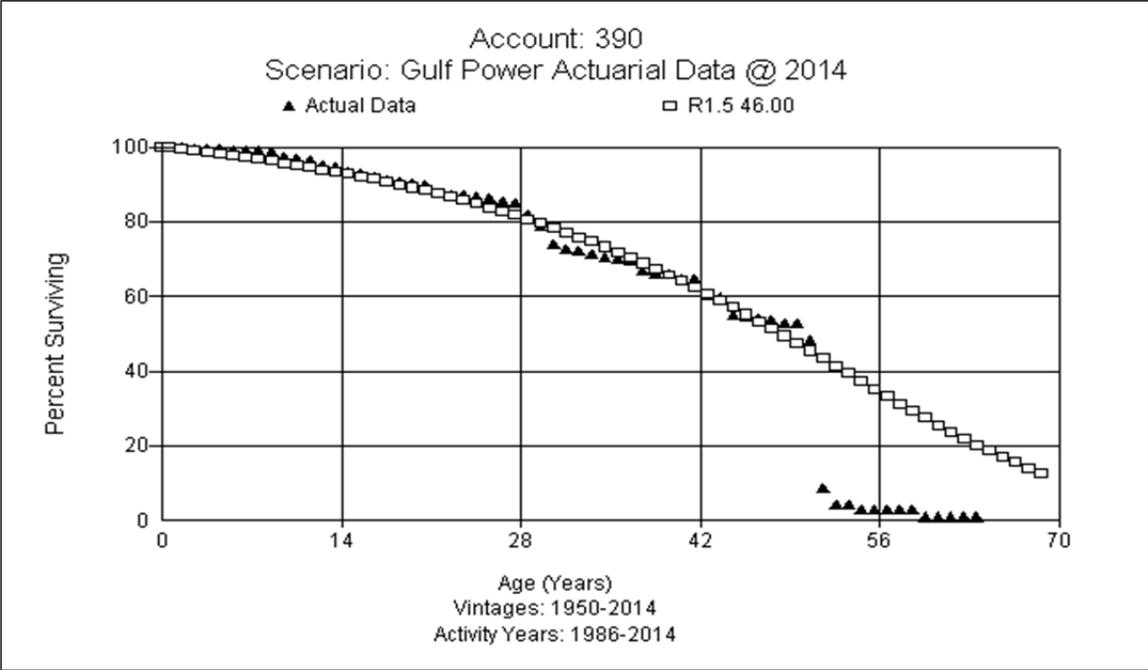
ANALYSIS RESULTS  
Depreciable Property

| Account 390<br>Structures and Improvements |               |              |              |
|--|---------------|--------------|--------------|
| Item                                       | FPSC Approved | 2016         | Change       |
| Investment                                 | \$64,301,504  | \$84,247,313 | \$19,945,809 |
| Iowa Curve                                 | S1.5          | R1.5         |              |
| Average Service Life                       | 45            | 46           | 1            |
| Theoretical Reserve                        | \$23,396,748  | \$28,098,547 | \$4,701,799  |
| Book Reserve                               | \$22,312,294  | \$31,641,511 | \$9,329,217  |
| Reserve Variance                           | (\$1,084,454) | \$3,542,964  | \$4,627,418  |
| Reserve Ratio                              | 34.70%        | 37.56%       |              |
| Gross Salvage                              | 0%            | 0%           | 0%           |
| Removal Cost                               | 5%            | 5%           | 0%           |
| Net Salvage                                | -5%           | -5%          | 0%           |
| Avg. Whole Life Rate                       | 2.3%          | 2.3%         | 0.0%         |
| AWL Expense (2016)                         | \$1,937,688   | \$1,920,839  | (\$16,849)   |
| Average Remaining Life                     | 29.5          | 30.7         | 1.2          |
| ARL Rate                                   | 2.3%          | 2.2%         | -0.1%        |
| ARL Expense (2016)                         | \$1,937,688   | \$1,853,441  | (\$84,247)   |

**Life 46 R1.5**

This account consists of general structures and improvements for buildings, including roofing, plumbing, air conditioning systems, electrical and yard improvements. The projected balance at December 31, 2016 is approximately \$84.2 million in this account. The current approved life is 45 years with an S1.5 dispersion. Discussions with Company personnel indicated there are over 38 buildings on 15 different campuses. Average age of all is approximately 18 years.

The largest is the corporate office, which was built in 1986. The oldest is about 60 years old and showing its age. The actuarial analysis has a range from 40-48 years across the bands. The Company has replaced roofs, parking lots, generators, and HVAC. Based on the analysis indications, discussions with the Company, type and mix of assets, and judgment, the Study recommends increasing slightly to a 46-year life with an R1.5 dispersion. A graph of the observed life table versus the proposed curve is shown below.



**Net Salvage (-5%)**

This account consists of any salvage and removal cost associated with buildings including roofing, plumbing, air conditioning systems, electrical, and yard improvements.. The current authorized net salvage is negative 5 percent. Discussions with the Company indicated they ask contractors to break out removal cost from construction costs (e.g. roof tear-off versus new roof). In the most recent bands, the five-year and 10-year averages show negative 17.99 and negative 7.74 percent net salvage, respectively. Based on history and judgment, the Study conservatively recommends retention of negative 5 percent net salvage

for this account. The Company's next depreciation study will examine future trends in this account.

**FERC Account 392.1 Transportation Equipment - Automobiles**

ANALYSIS RESULTS  
Depreciable Property

| Account 392.1<br>Automobiles |               |          |          |
|------------------------------|---------------|----------|----------|
| Item                         | FPSC Approved | 2016     | Change   |
| Investment                   | \$29,848      | \$29,848 | \$0      |
| Iowa Curve                   | 0             | R4       |          |
| Average Service Life         | 7.0           | 7.0      | 0        |
| Theoretical Reserve          | \$0           | \$12,359 | \$12,359 |
| Book Reserve                 | \$0           | \$16,553 | \$16,553 |
| Reserve Variance             | \$0           | \$4,194  | \$4,194  |
| Reserve Ratio                | 0.00%         | 55.46%   |          |
| Gross Salvage                | 15%           | 15%      | 0%       |
| Removal Cost                 | 0%            | 0%       | 0%       |
| Net Salvage                  | 15%           | 15%      | 0%       |
| Avg. Whole Life Rate         | 12.1%         | 12.1%    | 0.0%     |
| AWL Expense (2016)           | \$3,612       | \$3,624  | \$13     |
| Average Remaining Life       | 7.0           | 3.6      | (3.4)    |
| ARL Rate                     | N/A           | 8.2%     | N/A      |
| ARL Expense (2016)           | \$0           | \$2,456  | N/A      |

This account was new in 2012. The FPSC provided approval in Docket No. 1200059-EI, Order No. PSC-12-0300-PAA-EI issued on June 11, 2012.

**Life 7 R4**

This account consists of automobiles. The projected plant balance at December 31, 2016 is approximately \$30 thousand for this account. The currently approved life is 7 years. 2013 is first vintage of current automobiles. No analysis was performed. The Study recommends retention of a 7 year life and using an R4 dispersion. No graph is provided.

### Net Salvage (15%)

This account consists of any salvage and removal cost associated with automobiles. The current authorized net salvage for this account is positive 15 percent. Based on history and judgment, the Study recommends retention of 15 percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

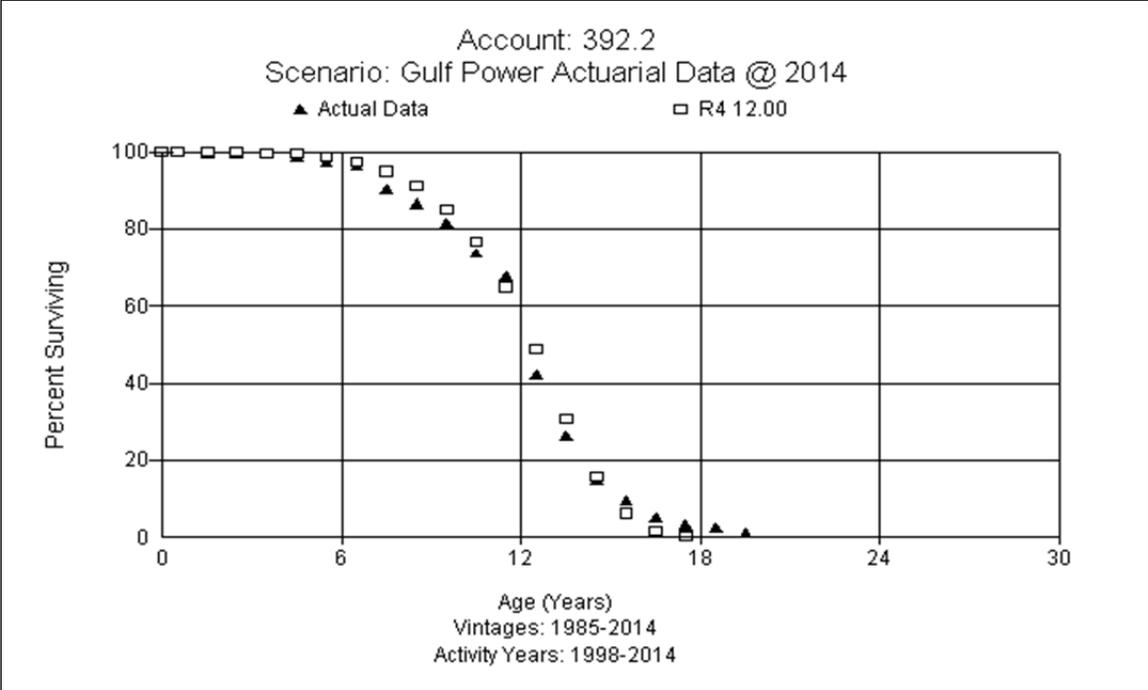
### FERC Account 392.2 Transportation Equipment - Light Trucks

| ANALYSIS RESULTS       |               |               |               |
|------------------------|---------------|---------------|---------------|
| Depreciable Property   |               |               |               |
| Account 392.2          |               |               |               |
| Light Trucks           |               |               |               |
| Item                   | FPSC Approved | 2016          | Change        |
| Investment             | \$5,939,852   | \$7,519,254   | \$1,579,402   |
| Iowa Curve             | S3            | R4            |               |
| Average Service Life   | 10.0          | 12.0          | 2             |
| Theoretical Reserve    | \$3,298,386   | \$5,826,541   | \$2,528,155   |
| Book Reserve           | \$2,742,329   | \$4,220,267   | \$1,477,938   |
| Reserve Variance       | (\$556,057)   | (\$1,606,273) | (\$1,050,216) |
| Reserve Ratio          | 46.17%        | 56.13%        |               |
| Gross Salvage          | 12%           | 5%            | -7%           |
| Removal Cost           | 0%            | 0%            | 0%            |
| Net Salvage            | 12%           | 5%            | -7%           |
| Avg. Whole Life Rate   | 8.8%          | 7.9%          | -0.9%         |
| AWL Expense (2016)     | \$661,694     | \$595,525     | (\$66,169)    |
| Average Remaining Life | 4.5           | 2.2           | (2.3)         |
| ARL Rate               | 9.3%          | 17.6%         | 8.3%          |
| ARL Expense (2016)     | \$699,291     | \$1,321,133   | \$621,842     |

### Life 12 R4

This account consists of light trucks. The projected plant balance at December 31, 2016 is approximately \$7.5 million. The currently approved life for this account is 10 years with an L3 dispersion. Discussions with Company

personnel indicated repair costs and condition determine if a vehicle is retired. The actuarial analysis indicated a life range from 11-13 years, with 12 years a predominantly good fit across the bands. The Study recommends increasing the life to 12 years and an R4 dispersion. A graph of the actual data vs the proposed curve is shown below.



**Net Salvage (5%)**

This account consists of any salvage and removal costs associated with light trucks. The currently authorized net salvage for this account is positive 12 percent. Discussions with Company personnel indicated for light trucks, the residual value is very small with 200 thousand miles. A 10-year old F150 with 200 thousand miles that cost \$20 thousand to purchase will only generate \$1thousand at sale. The Company thinks that 5 percent is appropriate. In the most recent bands, the five and 10-year averages show positive 5.05 and positive 7.02 percent net salvage, respectively. Based on the more recent five-year history, Company input, and judgment, the Study recommends moving to a lower net

salvage of positive 5 percent for this account. The Company's next depreciation study will examine future trends in this account.

**FERC Account 392.3 Transportation Equipment - Heavy Trucks**

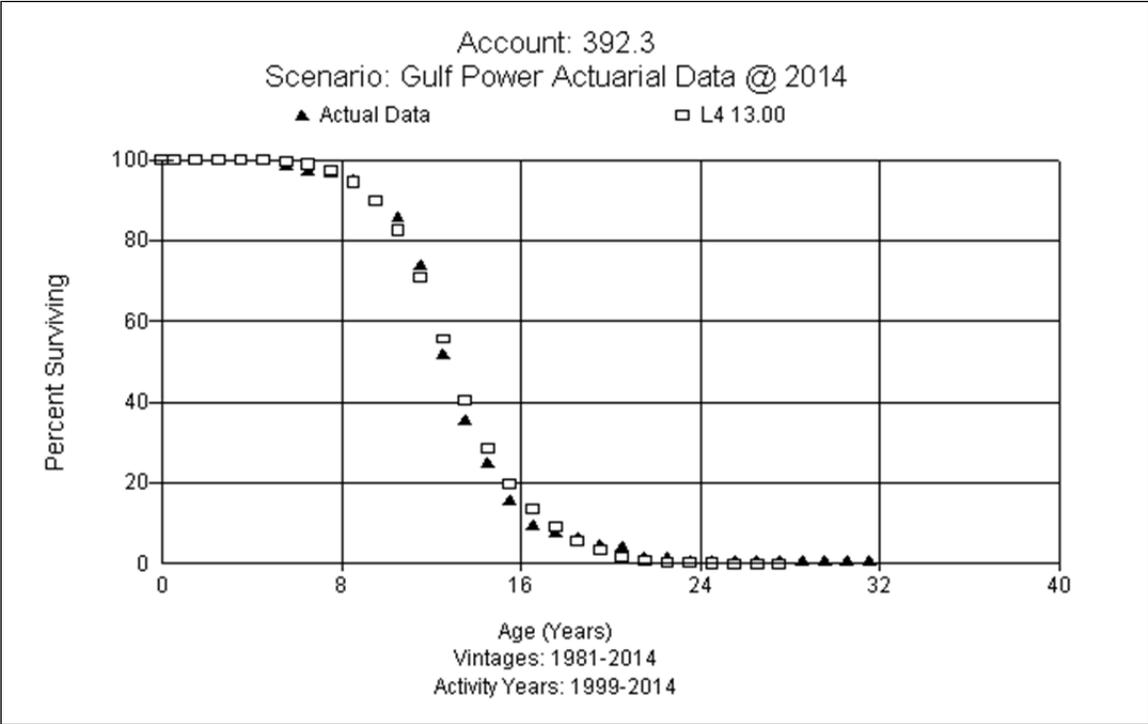
ANALYSIS RESULTS  
Depreciable Property

| Account 392.3<br>Heavy Trucks |               |               |               |
|-------------------------------|---------------|---------------|---------------|
| Item                          | FPSC Approved | 2016          | Change        |
| Investment                    | \$19,768,863  | \$24,527,733  | \$4,758,870   |
| Iowa Curve                    | L4            | L4            |               |
| Average Service Life          | 11            | 13            | 2             |
| Theoretical Reserve           | \$8,435,433   | \$15,745,694  | \$7,310,261   |
| Book Reserve                  | \$8,827,882   | \$13,863,301  | \$5,035,419   |
| Reserve Variance              | \$392,449     | (\$1,882,392) | (\$2,274,841) |
| Reserve Ratio                 | 44.66%        | 56.52%        |               |
| Gross Salvage                 | 15%           | 15%           | 0%            |
| Removal Cost                  | 0%            | 0%            | 0%            |
| Net Salvage                   | 15%           | 15%           | 0%            |
| Avg. Whole Life Rate          | 7.7%          | 6.5%          | -1.2%         |
| AWL Expense (2016)            | \$1,888,635   | \$1,604,114   | (\$284,521)   |
| Average Remaining Life        | 5.1           | 3.2           | (1.9)         |
| ARL Rate                      | 7.9%          | 9.0%          | 1.1%          |
| ARL Expense (2016)            | \$1,937,691   | \$2,195,232   | \$257,541     |

**Life 13 L4**

This account consists of heavy trucks. The projected plant balance at December 31, 2016 is approximately \$24.5 million. The currently approved life for this account is 11 years with an L4 dispersion. Discussions with Company personnel indicated repair costs and condition determine if a vehicle is retired. The actuarial analysis indicated life range from 12-14 years, with 13 years a predominantly good fit across the bands. The Study recommends increasing the

life to 13 years but retaining an L4 dispersion. A graph of the actual data vs the proposed curve is shown below.



**Net Salvage (15%)**

This account consists of any salvage and removal costs associated with heavy trucks. The currently authorized net salvage for this account is positive 15 percent. Discussions with Company personnel indicated that over the last couple of years, the market for used heavy duty trucks and equipment has increased. The Company believes the market will hold fairly steady for the next few years. The Company moved the sales to an outside firm, which appears to be generating more sales proceeds than when company personnel performed the sales (maybe due to the larger market the outside firm can access). The third party sales company will take some of the proceeds as their commission. In the most recent bands, the five-year and 10-year averages show positive 16.24 and positive 13.88 percent net salvage, respectively. Based on history, Company input, and judgment, the Study recommends retention of positive 15 percent net salvage for

this account. The Company's next depreciation study will examine future trends in this account.

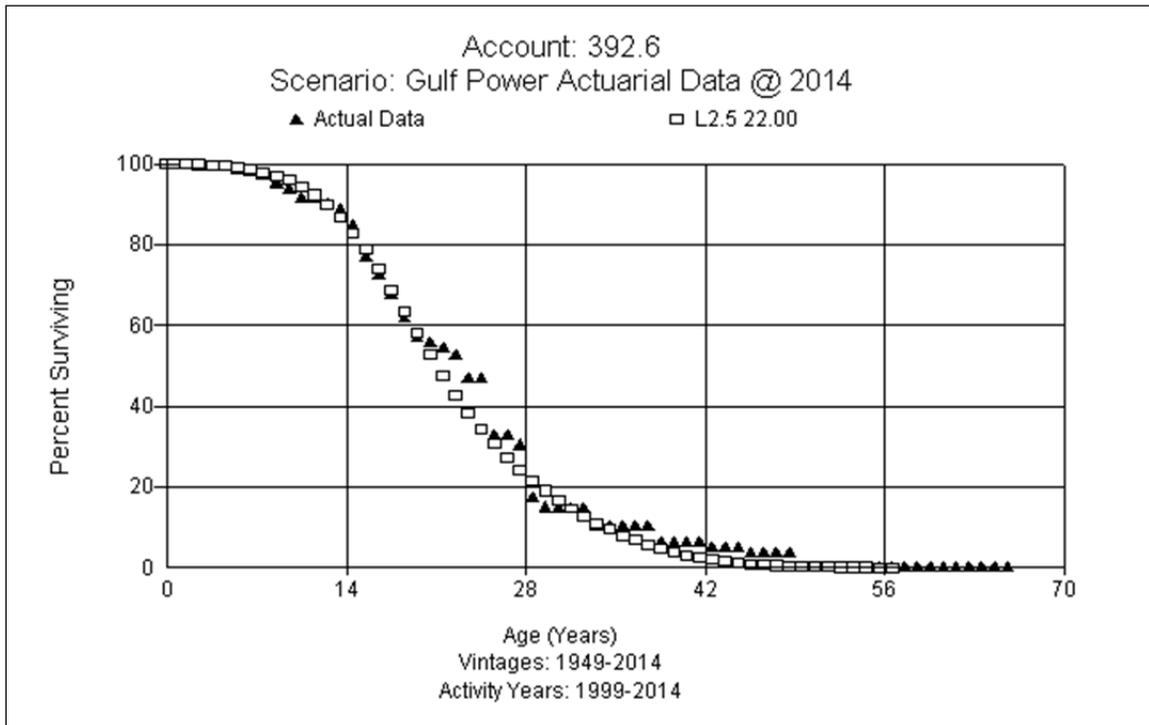
**FERC Account 392.4 Transportation Equipment - Trailers**

ANALYSIS RESULTS  
Depreciable Property

| Account 392.4<br>Trailers |               |             |            |
|---------------------------|---------------|-------------|------------|
| Item                      | FPSC Approved | 2016        | Change     |
| Investment                | \$1,069,871   | \$1,320,796 | \$250,925  |
| Iowa Curve                | S1.5          | L2.5        |            |
| Average Service Life      | 18            | 22          | 4          |
| Theoretical Reserve       | \$610,770     | \$648,487   | \$37,717   |
| Book Reserve              | \$591,812     | \$709,817   | \$118,005  |
| Reserve Variance          | (\$18,958)    | \$61,329    | \$80,287   |
| Reserve Ratio             | 55.32%        | 53.74%      |            |
| Gross Salvage             | 12%           | 8%          | -4%        |
| Removal Cost              | 0%            | 0%          | 0%         |
| Net Salvage               | 12%           | 8%          | -4%        |
| Avg. Whole Life Rate      | 4.9%          | 4.2%        | -0.7%      |
| AWL Expense (2016)        | \$64,719      | \$55,209    | (\$9,510)  |
| Average Remaining Life    | 6.8           | 10.3        | 3.5        |
| ARL Rate                  | 4.8%          | 3.7%        | -1.1%      |
| ARL Expense (2016)        | \$63,398      | \$49,266    | (\$14,132) |

**Life 22 L2.5**

This account consists of other transportation equipment such as trailers and miscellaneous. The projected plant balance at December 31, 2016 is approximately \$1.3 million. The currently approved life for this account is 18 years with an S1.5 dispersion. The analysis indicates the life range of 20-23 years. The 22-year life and an L2.5 dispersion curve is an excellent fit across the bands analyzed. The Study recommends moving to a 22-year life and an L2.5 dispersion. A graph of the actual data vs. the proposed curve is shown below.



### Net Salvage (8%)

This account consists of any salvage and removal cost associated with trailers and miscellaneous. The currently authorized net salvage for this account is positive 12 percent. In the most recent bands, the five-year and 10-year averages show positive 5.02 and positive 8.00 percent net salvage, respectively. Based on the wider 10-year history and judgment, the Study recommends net salvage of positive 8 percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 396.0 Power Operated Equipment**

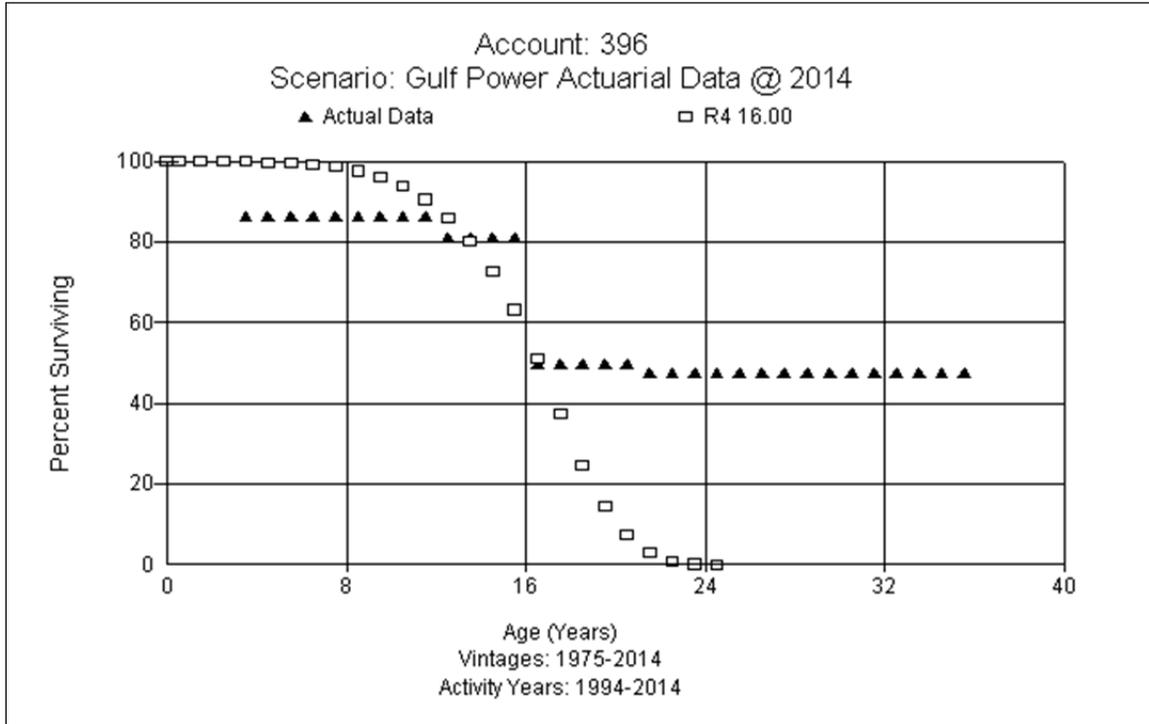
### ANALYSIS RESULTS

#### Depreciable Property

| Account 396              |               |           |            |
|--------------------------|---------------|-----------|------------|
| Power Operated Equipment |               |           |            |
| Item                     | FPSC Approved | 2016      | Change     |
| Investment               | \$593,661     | \$931,916 | \$338,255  |
| Iowa Curve               | R5            | R4        |            |
| Average Service Life     | 15            | 16        | 1          |
| Theoretical Reserve      | \$357,892     | \$532,879 | \$174,987  |
| Book Reserve             | \$371,969     | \$671,383 | \$299,414  |
| Reserve Variance         | \$14,077      | \$138,504 | \$124,427  |
| Reserve Ratio            | 62.66%        | 72.04%    |            |
| Gross Salvage            | 20%           | 20%       | 0%         |
| Removal Cost             | 0%            | 0%        | 0%         |
| Net Salvage              | 20%           | 20%       | 0%         |
| Avg. Whole Life Rate     | 5.3%          | 5.0%      | -0.3%      |
| AWL Expense (2016)       | \$49,392      | \$46,596  | (\$2,796)  |
| Average Remaining Life   | 3.7           | 4.6       | 0.9        |
| ARL Rate                 | 4.7%          | 1.7%      | -3.0%      |
| ARL Expense (2016)       | \$43,800      | \$16,215  | (\$27,585) |

### **Life 16 R4**

This account consists of power -operated equipment such as bulldozers, forklifts, pile drivers, tractors, and other power operated equipment that cannot be licensed on roadways. The projected plant balance at as of December 31, 2016 is approximately \$932 thousand. The currently approved life for this account is 15 years with an R5 dispersion. The life analysis indicated the life was moving out slightly with a range of 16-17 years. The Study recommends moving to a 16-year life and an R4 dispersion. A graph of the actual data versus the proposed curve is shown below.



### Net Salvage (20%)

This account consists of any salvage and removal cost associated with bulldozers, forklifts, pile drivers, tractors, and other power operated equipment that cannot be licensed on roadways. The currently authorized net salvage for this account is positive 20 percent. There has been little activity recorded in this account. In 2014 the retirement and salvage received was for a Hydrotrec (amphibious vehicle), which is not likely to reoccur and is considered atypical in the analysis. Based on history, Company input, and judgment, the Study recommends retention of positive 20 percent net salvage for this account. The Company's next depreciation study will examine future trends in this account.

## **FERC Account 397.0 Communication Equipment**

### ANALYSIS RESULTS

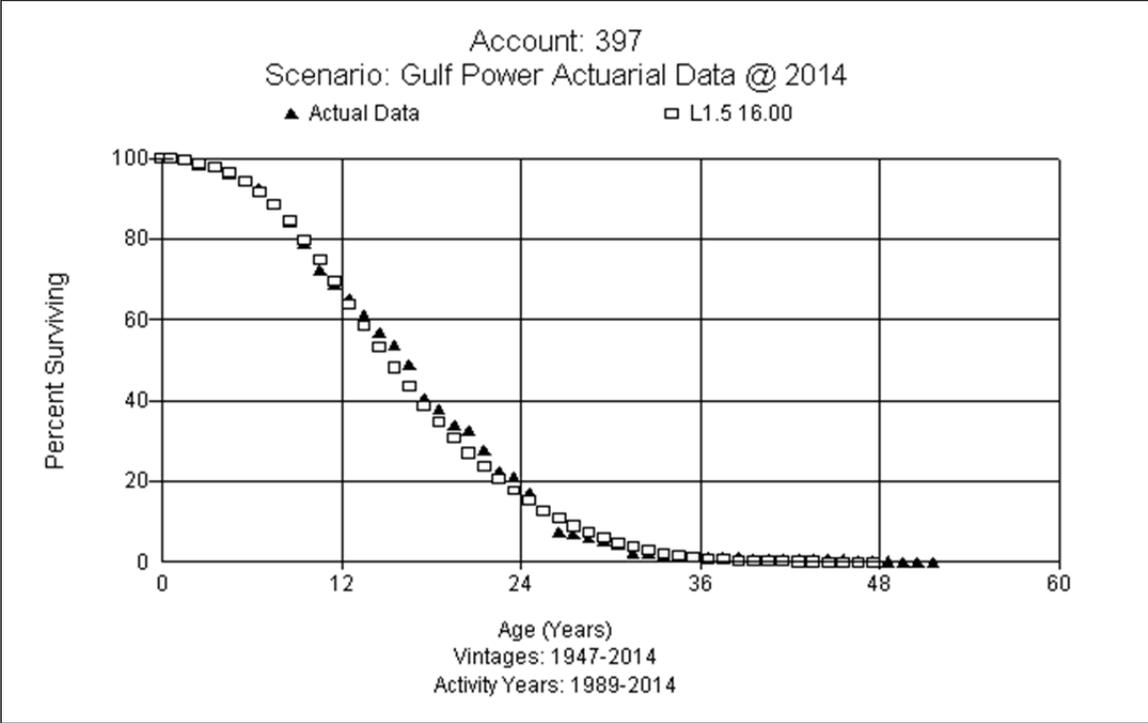
#### Depreciable Property

| Account 397             |               |              |             |
|-------------------------|---------------|--------------|-------------|
| Communication Equipment |               |              |             |
| Item                    | FPSC Approved | 2016         | Change      |
| Investment              | \$18,363,156  | \$24,528,470 | \$6,165,314 |
| Iowa Curve              | S1            | L1.5         |             |
| Average Service Life    | 16            | 16           | 0           |
| Theoretical Reserve     | \$8,882,026   | \$8,266,595  | (\$615,431) |
| Book Reserve            | \$7,951,248   | \$9,814,544  | \$1,863,296 |
| Reserve Variance        | (\$930,778)   | \$1,547,950  | \$2,478,728 |
| Reserve Ratio           | 43.30%        | 40.01%       |             |
| Gross Salvage           | 3%            | 0%           | -3%         |
| Removal Cost            | 3%            | 0%           | -3%         |
| Net Salvage             | 0%            | 0%           | 0%          |
| Avg. Whole Life Rate    | 6.3%          | 6.3%         | -0.1%       |
| AWL Expense (2016)      | \$1,545,294   | \$1,533,029  | (\$12,264)  |
| Average Remaining Life  | 9.0           | 10.6         | 1.6         |
| ARL Rate                | 6.3%          | 5.7%         | -0.6%       |
| ARL Expense (2016)      | \$1,545,294   | \$1,388,311  | (\$156,983) |

### **Life 16 L1.5**

This account consists of miscellaneous communication equipment used in general utility service. The projected plant balance at as of December 31, 2016 is approximately \$24.5 million. The currently approved life for this account is 16 years with an S1 dispersion. Discussions with Company personnel indicated fiber can have a fairly long life (20-30 years) with most of it in static wire of transmission. Electronic transport gear (e.g. coax, microwave equipment, and DWDM (Dense Wavelength Division Multiplexing) fiber equipment may have a 15-17 year life. The Company owns its transport equipment. Also, some radio equipment is in this account. Power Systems (e.g. DC battery banks) may last 15 years or more. A 15-17 year life for the average of the account is reasonable. Transport gear is moving to shorter lives as technology changes. Based on input

from Company personnel and life analysis results, the Study recommends retention of the 16-year life while moving to an L1.5 dispersion. A graph of the actual data versus the proposed curve is shown below.



**Net Salvage (0%)**

This account consists of any salvage and removal cost associated with miscellaneous communication equipment used in general utility service. The currently authorized net salvage for this account is zero percent. In the most recent bands, the five-year and 10-year averages show negative 0.71 and negative 1.81 percent net salvage, respectively. Based on Company history and judgment, the Study recommends retaining zero percent net salvage for this account. The Company’s next depreciation study will examine future trends in this account.

**Electric General Amortized FERC Accounts 391–398 (excludes 392,396 and 397 depreciable)**

Gulf adopted Vintage Group Amortization consistent with FERC Accounting Release No. 15 a number of years ago. The Study recommends the continued use of the existing lives previously approved. A table of the accounts and life for Amortized General plant is shown below.

**Table 2 – Electric General Plant Amortized**

| <b>Acct</b> | <b>Description</b>             | <b>Approved<br/>Life</b> | <b>Proposed<br/>Life</b> |
|-------------|--------------------------------|--------------------------|--------------------------|
| 391.1       | Office Furniture & Equipment   | 7                        | 7                        |
| 391.2       | Computer Hardware              | 5                        | 5                        |
| 392.5       | Marine Equipment               | 5                        | 5                        |
| 393.0       | Stores Equipment               | 7                        | 7                        |
| 394.0       | Tools, Shop & Garage Equipment | 7                        | 7                        |
| 395.0       | Laboratory Equipment           | 7                        | 7                        |
| 397.0       | Communication Equipment        | 7                        | 7                        |
| 398.0       | Miscellaneous Equipment        | 7                        | 7                        |

**Net Salvage General Amortized FERC Accounts 391–398 (excludes 392, 396 and 397)**

The Study recommends the continued use of the approved net salvage, which is zero percent.

**APPENDIX A - Depreciation Rate Calculations**

**APPENDIX A-1 - Depreciation Rate Calculations Steam Production**

**GULF POWER**  
**Computation of Composite Accrual Rate**  
**For Steam Production Plant**  
**As of December 31, 2016**

| Unit                      | Acct | Description                         | Plant Balance        | Book Reserve       | Proposed    |                       |
|---------------------------|------|-------------------------------------|----------------------|--------------------|-------------|-----------------------|
|                           |      |                                     |                      |                    | Rate        | Annual Accrual Amount |
| <b><u>CRIST PLANT</u></b> |      |                                     |                      |                    |             |                       |
| 4                         | 312  | Boiler Plant Equipment              | \$ 34,765,256        | \$ 21,085,292      | 5.2%        | \$ 1,817,974          |
| 4                         | 314  | Turbogenerator Equipment            | 10,894,270           | 5,520,254          | 6.7%        | 726,335               |
| 4                         | 315  | Accessory Electric Equipment        | 3,808,075            | 1,826,136          | 6.7%        | 254,238               |
| 5                         | 312  | Boiler Plant Equipment              | 35,572,540           | 20,126,719         | 4.7%        | 1,665,758             |
| 5                         | 314  | Turbogenerator Equipment            | 13,297,373           | 2,004,435          | 9.2%        | 1,224,180             |
| 5                         | 315  | Accessory Electric Equipment        | 4,147,091            | 2,016,301          | 5.3%        | 220,333               |
| 6                         | 312  | Boiler Plant Equipment              | 265,342,980          | 35,174,223         | 5.1%        | 13,531,196            |
| 6                         | 314  | Turbogenerator Equipment            | 47,744,495           | 13,118,901         | 4.5%        | 2,155,216             |
| 6                         | 315  | Accessory Electric Equipment        | 34,168,446           | 8,742,892          | 4.2%        | 1,422,447             |
| 7                         | 312  | Boiler Plant Equipment              | 218,187,178          | 45,405,542         | 4.1%        | 8,939,425             |
| 7                         | 314  | Turbogenerator Equipment            | 100,410,669          | 21,716,000         | 4.3%        | 4,299,572             |
| 7                         | 315  | Accessory Electric Equipment        | 27,095,838           | 14,105,733         | 2.4%        | 637,519               |
| Common                    | 311  | Structures and Improvement          | 127,423,259          | 73,610,728         | 2.0%        | 2,525,163             |
| Common                    | 312  | Boiler Plant Equipment              | 490,157,683          | 129,493,866        | 3.8%        | 18,728,489            |
| Common                    | 314  | Turbogenerator Equipment            | 26,780,017           | 14,449,285         | 2.6%        | 705,210               |
| Common                    | 315  | Accessory Electric Equipment        | 101,348,754          | 29,330,511         | 3.5%        | 3,511,875             |
| Common                    | 316  | Miscellaneous Power Plant Equipment | 10,786,966           | 2,006,363          | 4.0%        | 426,452               |
| <b>Total Crist</b>        |      |                                     | <b>1,551,930,888</b> | <b>439,733,184</b> | <b>4.0%</b> | <b>62,791,383</b>     |

**GULF POWER**  
**Computation of Composite Accrual Rate**  
**For Steam Production Plant**  
**As of December 31, 2016**

| Unit                       | Acct  | Description                         | Plant Balance      | Book Reserve       | Proposed    |                       |
|----------------------------|-------|-------------------------------------|--------------------|--------------------|-------------|-----------------------|
|                            |       |                                     |                    |                    | Rate        | Annual Accrual Amount |
| <b><u>DANIEL PLANT</u></b> |       |                                     |                    |                    |             |                       |
| Rail Car                   | 311   | Structures and Improvements         | <b>2,828,013</b>   | <b>1,508,465</b>   | <b>1.6%</b> | <b>45,248</b>         |
| Easements                  | 310.1 | Land Rights                         | <b>77,160</b>      | <b>44,753</b>      | <b>1.4%</b> | <b>1,080</b>          |
| 1                          | 311   | Structures and Improvement          | 8,887,842          | 8,072,879          | 0.4%        | 33,855                |
| 1                          | 312   | Boiler Plant Equipment              | 146,254,617        | 32,853,792         | 3.5%        | 5,091,639             |
| 1                          | 314   | Turbogenerator Equipment            | 27,688,825         | 10,860,080         | 3.0%        | 822,592               |
| 1                          | 315   | Accessory Electric Equipment        | 13,972,309         | 8,431,568          | 1.7%        | 234,582               |
| 1                          | 316   | Miscellaneous Power Plant Equipment | 133,722            | (3,252)            | 4.3%        | 5,695                 |
| 2                          | 311   | Structures and Improvement          | 9,337,214          | 8,581,737          | 0.3%        | 27,749                |
| 2                          | 312   | Boiler Plant Equipment              | 152,274,745        | 29,842,725         | 3.2%        | 4,867,163             |
| 2                          | 314   | Turbogenerator Equipment            | 26,717,999         | 13,212,346         | 2.3%        | 606,184               |
| 2                          | 315   | Accessory Electric Equipment        | 12,977,551         | 8,986,521          | 1.2%        | 150,064               |
| 2                          | 316   | Miscellaneous Power Plant Equipment | 190,580            | 37,369             | 2.9%        | 5,593                 |
| Common                     | 311   | Structures and Improvement          | 38,605,472         | 14,868,760         | 2.1%        | 823,510               |
| Common                     | 312   | Boiler Plant Equipment              | 182,680,844        | 25,298,652         | 3.4%        | 6,229,757             |
| Common                     | 314   | Turbogenerator Equipment            | 3,483,091          | 2,486,963          | 1.4%        | 49,207                |
| Common                     | 315   | Accessory Electric Equipment        | 17,552,673         | 1,358,605          | 3.4%        | 591,993               |
| Common                     | 316   | Miscellaneous Power Plant Equipment | 4,684,486          | 1,566,417          | 2.4%        | 114,041               |
| <b>Total Daniel</b>        |       |                                     | <b>645,441,969</b> | <b>166,455,162</b> | <b>3.0%</b> | <b>19,653,622</b>     |

**GULF POWER**  
**Computation of Composite Accrual Rate**  
**For Steam Production Plant**  
**As of December 31, 2016**

| Unit                        | Acct | Description                         | Plant Balance          | Book Reserve            | Proposed    |                       |
|-----------------------------|------|-------------------------------------|------------------------|-------------------------|-------------|-----------------------|
|                             |      |                                     |                        |                         | Rate        | Annual Accrual Amount |
| <b><u>SCHERER PLANT</u></b> |      |                                     |                        |                         |             |                       |
|                             | 311  | Structures and Improvement          | 37,765,761             | 21,648,703              | 1.2%        | 472,031               |
|                             | 312  | Boiler Plant Equipment              | 282,887,490            | 79,700,704              | 2.5%        | 7,029,543             |
|                             | 314  | Turbogenerator Equipment            | 38,601,240             | 23,275,983              | 1.6%        | 630,638               |
|                             | 315  | Accessory Electric Equipment        | 16,036,614             | 6,121,133               | 1.9%        | 310,298               |
|                             | 316  | Miscellaneous Power Plant Equipment | 5,908,516              | 3,485,687               | 1.3%        | 75,817                |
|                             |      | <b>Total Scherer</b>                | <b>381,199,620</b>     | <b>134,232,210</b>      | <b>2.2%</b> | <b>8,518,327</b>      |
| <b><u>SCHOLZ PLANT</u></b>  |      |                                     |                        |                         |             |                       |
|                             | 311  | Structures and Improvement          | 4,386,828              | 4,792,336               | 0.0%        | 0                     |
|                             | 312  | Boiler Plant Equipment              | 1,033,193              | 1,415,336               | 0.0%        | 0                     |
|                             | 314  | Turbogenerator Equipment            | 1,377,880              | 2,082,312               | 0.0%        | 0                     |
|                             | 315  | Accessory Electric Equipment        | 1,682,895              | 2,116,319               | 0.0%        | 0                     |
|                             | 316  | Miscellaneous Power Plant Equipment | 414,408                | 269,610                 | 0.0%        | 0                     |
|                             |      | <b>Total Scholz</b>                 | <b>\$ 8,895,204.13</b> | <b>\$ 10,675,913.57</b> | <b>0.0%</b> | <b>\$0</b>            |

**APPENDIX A-2 - Depreciation Rate Calculations Other Production**

**GULF POWER**  
**Computation of Composite Accrual Rate**  
**Other Production Plant**  
**As of December 31, 2016**

| Account                 | Description                   | Plant Balance        | Book Reserve        | Proposed Annual Accrual |                     |
|-------------------------|-------------------------------|----------------------|---------------------|-------------------------|---------------------|
|                         |                               |                      |                     | Rate                    | Amount              |
| <b>PACE PLANT</b>       |                               |                      |                     |                         |                     |
| 343                     | Prime Movers                  | \$ 7,332,158.06      | \$ 5,851,055.87     | 10.1%                   | \$ 740,547.96       |
| 344                     | Generators                    | 3,484,215.52         | 2,551,489.98        | 13.4%                   | 466,884.88          |
| 345                     | Accessory Electric Equipment  | 679,779.12           | 453,185.55          | 16.7%                   | 113,523.11          |
|                         | <b>Total Pace Plant</b>       | <b>11,496,152.70</b> | <b>8,855,731.40</b> | <b>11.5%</b>            | <b>1,320,955.96</b> |
| <b>PERDIDO LANDFILL</b> |                               |                      |                     |                         |                     |
| 341                     | Structures and Improvements   | 2,221,639.92         | 280,794.57          | 7.8%                    | 173,287.91          |
| 342                     | Fuel Holders                  | 797,164.95           | 162,850.52          | 6.7%                    | 53,410.05           |
| 343                     | Prime Movers                  | 3,993,649.29         | 776,142.82          | 7.6%                    | 303,517.35          |
| 345                     | Accessory Electric Equipment  | 1,056,281.83         | 224,856.36          | 6.7%                    | 70,770.88           |
| 346                     | Misc. Power Plant Equipment   | 170,349.60           | 184,540.37          | 0.0%                    | 0.00                |
|                         | <b>Total Perdido Landfill</b> | <b>8,239,085.59</b>  | <b>1,629,184.64</b> | <b>7.3%</b>             | <b>600,986.19</b>   |
| <b>SMITH CT</b>         |                               |                      |                     |                         |                     |
| 341                     | Structures and Improvements   | 1,369,494.80         | 228,002.02          | 8.6%                    | 117,776.55          |
| 342                     | Fuel Holders                  | 946,034.51           | 20,635.31           | 9.5%                    | 89,873.28           |
| 343                     | Prime Movers                  | 2,608,493.43         | 294,983.23          | 9.5%                    | 247,806.88          |
| 344                     | Generators                    | 3,856,145.41         | 3,001,457.00        | 2.0%                    | 77,122.91           |
| 345                     | Accessory Electric Equipment  | 3,305,588.14         | 955,780.26          | 7.0%                    | 231,391.17          |
| 346                     | Misc. Power Plant Equipment   | 50,915.13            | (10,911.45)         | 12.2%                   | 6,211.65            |
|                         | <b>Total Smith CT</b>         | <b>12,136,671.43</b> | <b>4,489,946.36</b> | <b>6.3%</b>             | <b>770,182.43</b>   |

**GULF POWER**  
**Computation of Composite Accrual Rate**  
**Other Production Plant**  
**As of December 31, 2016**

| <b>Account</b>  | <b>Description</b>            | <b>Plant Balance</b>     | <b>Book Reserve</b>       | <b>Proposed Annual Accrual</b> |                         |
|-----------------|-------------------------------|--------------------------|---------------------------|--------------------------------|-------------------------|
|                 |                               |                          |                           | <b>Rate</b>                    | <b>Amount</b>           |
| <b>SMITH CC</b> |                               |                          |                           |                                |                         |
| 341             | Structures and Improvements   | 28,036,877.44            | 892,172.59                | 5.0%                           | 1,401,843.87            |
| 342             | Fuel Holders                  | 4,698,022.07             | (569,072.22)              | 5.1%                           | 239,599.13              |
| 343             | Prime Movers                  | 158,457,669.70           | (49,617,561.71)           | 7.5%                           | 11,884,325.23           |
| 344             | Generators                    | 84,589,043.54            | 22,744,248.18             | 2.9%                           | 2,453,082.26            |
| 345             | Accessory Electric Equipment  | 14,007,855.72            | 649,704.37                | 4.5%                           | 630,353.51              |
| 346             | Misc. Power Plant Equipment   | 2,640,194.19             | (1,397,439.59)            | 7.4%                           | 195,374.37              |
|                 | <b>Total Smith CC</b>         | <b>292,429,662.66</b>    | <b>(27,297,948.38)</b>    | <b>5.7%</b>                    | <b>16,804,578.37</b>    |
|                 | <b>Total Other Production</b> | <b>\$ 324,301,572.38</b> | <b>\$ (12,323,085.98)</b> | <b>6.0%</b>                    | <b>\$ 19,496,702.95</b> |

**APPENDIX A-3 - Depreciation Rate Calculations Transmission, Distribution,  
General Plant and Transportation Equipment**

**GULF POWER**  
**Computation of Depreciation Accrual Rates for Transmission, Distribution, General Plant and Transportation Equipment**  
**At December 31, 2016**

| Account Description   | Plant<br>In Service<br>12/31/16 | Book<br>Depreciation<br>12/31/16 | Net<br>Salvage<br>% | Net<br>Salvage<br>Amount | Unaccrued<br>Balance    | Remaining<br>Life | Annual Accrual<br>Amount | Rate         |
|---|---------------------------------|----------------------------------|---------------------|--------------------------|-------------------------|-------------------|--------------------------|--------------|
| <b>Transmission Plant</b>   |                                 |                                  |                     |                          |                         |                   |                          |              |
| 350.10 Easements  | \$ 12,654,559                   | \$ 7,310,897                     | 0%                  | \$ -                     | \$ 5,343,662            | 27.66             | \$ 193,211               | 1.5%         |
| 352.00 Structures and Improvements  | 24,391,124                      | 4,557,952                        | -5%                 | (1,219,556)              | 21,052,728              | 46.65             | 451,334                  | 1.9%         |
| 353.00 Station Equipment  | 250,073,126                     | 33,409,988                       | -10%                | (25,007,313)             | 241,670,450             | 33.49             | 7,215,956                | 2.9%         |
| 354.00 Towers and Fixtures  | 42,290,155                      | 24,879,312                       | -25%                | (10,572,539)             | 27,983,382              | 30.79             | 908,837                  | 2.1%         |
| 355.00 Poles and Fixtures   | 230,339,009                     | 28,946,820                       | -75%                | (172,754,256)            | 374,146,445             | 35.30             | 10,597,785               | 4.6%         |
| 356.00 Overhead Conductors and Devices  | 123,801,393                     | 27,851,093                       | -30%                | (37,140,418)             | 133,090,718             | 42.14             | 3,158,157                | 2.6%         |
| 358.00 Underground Conductors   | 14,402,363                      | 8,392,435                        | 0%                  | 0                        | 6,009,928               | 24.16             | 248,729                  | 1.7%         |
| 359.00 Roads and Trails   | 235,918                         | 51,951                           | 0%                  | 0                        | 183,967                 | 42.00             | 4,381                    | 1.9%         |
| <b>Total Transmission Plant</b>   | <b>698,187,647</b>              | <b>135,400,449</b>               |                     | <b>(246,694,082)</b>     | <b>809,481,279</b>      |                   | <b>22,778,390</b>        | <b>3.3%</b>  |
| <b>Distribution Plant</b>   |                                 |                                  |                     |                          |                         |                   |                          |              |
| 360.10 Easements  | 204,176                         | 38,383                           | 0%                  | 0                        | 165,792                 | 44.50             | 3,726                    | 1.8%         |
| 361.00 Structures and Improvements  | 26,412,569                      | 8,307,855                        | -5%                 | (1,320,628)              | 19,425,342              | 37.06             | 524,225                  | 2.0%         |
| 362.00 Station Equipment  | 213,071,996                     | 48,190,373                       | -10%                | (21,307,200)             | 186,188,823             | 28.03             | 6,641,352                | 3.1%         |
| 364.00 Poles, Towers, and Fixtures  | 140,464,604                     | 79,425,237                       | -75%                | (105,348,453)            | 166,387,819             | 23.94             | 6,948,834                | 4.9%         |
| 365.00 Overhead Conductors and Devices  | 153,061,774                     | 52,068,507                       | -50%                | (76,530,887)             | 177,524,154             | 32.53             | 5,458,007                | 3.6%         |
| 366.00 Underground Conduit  | 1,159,696                       | 802,585                          | 0%                  | 0                        | 357,110                 | 27.34             | 13,060                   | 1.1%         |
| 367.00 Underground Conductors   | 158,145,619                     | 63,904,565                       | -15%                | (23,721,843)             | 117,962,897             | 30.52             | 3,864,802                | 2.4%         |
| 368.00 Line Transformers  | 282,436,706                     | 104,889,760                      | -22%                | (62,136,075)             | 239,683,021             | 24.96             | 9,600,819                | 3.4%         |
| 369.10 Overhead Services  | 61,968,191                      | 38,141,620                       | -75%                | (46,476,143)             | 70,302,715              | 29.46             | 2,386,736                | 3.9%         |
| 369.20 Underground Services   | 57,120,322                      | 20,106,639                       | -20%                | (11,424,064)             | 48,437,747              | 32.87             | 1,473,483                | 2.6%         |
| 370.00 Meters   | 36,567,578                      | (288,419)                        | 10%                 | 3,656,758                | 33,199,239              | 11.46             | 2,897,120                | 7.9%         |
| 370.00 Meters - AMI Equipment   | 41,794,941                      | 18,329,633                       | 0%                  | 0                        | 23,465,308              | 11.82             | 1,985,437                | 4.8%         |
| 373.00 Street Lighting  | 75,546,351                      | 41,162,451                       | -20%                | (15,109,270)             | 49,493,171              | 15.85             | 3,122,730                | 4.1%         |
| <b>Total Distribution Plant</b>   | <b>1,247,954,522</b>            | <b>475,079,189</b>               |                     | <b>(359,717,806)</b>     | <b>1,132,593,139</b>    |                   | <b>44,920,331</b>        | <b>3.6%</b>  |
| <b>General Plant</b>  |                                 |                                  |                     |                          |                         |                   |                          |              |
| 390.00 Structures and Improvements  | 84,247,313                      | 31,641,511                       | -5%                 | (4,212,366)              | 56,818,168              | 30.71             | 1,850,197                | 2.2%         |
| 396.00 Power Operated Equipment   | 931,916                         | 671,383                          | 20%                 | 186,383                  | 74,150                  | 4.56              | 16,247                   | 1.7%         |
| 397.00 Communications Equipment   | 24,528,470                      | 9,823,909                        | 0%                  | 0                        | 14,704,561              | 10.61             | 1,386,219                | 5.7%         |
| <b>Total General Plant</b>  | <b>109,707,699</b>              | <b>42,136,803</b>                |                     | <b>(4,025,983)</b>       | <b>71,596,879</b>       |                   | <b>3,252,664</b>         | <b>3.0%</b>  |
| <b>Transportation</b>   |                                 |                                  |                     |                          |                         |                   |                          |              |
| 392.10 Automobiles  | 29,848                          | 16,553                           | 15%                 | 4,477                    | 8,818                   | 3.59              | 2,456                    | 8.2%         |
| 392.20 Light Trucks   | 7,519,254                       | 4,220,267                        | 5%                  | 375,963                  | 2,923,023               | 2.21              | 1,321,436                | 17.6%        |
| 392.30 Heavy Trucks   | 24,527,733                      | 13,863,301                       | 15%                 | 3,679,160                | 6,985,272               | 3.18              | 2,195,336                | 9.0%         |
| 392.40 Trailers   | 1,320,796                       | 709,817                          | 8%                  | 105,664                  | 505,316                 | 10.26             | 49,255                   | 3.7%         |
| <b>Total Transportation</b>   | <b>33,397,631</b>               | <b>18,809,939</b>                |                     | <b>4,165,264</b>         | <b>10,422,429</b>       |                   | <b>3,568,483</b>         | <b>10.7%</b> |
| <b>Total Transmission, Distribution,<br/>General and Transportation Plant</b> | <b>\$ 2,089,247,499</b>         | <b>\$ 671,426,380</b>            |                     | <b>\$ (606,272,607)</b>  | <b>\$ 2,024,093,726</b> |                   | <b>\$ 74,519,868</b>     | <b>3.6%</b>  |

## **APPENDIX B - Depreciation Expense Comparison**

**GULF POWER**  
**Comparison of Depreciation Accrual Rates**  
**Total Company Summary**  
**As of December 31, 2016**

| Account                       | Description                         | Plant<br>In Service<br>12/31/2016 | Existing    |                   | Proposed    |                    | Difference        |
|-------------------------------|-------------------------------------|-----------------------------------|-------------|-------------------|-------------|--------------------|-------------------|
|                               |                                     |                                   | Rate        | Amount            | Rate        | Amount             |                   |
| <b>Steam Production Plant</b> |                                     |                                   |             |                   |             |                    |                   |
|                               | Crist Plant                         | \$ 1,551,930,888                  | 3.5%        | \$ 54,317,581     | 4.0%        | \$ 62,077,236      | \$ 7,759,654      |
|                               | Daniel RR Track                     | 2,828,013                         | 1.5%        | 42,420            | 1.6%        | 45,248             | 2,828             |
|                               | Daniel Easement                     | 77,160                            | 1.4%        | 1,080             | 1.4%        | 1,080              | 0                 |
|                               | Daniel Plant                        | 645,441,969                       | 2.8%        | 18,072,375        | 3.0%        | 19,363,259         | 1,290,884         |
|                               | Scherer Plant                       | 381,199,620                       | 2.0%        | 7,623,992         | 2.2%        | 8,386,392          | 762,399           |
|                               | Scholz Plant                        | 8,895,204                         | 4.1%        | 364,703           | 0.0%        | 0                  | (364,703)         |
|                               | <b>Total Steam Production Plant</b> | <b>2,590,372,854</b>              | <b>3.1%</b> | <b>80,422,152</b> | <b>3.5%</b> | <b>89,873,215</b>  | <b>9,451,062</b>  |
| <b>Other Production Plant</b> |                                     |                                   |             |                   |             |                    |                   |
|                               | Pace Plant                          | 11,496,153                        | 5.3%        | 609,296           | 11.5%       | 1,322,058          | 712,761           |
|                               | Perdido Landfill                    | 8,239,086                         | 5.0%        | 411,954           | 7.3%        | 601,453            | 189,499           |
|                               | Smith CT                            | 12,136,671                        | 3.6%        | 436,920           | 6.3%        | 764,610            | 327,690           |
|                               | Smith CC                            | 292,429,663                       | 2.8%        | 8,188,031         | 5.7%        | 16,668,491         | 8,480,460         |
|                               | <b>Total Other Production Plant</b> | <b>324,301,572</b>                | <b>3.0%</b> | <b>9,646,201</b>  | <b>6.0%</b> | <b>19,356,612</b>  | <b>9,710,411</b>  |
|                               | <b>Total Production Plant</b>       | <b>2,914,674,427</b>              | <b>3.1%</b> | <b>90,068,354</b> | <b>3.7%</b> | <b>109,229,827</b> | <b>19,161,473</b> |

**GULF POWER**  
**Comparison of Depreciation Accrual Rates**  
**Total Company Summary**  
**As of December 31, 2016**

| Account                   | Description                     | Plant                    | Existing    |                   | Proposed    |                   | Difference       |
|---------------------------|---------------------------------|--------------------------|-------------|-------------------|-------------|-------------------|------------------|
|                           |                                 | In Service<br>12/31/2016 | Rate        | Amount            | Rate        | Amount            |                  |
| <b>Transmission Plant</b> |                                 |                          |             |                   |             |                   |                  |
| 350.1                     | Easements                       | 12,654,559               | 1.6%        | 202,473           | 1.5%        | 189,818           | (12,655)         |
| 352                       | Structures and Improvements     | 24,391,124               | 2.0%        | 487,822           | 1.9%        | 463,431           | (24,391)         |
| 353                       | Station Equipment               | 250,073,126              | 2.3%        | 5,751,682         | 2.9%        | 7,252,121         | 1,500,439        |
| 354                       | Towers and Fixtures             | 42,290,155               | 2.3%        | 972,674           | 2.1%        | 888,093           | (84,580)         |
| 355                       | Poles and Fixtures              | 230,339,009              | 3.6%        | 8,292,204         | 4.6%        | 10,595,594        | 2,303,390        |
| 356                       | Overhead Conductors & Devices   | 123,801,393              | 2.5%        | 3,095,035         | 2.6%        | 3,218,836         | 123,801          |
| 358                       | Underground Conductors          | 14,402,363               | 2.1%        | 302,450           | 1.7%        | 244,840           | (57,609)         |
| 359                       | Roads and Trails                | 235,918                  | 2.0%        | 4,718             | 1.9%        | 4,482             | (236)            |
|                           | <b>Total Transmission Plant</b> | <b>698,187,647</b>       | <b>2.7%</b> | <b>19,109,058</b> | <b>3.3%</b> | <b>22,857,217</b> | <b>3,748,159</b> |
| <b>Distribution Plant</b> |                                 |                          |             |                   |             |                   |                  |
| 360.1                     | Easements                       | 204,176                  | 1.8%        | 3,675             | 1.8%        | 3,675             | 0                |
| 361                       | Structures and Improvements     | 26,412,569               | 2.2%        | 581,077           | 2.0%        | 528,251           | (52,825)         |
| 362                       | Station Equipment               | 213,071,996              | 2.2%        | 4,687,584         | 3.1%        | 6,605,232         | 1,917,648        |
| 364                       | Poles, Towers, and Fixtures     | 140,464,604              | 5.0%        | 7,023,230         | 4.9%        | 6,882,766         | (140,465)        |
| 365                       | Overhead Conductors & Devices   | 153,061,774              | 3.1%        | 4,744,915         | 3.6%        | 5,510,224         | 765,309          |
| 366                       | Underground Conduit             | 1,159,696                | 1.3%        | 15,076            | 1.1%        | 12,757            | (2,319)          |
| 367                       | Underground Conductors          | 158,145,619              | 3.3%        | 5,218,805         | 2.4%        | 3,795,495         | (1,423,311)      |
| 368                       | Line Transformers               | 282,436,706              | 4.0%        | 11,297,468        | 3.4%        | 9,602,848         | (1,694,620)      |
| 369.1                     | Overhead Services               | 61,968,191               | 3.8%        | 2,354,791         | 3.9%        | 2,416,759         | 61,968           |
| 369.2                     | Underground Services            | 57,120,322               | 2.6%        | 1,485,128         | 2.6%        | 1,485,128         | 0                |
| 370                       | Meters                          | 36,567,578               | 2.7%        | 987,325           | 7.9%        | 2,888,839         | 1,901,514        |
| 370 AMI                   | Meters - AMI Equipment          | 41,794,941               | 6.7%        | 2,800,261         | 4.8%        | 2,006,157         | (794,104)        |
| 373                       | Street Lighting                 | 75,546,351               | 5.0%        | 3,777,318         | 4.1%        | 3,097,400         | (679,917)        |
|                           | <b>Total Distribution Plant</b> | <b>1,247,954,522</b>     | <b>3.6%</b> | <b>44,976,653</b> | <b>3.6%</b> | <b>44,835,531</b> | <b>(141,122)</b> |

**GULF POWER**  
**Comparison of Depreciation Accrual Rates**  
**Total Company Summary**  
**As of December 31, 2016**

| Account               | Description  | Plant<br>In Service<br>12/31/2016 | Existing    |                       | Proposed     |                       | Difference           |
|-----------------------|--|-----------------------------------|-------------|-----------------------|--------------|-----------------------|----------------------|
|                       |  |                                   | Rate        | Amount                | Rate         | Amount                |                      |
| <b>General Plant</b>  |  |                                   |             |                       |              |                       |                      |
| 390                   | Structures and Improvements  | 84,247,313                        | 2.3%        | 1,937,688             | 2.2%         | 1,853,441             | (84,247)             |
| 396                   | Power Operated Equipment   | 931,916                           | 4.7%        | 43,800                | 1.7%         | 15,843                | (27,957)             |
| 397                   | Communications Equipment   | 24,528,470                        | 6.3%        | 1,545,294             | 5.7%         | 1,398,123             | (147,171)            |
|                       | <b>Total General Plant</b>   | <b>109,707,699</b>                | <b>3.2%</b> | <b>3,526,782</b>      | <b>3.0%</b>  | <b>3,267,406</b>      | <b>(259,376)</b>     |
| <b>Transportation</b> |  |                                   |             |                       |              |                       |                      |
| 392.1                 | Automobiles  | 29,848                            | 12.1%       | 3,612                 | 8.2%         | 2,448                 | (1,164)              |
| 392.2                 | Light Trucks   | 7,519,254                         | 9.3%        | 699,291               | 17.6%        | 1,323,389             | 624,098              |
| 392.3                 | Heavy Trucks   | 24,527,733                        | 7.9%        | 1,937,691             | 9.0%         | 2,207,496             | 269,805              |
| 392.4                 | Trailers   | 1,320,796                         | 4.8%        | 63,398                | 3.7%         | 48,869                | (14,529)             |
|                       | <b>Total Transportation</b>  | <b>33,397,631</b>                 | <b>8.1%</b> | <b>2,703,991</b>      | <b>10.7%</b> | <b>3,582,202</b>      | <b>878,210</b>       |
|                       | <b>Total Transmission, Distribution,<br/>General, and Transportation Plant</b> | <b>2,089,247,499</b>              | <b>3.4%</b> | <b>70,316,485</b>     | <b>3.6%</b>  | <b>74,542,356</b>     | <b>4,225,872</b>     |
|                       | <b>Total Company Depreciable Plant</b>   | <b>\$ 5,003,921,925</b>           | <b>3.2%</b> | <b>\$ 160,384,838</b> | <b>3.7%</b>  | <b>\$ 183,772,183</b> | <b>\$ 23,387,345</b> |

**APPENDIX C - Depreciation Parameter Comparison for Transmission,  
Distribution, General Plant and Transportation Equipment**

**GULF POWER COMPANY**  
**Comparison Schedule of Depreciation Parameters**  
**For Depreciable Transmission, Distribution, General Plant and Transportation Equipment**  
**As of December 31, 2016**

| Account                   | Description                      | Existing |     | Proposed      |       |     | Change        |     |     |
|---------------------------|----------------------------------|----------|-----|---------------|-------|-----|---------------|-----|-----|
|                           |                                  | Curve    | ASL | Net Salvage % | Curve | ASL | Net Salvage % | ASL | NS% |
| <b>Transmission Plant</b> |                                  |          |     |               |       |     |               |     |     |
| 350                       | Easements                        | SQ       | 60  | 0             | R5    | 65  | 0             | 5   | 0   |
| 352                       | Structures & Improvements        | R4       | 50  | -5            | R3    | 55  | -5            | 5   | 0   |
| 353                       | Station Equipment                | S0       | 45  | -5            | S0    | 40  | -10           | -5  | -5  |
| 354                       | Towers & Fixtures                | R5       | 50  | -20           | R4    | 55  | -25           | 5   | -5  |
| 355                       | Poles & Fixtures                 | S0       | 38  | -40           | L0.5  | 40  | -75           | 2   | -35 |
| 356                       | Overhead Conductors & Devices    | R2       | 50  | -30           | R1    | 50  | -30           | 0   | 0   |
| 358                       | Underground Conductors & Devices | R3       | 45  | 0             | R4    | 50  | 0             | 5   | 0   |
| 359                       | Roads and Trails                 | SQ       | 50  | 0             | SQ    | 55  | 0             | 5   | 0   |
| <b>Distribution Plant</b> |                                  |          |     |               |       |     |               |     |     |
| 360.2                     | Easements                        | SQ       | 50  | 0             | SQ    | 55  | 0             | 5   | 0   |
| 361                       | Structures & Improvements        | R3       | 48  | -5            | R2.5  | 50  | -5            | 2   | 0   |
| 362                       | Station Equipment                | R1.5     | 45  | -5            | R1    | 38  | -10           | -7  | -5  |
| 364                       | Poles & Fixtures                 | R1       | 34  | -75           | R0.5  | 33  | -75           | -1  | 0   |
| 365                       | Overhead Conductors & Devices    | R1       | 38  | -20           | R1    | 45  | -50           | 7   | -30 |
| 366                       | Underground Conduit              | R3       | 60  | 0             | R5    | 67  | 0             | 7   | 0   |
| 367                       | Underground Conductors & Devices | S3       | 32  | -8            | R2    | 41  | -15           | 9   | -7  |
| 368                       | Line Transformers                | S0       | 30  | -20           | R0.5  | 33  | -22           | 3   | -2  |
| 369.1                     | Overhead Services                | R1       | 35  | -45           | R1    | 42  | -75           | 7   | -30 |
| 369.2                     | Underground Services             | R1       | 40  | -10           | R2.5  | 45  | -20           | 5   | -10 |
| 370                       | Meters                           | R1       | 33  | 10            | R1    | 16  | 10            | -17 | 0   |
| 370                       | Meters - AMI                     | R1       | 15  | 0             | R1    | 15  | 0             | 0   | 0   |
| 373                       | Street Lighting & Signal Systems | L1       | 20  | -10           | R0.5  | 23  | -20           | 3   | -10 |

**GULF POWER COMPANY**  
**Comparison Schedule of Depreciation Parameters**  
**For Depreciable Transmission, Distribution, General Plant and Transportation Equipment**  
**As of December 31, 2016**

| <u>Account</u>        | <u>Description</u>        | <b>Existing</b> |            |                      | <b>Proposed</b> |            |                      | <b>Change</b> |            |
|-----------------------|---------------------------|-----------------|------------|----------------------|-----------------|------------|----------------------|---------------|------------|
|                       |                           | <u>Curve</u>    | <u>ASL</u> | <u>Net Salvage %</u> | <u>Curve</u>    | <u>ASL</u> | <u>Net Salvage %</u> | <u>ASL</u>    | <u>NS%</u> |
| <b>General Plant</b>  |                           |                 |            |                      |                 |            |                      |               |            |
| 390                   | Structures & Improvements | S1.5            | 45         | -5                   | R1.5            | 46         | -5                   | 1             | 0          |
| 396                   | Power Operated Equipment  | R5              | 15         | 20                   | R4              | 16         | 20                   | 1             | 0          |
| 397                   | Communications Equipment  | S1              | 16         | 0                    | L1.5            | 16         | 0                    | 0             | 0          |
| <b>Transportation</b> |                           |                 |            |                      |                 |            |                      |               |            |
| 392.1                 | Automobiles               | N/A             | 7          | 15                   | R4              | 7          | 15                   | 0             | 0          |
| 392.2                 | Light Trucks              | L3              | 10         | 12                   | R4              | 12         | 5                    | 2             | -7         |
| 392.3                 | Heavy Trucks              | L4              | 11         | 15                   | L4              | 13         | 15                   | 2             | 0          |
| 392.4                 | Trailers                  | S1.5            | 18         | 12                   | L2.5            | 22         | 8                    | 4             | -4         |

**APPENDIX D - Production Retirement Dates, Interim Retirement Ratios and  
Interim Net Salvage**

**APPENDIX D-1 - Production Retirement Dates**

**GENERATING UNIT DATES**

**GULF POWER COMPANY  
GENERATING UNIT  
DATES  
TEN YEAR SITE PLAN  
2014 - 2023**

| <b>PLANT NAME</b>              | <b>FUEL TYPE</b> | <b>UNIT IDENTIFIER</b> | <b>PLACED IN SERVICE YEAR</b> | <b>ESTIMATED RETIREMENT YEAR</b> |
|--------------------------------|------------------|------------------------|-------------------------------|----------------------------------|
| <b><u>STEAM PRODUCTION</u></b> |                  |                        |                               |                                  |
| Crist                          | Oil / Gas        | 2                      | 1949                          | 2011 (1)                         |
| Crist                          | Oil / Gas        | 3                      | 1952                          | 2011 (1)                         |
| Crist                          | Coal / Gas       | 4                      | JUL 1959                      | DEC 2024                         |
| Crist                          | Coal / Gas       | 5                      | JUN 1961                      | DEC 2026                         |
| Crist                          | Coal / Gas       | 6                      | MAY 1970                      | DEC 2035                         |
| Crist                          | Coal             | 7                      | AUG 1973                      | DEC 2038                         |
| Scholz                         | Coal             | 1                      | MAR 1953                      | APR 2015                         |
| Scholz                         | Coal             | 2                      | OCT 1953                      | APR 2015                         |
| Smith                          | Coal             | 1                      | JUN 1965                      | APR 2016                         |
| Smith                          | Coal             | 2                      | JUN 1967                      | APR 2016                         |
| Daniel                         | Coal / Oil       | 1                      | SEP 1977                      | DEC 2042                         |
| Daniel                         | Coal / Oil       | 2                      | JUN 1981                      | DEC 2046                         |
| Scherer                        | Coal             | 3                      | JAN 1987                      | DEC 2052                         |
| <b><u>OTHER PRODUCTION</u></b> |                  |                        |                               |                                  |
| Smith Combustion Turbine       | Gas              | A                      | MAY 1971                      | DEC 2027                         |
| Smith Combined Cycle           | C.C.             | 3                      | APR 2002                      | DEC 2042                         |
| Pace (Pea Ridge)               | Gas              | 1                      | MAY 1998                      | DEC 2018                         |
| Perdido Landfill               | Methane Gas      | 1                      | OCT 2010                      | DEC 2029                         |

(1) Units will be retired on or before May 1, 2006 as part of an agreement with the Florida Department of Environmental Protection.

**APPENDIX D-2 - Production Interim Retirement Ratios and Net Salvage**

**GULF POWER**  
**Proposed Interim Retirement Rates and Interim Net Salvage**  
**At December 31, 2016**

| <b>Account</b>                  | <b>Description</b>                  | <b>Proposed</b>                 |                            |
|---------------------------------|-------------------------------------|---------------------------------|----------------------------|
|                                 |                                     | <b>Interim Retirement Ratio</b> | <b>Interim Net Salvage</b> |
| <b>All Units Except Scherer</b> |                                     |                                 |                            |
| 311                             | Structures and Improvement          | 0.21%                           | -10%                       |
| 312                             | Boiler Plant Equipment              | 0.75%                           | -30%                       |
| 314                             | Turbogenerator Equipment            | 1.08%                           | -30%                       |
| 315                             | Accessory Electric Equipment        | 0.53%                           | -10%                       |
| 316                             | Miscellaneous Power Plant Equipment | 0.56%                           | -5%                        |
| <b>Scherer</b>                  |                                     |                                 |                            |
| 311                             | Structures and Improvement          | 0.21%                           | -10%                       |
| 312                             | Boiler Plant Equipment              | 0.75%                           | -30%                       |
| 314                             | Turbogenerator Equipment            | 1.08%                           | -30%                       |
| 315                             | Accessory Electric Equipment        | 0.53%                           | -10%                       |
| 316                             | Miscellaneous Power Plant Equipment | 0.56%                           | -5%                        |
| <b>Combustion Turbines</b>      |                                     |                                 |                            |
| 341                             | Structures and Improvements         | 2.20%                           | -5%                        |
| 342                             | Fuel Holders                        | 1.30%                           | -5%                        |
| 343                             | Prime Movers                        | 3.00%                           | -5%                        |
| 344                             | Generators                          | 0.25%                           | -5%                        |
| 345                             | Accessory Electric Equipment        | 1.50%                           | -5%                        |
| 346                             | Misc Power Plant Equipment          | 1.80%                           | -5%                        |
| <b>Combined Cycle Turbines</b>  |                                     |                                 |                            |
| 341                             | Structures and Improvements         | 2.20%                           | -5%                        |
| 342                             | Fuel Holders                        | 1.30%                           | -5%                        |
| 343                             | Prime Movers                        | 3.00%                           | -5%                        |
| 344                             | Generators                          | 0.25%                           | -5%                        |
| 345                             | Accessory Electric Equipment        | 1.50%                           | -5%                        |
| 346                             | Misc Power Plant Equipment          | 1.80%                           | -5%                        |

## **APPENDIX E - Net Salvage Analysis**

**APPENDIX E-1 - Production Interim Retirement Ratio Analysis and Interim Net  
Salvage Analysis**

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description              | Retirements | Gross Salvage | Cost of Removal | Net Salvage  | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|--------------------------|-------------|---------------|-----------------|--------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1981             | Production Excluding ARO | 421,850     | 9,363         | 113,237         | (103,874)    | -24.62%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | Production Excluding ARO | 1,647,246   | 111,433       | 392,090         | (280,657)    | -17.04%     | -18.58%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | Production Excluding ARO | 2,639,895   | 93,225        | 828,537         | (735,312)    | -27.85%     | -23.70%           | -23.78%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | Production Excluding ARO | 3,610,444   | 195,307       | 431,556         | (236,249)    | -6.54%      | -15.54%           | -15.86%           | -16.30%           |                   |                   |                   |                   |                   |                    |
| 1985             | Production Excluding ARO | 3,781,871   | 131,573       | 848,640         | (717,067)    | -18.96%     | -12.90%           | -16.83%           | -16.86%           | -17.13%           |                   |                   |                   |                   |                    |
| 1986             | Production Excluding ARO | 3,143,870   | 24,356        | 724,415         | (700,059)    | -22.27%     | -20.46%           | -15.69%           | -18.13%           | -18.01%           | -18.19%           |                   |                   |                   |                    |
| 1987             | Production Excluding ARO | 3,501,713   | 15,162        | 845,803         | (830,641)    | -23.72%     | -23.03%           | -21.56%           | -17.70%           | -19.30%           | -19.10%           | -19.22%           |                   |                   |                    |
| 1988             | Production Excluding ARO | 5,455,544   | 64,801        | 476,385         | (411,583)    | -7.54%      | -13.87%           | -16.05%           | -16.74%           | -14.85%           | -16.40%           | -16.45%           | -16.59%           |                   |                    |
| 1989             | Production Excluding ARO | 6,100,196   | 469,085       | 870,732         | (401,646)    | -6.58%      | -7.04%            | -10.92%           | -12.88%           | -13.92%           | -12.88%           | -14.28%           | -14.43%           | -14.58%           |                    |
| 1990             | Production Excluding ARO | 8,386,850   | 188,856       | 1,826,975       | (1,638,119)  | -19.53%     | -14.08%           | -12.29%           | -14.00%           | -14.98%           | -15.47%           | -14.52%           | -15.49%           | -15.55%           | -15.65%            |
| 1991             | Production Excluding ARO | 7,624,035   | 106,113       | 997,523         | (891,410)    | -11.69%     | -15.80%           | -13.26%           | -12.13%           | -13.43%           | -14.24%           | -14.71%           | -14.01%           | -14.83%           | -14.91%            |
| 1992             | Production Excluding ARO | 1,033,681   | 195,148       | 413,900         | (218,752)    | -21.16%     | -12.82%           | -16.12%           | -13.61%           | -12.45%           | -13.68%           | -14.45%           | -14.88%           | -14.18%           | -14.98%            |
| 1993             | Production Excluding ARO | 7,078,262   | 393,496       | 2,862,980       | (2,469,485)  | -34.89%     | -33.14%           | -22.75%           | -21.63%           | -18.59%           | -16.90%           | -17.51%           | -17.87%           | -17.96%           | -17.13%            |
| 1994             | Production Excluding ARO | 10,885,104  | 113,349       | 3,268,697       | (3,155,348)  | -28.99%     | -31.31%           | -30.76%           | -25.30%           | -23.92%           | -21.35%           | -19.73%           | -20.01%           | -20.14%           | -20.06%            |
| 1995             | Production Excluding ARO | 8,420,567   | 35,825        | 1,596,005       | (1,560,180)  | -18.53%     | -24.43%           | -27.23%           | -27.00%           | -23.67%           | -22.87%           | -20.87%           | -19.54%           | -19.79%           | -19.92%            |
| 1996             | Production Excluding ARO | 10,162,352  | 216,671       | 1,441,516       | (1,224,845)  | -12.05%     | -14.99%           | -20.16%           | -23.01%           | -22.96%           | -21.06%           | -20.82%           | -19.37%           | -18.38%           | -18.65%            |
| 1997             | Production Excluding ARO | 1,626,119   | 15,160        | 248,570         | (233,410)    | -14.35%     | -12.37%           | -14.94%           | -19.86%           | -22.64%           | -22.60%           | -20.83%           | -20.63%           | -19.23%           | -18.28%            |
| 1998             | Production Excluding ARO | 2,831,929   | 11,535        | 1,832,883       | (1,821,348)  | -64.31%     | -46.09%           | -22.43%           | -21.01%           | -23.57%           | -25.52%           | -25.41%           | -23.31%           | -22.76%           | -21.22%            |
| 1999             | Production Excluding ARO | 10,673,181  | 86,116        | 1,916,249       | (1,830,133)  | -17.15%     | -27.04%           | -25.67%           | -20.20%           | -19.78%           | -22.03%           | -23.79%           | -23.74%           | -22.22%           | -21.89%            |
| 2000             | Production Excluding ARO | 6,416,363   | 610,276       | 2,332,998       | (1,722,722)  | -26.85%     | -20.79%           | -26.98%           | -26.02%           | -21.55%           | -20.91%           | -22.64%           | -24.13%           | -24.08%           | -22.66%            |
| 2001             | Production Excluding ARO | 4,125,742   | 50,996        | 2,704,922       | (2,653,926)  | -64.33%     | -41.52%           | -29.26%           | -33.38%           | -32.18%           | -26.47%           | -24.96%           | -25.76%           | -26.79%           | -26.70%            |
| 2002             | Production Excluding ARO | 14,582,749  | 310,474       | 4,225,754       | (3,915,281)  | -26.85%     | -35.11%           | -33.00%           | -28.28%           | -30.92%           | -30.25%           | -26.58%           | -25.43%           | -25.98%           | -26.80%            |
| 2003             | Production Excluding ARO | 9,741,206   | 308,678       | 3,957,644       | (3,648,966)  | -37.46%     | -31.10%           | -35.92%           | -34.25%           | -30.24%           | -32.23%           | -31.65%           | -28.34%           | -27.14%           | -27.39%            |
| 2004             | Production Excluding ARO | 7,336,958   | 88,832        | 1,632,363       | (1,543,531)  | -21.04%     | -30.40%           | -28.77%           | -32.87%           | -31.95%           | -28.96%           | -30.76%           | -30.29%           | -27.55%           | -26.55%            |
| 2005             | Production Excluding ARO | 17,590,813  | 346,984       | 4,847,003       | (4,500,019)  | -25.58%     | -24.24%           | -27.96%           | -27.63%           | -30.47%           | -30.08%           | -28.12%           | -29.52%           | -29.19%           | -27.14%            |
| 2006             | Production Excluding ARO | 16,269,755  | 798,620       | 2,980,102       | (2,181,482)  | -13.41%     | -19.73%           | -19.96%           | -23.31%           | -24.10%           | -26.48%           | -26.51%           | -25.36%           | -26.59%           | -26.37%            |
| 2007             | Production Excluding ARO | 18,097,592  | 286,297       | 6,259,771       | (5,973,474)  | -33.01%     | -23.73%           | -24.36%           | -23.95%           | -25.85%           | -26.03%           | -27.83%           | -27.76%           | -26.68%           | -27.67%            |
| 2008             | Production Excluding ARO | 12,501,010  | 1,329,573     | 7,902,127       | (6,572,554)  | -52.58%     | -41.00%           | -31.42%           | -29.83%           | -28.93%           | -29.95%           | -29.48%           | -30.91%           | -30.67%           | -29.44%            |
| 2009             | Production Excluding ARO | 19,794,184  | 216,339       | 5,548,044       | (5,331,705)  | -26.94%     | -36.86%           | -35.48%           | -30.09%           | -29.15%           | -28.50%           | -29.36%           | -29.04%           | -30.26%           | -30.08%            |
| 2010             | Production Excluding ARO | 12,004,716  | 299,685       | 2,229,989       | (1,930,304)  | -16.08%     | -22.84%           | -31.23%           | -31.74%           | -27.95%           | -27.52%           | -27.06%           | -27.95%           | -28.83%           | -28.97%            |
| 2011             | Production Excluding ARO | 21,210,903  | 1,513,427     | 9,673,053       | (8,159,627)  | -38.47%     | -30.38%           | -29.09%           | -33.57%           | -33.45%           | -30.19%           | -29.50%           | -29.00%           | -29.61%           | -29.34%            |
| 2012             | Production Excluding ARO | 21,624,054  | 841,703       | 17,790,003      | (16,948,301) | -78.38%     | -58.62%           | -49.30%           | -43.37%           | -44.69%           | -42.68%           | -38.76%           | -37.10%           | -36.29%           | -36.36%            |
| 2013             | Production Excluding ARO | 18,717,020  | 381,065       | 3,978,453       | (3,597,389)  | -19.22%     | -50.93%           | -46.64%           | -41.65%           | -38.53%           | -40.19%           | -39.14%           | -36.15%           | -34.98%           | -34.36%            |
| 2014             | Production Excluding ARO | 10,403,093  | 981,400       | 3,834,703       | (2,853,302)  | -27.43%     | -22.15%           | -46.11%           | -43.86%           | -39.89%           | -37.42%           | -39.05%           | -38.23%           | -35.55%           | -34.51%            |
| 1981             | Steam Production Plant   | 421,850     | 9,363         | 113,237         | (103,874)    | -24.62%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | Steam Production Plant   | 1,647,246   | 111,433       | 392,090         | (280,657)    | -17.04%     | -18.58%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | Steam Production Plant   | 2,639,895   | 93,225        | 828,537         | (735,312)    | -27.85%     | -23.70%           | -23.78%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | Steam Production Plant   | 3,610,444   | 195,307       | 431,556         | (236,249)    | -6.54%      | -15.54%           | -15.86%           | -16.30%           |                   |                   |                   |                   |                   |                    |
| 1985             | Steam Production Plant   | 3,781,871   | 131,573       | 848,640         | (717,067)    | -18.96%     | -12.90%           | -16.83%           | -16.86%           | -17.13%           |                   |                   |                   |                   |                    |
| 1986             | Steam Production Plant   | 3,143,870   | 24,356        | 724,415         | (700,059)    | -22.27%     | -20.46%           | -15.69%           | -18.13%           | -18.01%           | -18.19%           |                   |                   |                   |                    |
| 1987             | Steam Production Plant   | 3,501,713   | 15,162        | 845,803         | (830,641)    | -23.72%     | -23.03%           | -21.56%           | -17.70%           | -19.30%           | -19.10%           | -19.22%           |                   |                   |                    |
| 1988             | Steam Production Plant   | 5,455,544   | 64,801        | 476,385         | (411,583)    | -7.54%      | -13.87%           | -16.05%           | -16.74%           | -14.85%           | -16.40%           | -16.45%           | -16.59%           |                   |                    |
| 1989             | Steam Production Plant   | 6,100,196   | 469,085       | 870,732         | (401,646)    | -6.58%      | -7.04%            | -10.92%           | -12.88%           | -13.92%           | -12.88%           | -14.28%           | -14.43%           | -14.58%           |                    |
| 1990             | Steam Production Plant   | 8,386,850   | 188,856       | 1,826,975       | (1,638,119)  | -19.53%     | -14.08%           | -12.29%           | -14.00%           | -14.98%           | -15.47%           | -14.52%           | -15.49%           | -15.55%           | -15.65%            |
| 1991             | Steam Production Plant   | 7,624,035   | 106,113       | 997,523         | (891,410)    | -11.69%     | -15.80%           | -13.26%           | -12.13%           | -13.43%           | -14.24%           | -14.71%           | -14.01%           | -14.83%           | -14.91%            |
| 1992             | Steam Production Plant   | 1,033,681   | 195,148       | 413,900         | (218,752)    | -21.16%     | -12.82%           | -16.12%           | -13.61%           | -12.45%           | -13.68%           | -14.45%           | -14.88%           | -14.18%           | -14.98%            |
| 1993             | Steam Production Plant   | 7,078,262   | 393,496       | 2,862,980       | (2,469,485)  | -34.89%     | -33.14%           | -22.75%           | -21.63%           | -18.59%           | -16.90%           | -17.51%           | -17.87%           | -17.96%           | -17.13%            |
| 1994             | Steam Production Plant   | 10,885,104  | 113,349       | 3,268,697       | (3,155,348)  | -28.99%     | -31.31%           | -30.76%           | -25.30%           | -23.92%           | -21.35%           | -19.73%           | -20.01%           | -20.14%           | -20.06%            |
| 1995             | Steam Production Plant   | 8,420,567   | 35,825        | 1,596,005       | (1,560,180)  | -18.53%     | -24.43%           | -27.23%           | -27.00%           | -23.67%           | -22.87%           | -20.87%           | -19.54%           | -19.79%           | -19.92%            |
| 1996             | Steam Production Plant   | 10,162,352  | 216,671       | 1,441,516       | (1,224,845)  | -12.05%     | -14.99%           | -20.16%           | -23.01%           | -22.96%           | -21.06%           | -20.82%           | -19.37%           | -18.38%           | -18.65%            |
| 1997             | Steam Production Plant   | 1,626,118   | 15,160        | 248,570         | (233,410)    | -14.35%     | -12.37%           | -14.94%           | -19.86%           | -22.64%           | -22.60%           | -20.83%           | -20.63%           | -19.23%           | -18.28%            |
| 1998             | Steam Production Plant   | 2,831,930   | 11,535        | 1,832,883       | (1,821,348)  | -64.31%     | -46.09%           | -22.43%           | -21.01%           | -23.57%           | -25.52%           | -25.41%           | -23.31%           | -22.76%           | -21.22%            |
| 1999             | Steam Production Plant   | 10,673,812  | 86,116        | 1,916,249       | (1,830,133)  | -17.15%     | -27.04%           | -25.67%           | -20.20%           | -19.78%           | -22.03%           | -23.79%           | -23.74%           | -22.22%           | -21.89%            |
| 2000             | Steam Production Plant   | 6,416,363   | 610,276       | 2,332,998       | (1,722,722)  | -26.85%     | -20.79%           | -26.98%           | -26.02%           | -21.55%           | -20.91%           | -22.64%           | -24.13%           | -24.08%           | -22.66%            |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                    | Retirements | Gross Salvage | Cost of Removal | Net Salvage  | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|--------------------------------|-------------|---------------|-----------------|--------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2001             | Steam Production Plant         | 4,026,491   | 50,996        | 2,704,922       | (2,653,926)  | -65.91%     | -41.91%           | -29.39%           | -33.52%           | -32.30%           | -26.54%           | -25.02%           | -25.80%           | -26.84%           | -26.74%            |
| 2002             | Steam Production Plant         | 14,582,749  | 310,474       | 4,225,754       | (3,915,281)  | -26.85%     | -35.30%           | -33.13%           | -28.35%           | -31.00%           | -30.32%           | -26.63%           | -25.47%           | -26.02%           | -26.84%            |
| 2003             | Steam Production Plant         | 9,741,206   | 308,678       | 3,957,644       | (3,648,966)  | -37.46%     | -31.10%           | -36.04%           | -34.35%           | -30.31%           | -32.30%           | -31.72%           | -28.39%           | -27.18%           | -27.42%            |
| 2004             | Steam Production Plant         | 7,336,958   | 88,832        | 1,632,363       | (1,543,531)  | -21.04%     | -30.40%           | -28.77%           | -32.96%           | -32.03%           | -29.02%           | -30.81%           | -30.35%           | -27.59%           | -26.58%            |
| 2005             | Steam Production Plant         | 17,590,812  | 346,984       | 4,847,003       | (4,500,019)  | -25.58%     | -24.24%           | -27.96%           | -27.63%           | -30.52%           | -30.13%           | -28.16%           | -29.56%           | -29.23%           | -27.17%            |
| 2006             | Steam Production Plant         | 16,269,755  | 798,621       | 2,980,102       | (2,181,481)  | -13.41%     | -19.73%           | -19.96%           | -23.31%           | -24.10%           | -26.52%           | -26.55%           | -25.39%           | -26.62%           | -26.40%            |
| 2007             | Steam Production Plant         | 18,349,337  | 286,297       | 6,259,978       | (5,973,681)  | -32.56%     | -23.56%           | -24.24%           | -23.84%           | -25.76%           | -25.95%           | -27.78%           | -27.72%           | -26.64%           | -27.63%            |
| 2008             | Steam Production Plant         | 12,620,134  | 1,329,574     | 7,901,935       | (6,572,361)  | -52.08%     | -40.51%           | -31.18%           | -29.66%           | -28.78%           | -29.81%           | -29.37%           | -30.83%           | -30.59%           | -29.37%            |
| 2009             | Steam Production Plant         | 19,897,978  | 216,339       | 5,547,820       | (5,331,481)  | -26.79%     | -36.61%           | -35.15%           | -29.88%           | -28.99%           | -28.35%           | -29.22%           | -28.93%           | -30.16%           | -30.00%            |
| 2010             | Steam Production Plant         | 13,035,707  | 299,685       | 2,229,989       | (1,930,304)  | -14.81%     | -22.05%           | -30.37%           | -31.00%           | -27.43%           | -27.10%           | -26.67%           | -27.59%           | -27.50%           | -28.66%            |
| 2011             | Steam Production Plant         | 21,815,120  | 1,513,427     | 9,673,053       | (8,159,627)  | -37.40%     | -28.95%           | -28.17%           | -32.65%           | -32.63%           | -29.56%           | -28.98%           | -28.52%           | -29.15%           | -28.93%            |
| 2012             | Steam Production Plant         | 21,637,090  | 841,703       | 17,790,003      | (16,948,301) | -78.33%     | -57.78%           | -47.87%           | -42.38%           | -43.75%           | -41.84%           | -38.10%           | -36.54%           | -35.77%           | -35.88%            |
| 2013             | Steam Production Plant         | 19,355,436  | 381,065       | 3,978,453       | (3,597,389)  | -18.59%     | -50.12%           | -45.70%           | -40.39%           | -37.57%           | -39.26%           | -38.29%           | -35.46%           | -34.37%           | -33.79%            |
| 2014             | Steam Production Plant         | 10,664,171  | 981,400       | 3,834,703       | (2,853,302)  | -26.76%     | -21.49%           | -45.30%           | -42.95%           | -38.71%           | -36.48%           | -38.14%           | -37.39%           | -34.85%           | -33.90%            |
| 1994             | 311 - Structure & Improvements | 787,308     | 13,023        | 1,919,867       | (1,906,844)  | -242.20%    |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1995             | 311 - Structure & Improvements | 143,694     | 1,407         | 137,109         | (135,703)    | -94.44%     | -219.39%          |                   |                   |                   |                   |                   |                   |                   |                    |
| 1996             | 311 - Structure & Improvements | 733,828     | 70,732        | 79,535          | (8,803)      | -1.20%      | -16.47%           | -123.22%          |                   |                   |                   |                   |                   |                   |                    |
| 1997             | 311 - Structure & Improvements | 285,810     | -             | 8,615           | (8,615)      | -3.01%      | -1.71%            | -13.16%           | -105.60%          |                   |                   |                   |                   |                   |                    |
| 1998             | 311 - Structure & Improvements | 108,743     | 990           | 11,826          | (10,836)     | -9.96%      | -4.93%            | -2.50%            | -12.89%           | -100.55%          |                   |                   |                   |                   |                    |
| 1999             | 311 - Structure & Improvements | 499,433     | -             | 86,644          | (86,644)     | -17.35%     | -16.03%           | -11.87%           | -7.06%            | -14.15%           | -84.31%           |                   |                   |                   |                    |
| 2000             | 311 - Structure & Improvements | 246,555     | 813           | 28,781          | (27,969)     | -11.34%     | -15.36%           | -14.68%           | -11.75%           | -7.62%            | -13.80%           | -77.90%           |                   |                   |                    |
| 2001             | 311 - Structure & Improvements | 51,903      | -             | 311,975         | (311,975)    | -601.08%    | -113.90%          | -53.46%           | -48.25%           | -37.41%           | -23.61%           | -28.53%           | -87.40%           |                   |                    |
| 2002             | 311 - Structure & Improvements | 563,694     | -             | 121,282         | (121,282)    | -21.52%     | -70.38%           | -53.50%           | -40.24%           | -38.00%           | -32.30%           | -23.14%           | -27.03%           | -76.55%           |                    |
| 2003             | 311 - Structure & Improvements | 125,341     | -             | 1,106,427       | (1,106,427)  | -882.73%    | -178.18%          | -207.80%          | -158.75%          | -111.26%          | -104.35%          | -88.96%           | -64.33%           | -65.90%           | -105.04%           |
| 2004             | 311 - Structure & Improvements | 2,038,837   | -             | 67,145          | (67,145)     | -3.29%      | -54.23%           | -47.47%           | -57.80%           | -54.02%           | -48.82%           | -47.66%           | -44.41%           | -37.59%           | -39.30%            |
| 2005             | 311 - Structure & Improvements | 637,726     | -             | 654,727         | (654,727)    | -102.67%    | -26.97%           | -65.25%           | -57.93%           | -66.18%           | -62.49%           | -57.07%           | -55.87%           | -52.56%           | -45.44%            |
| 2006             | 311 - Structure & Improvements | 77,333      | -             | (20,043)        | 20,043       | 25.92%      | -88.76%           | -25.48%           | -62.80%           | -56.04%           | -64.14%           | -60.66%           | -55.56%           | -54.42%           | -51.25%            |
| 2007             | 311 - Structure & Improvements | 776,592     | -             | 221,221         | (221,221)    | -28.49%     | -23.56%           | -57.38%           | -26.15%           | -55.51%           | -50.97%           | -57.66%           | -55.13%           | -51.37%           | -50.49%            |
| 2008             | 311 - Structure & Improvements | 526,445     | -             | 42,762          | (42,762)     | -8.12%      | -20.26%           | -17.67%           | -44.53%           | -23.81%           | -49.55%           | -46.22%           | -52.22%           | -50.22%           | -47.26%            |
| 2009             | 311 - Structure & Improvements | 430,229     | -             | 1,957,946       | (1,957,946)  | -455.09%    | -209.13%          | -128.19%          | -121.61%          | -116.68%          | -65.16%           | -87.38%           | -80.20%           | -85.37%           | -82.04%            |
| 2010             | 311 - Structure & Improvements | 855,259     | -             | (1,101,233)     | 1,101,233    | 128.76%     | -66.64%           | -49.64%           | -43.29%           | -41.29%           | -53.14%           | -34.11%           | -53.57%           | -50.57%           | -55.27%            |
| 2011             | 311 - Structure & Improvements | 1,516,986   | -             | (30,043)        | 30,043       | 1.98%       | 47.69%            | -29.50%           | -26.12%           | -25.57%           | -25.60%           | -35.79%           | -26.13%           | -41.50%           | -40.01%            |
| 2012             | 311 - Structure & Improvements | 299,316     | -             | 44,560          | (44,560)     | -14.89%     | -0.80%            | 40.68%            | -28.09%           | -25.19%           | -25.77%           | -24.88%           | -34.57%           | -25.66%           | -40.41%            |
| 2013             | 311 - Structure & Improvements | 106,209     | -             | 20,301          | (20,301)     | -19.11%     | -15.99%           | -1.81%            | 38.39%            | -27.79%           | -25.02%           | -25.62%           | -24.75%           | -34.26%           | -25.57%            |
| 2014             | 311 - Structure & Improvements | 235,179     | (782)         | 12,311          | (13,093)     | -5.57%      | -9.78%            | -12.17%           | -2.22%            | 34.96%            | -26.27%           | -23.87%           | -24.62%           | -23.81%           | -33.02%            |
|                  | Average Retirement             | 546,127     |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                            | 248,629,180 |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                            | 0.2197%     |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1994             | 312 - Boiler Plant Equipment   | 9,158,586   | 95,674        | 1,126,642       | (1,030,968)  | -11.26%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1995             | 312 - Boiler Plant Equipment   | 7,297,326   | 34,419        | 1,192,484       | (1,158,065)  | -15.87%     | -13.30%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1996             | 312 - Boiler Plant Equipment   | 7,091,155   | 144,859       | 996,210         | (851,351)    | -12.01%     | -13.97%           | -12.91%           |                   |                   |                   |                   |                   |                   |                    |
| 1997             | 312 - Boiler Plant Equipment   | 980,908     | 10,500        | 195,657         | (185,157)    | -18.88%     | -12.84%           | -14.28%           | -13.15%           |                   |                   |                   |                   |                   |                    |
| 1998             | 312 - Boiler Plant Equipment   | 1,496,005   | 6,175         | 1,490,570       | (1,484,395)  | -99.22%     | -67.40%           | -26.35%           | -21.81%           | -18.10%           |                   |                   |                   |                   |                    |
| 1999             | 312 - Boiler Plant Equipment   | 9,273,992   | 48,573        | 1,607,446       | (1,558,873)  | -16.81%     | -28.26%           | -27.47%           | -21.65%           | -20.04%           | -17.76%           |                   |                   |                   |                    |
| 2000             | 312 - Boiler Plant Equipment   | 5,370,359   | 417,924       | 2,052,761       | (1,634,837)  | -30.44%     | -21.81%           | -28.98%           | -28.40%           | -23.60%           | -21.81%           | -19.43%           |                   |                   |                    |
| 2001             | 312 - Boiler Plant Equipment   | 3,486,889   | 18,996        | 2,294,544       | (2,275,548)  | -65.26%     | -44.15%           | -30.16%           | -35.43%           | -34.64%           | -28.85%           | -26.14%           | -23.05%           |                   |                    |
| 2002             | 312 - Boiler Plant Equipment   | 11,316,705  | 155,338       | 3,296,300       | (2,776,362)  | -27.76%     | -36.59%           | -34.95%           | -29.24%           | -32.62%           | -32.20%           | -28.53%           | -26.53%           | -24.01%           |                    |
| 2003             | 312 - Boiler Plant Equipment   | 7,424,173   | 255,114       | 2,724,490       | (2,469,376)  | -33.26%     | -29.94%           | -35.48%           | -34.50%           | -30.05%           | -32.75%           | -32.40%           | -29.29%           | -27.46%           | -25.10%            |
| 2004             | 312 - Boiler Plant Equipment   | (6,327)     | 88,832        | 52,221          | 36,611       | -578.67%    | -32.80%           | -29.75%           | -35.32%           | -34.37%           | -29.95%           | -32.66%           | -32.31%           | -29.21%           | -27.40%            |
| 2005             | 312 - Boiler Plant Equipment   | 14,293,704  | 258,712       | 4,592,485       | (4,333,772)  | -30.32%     | -30.08%           | -31.17%           | -30.00%           | -33.36%           | -32.99%           | -30.06%           | -32.02%           | -31.78%           | -29.47%            |
| 2006             | 312 - Boiler Plant Equipment   | 6,766,226   | 371,034       | 2,072,154       | (1,701,120)  | -25.14%     | -28.66%           | -28.49%           | -29.73%           | -29.17%           | -32.08%           | -31.90%           | -29.48%           | -31.24%           | -31.04%            |
| 2007             | 312 - Boiler Plant Equipment   | 11,764,370  | 166,954       | 4,564,569       | (4,397,614)  | -37.38%     | -32.91%           | -31.78%           | -31.68%           | -31.97%           | -31.04%           | -33.21%           | -32.97%           | -30.82%           | -32.25%            |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                        | Retirements   | Gross Salvage | Cost of Removal | Net Salvage  | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------------|---------------|---------------|-----------------|--------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2008             | 312 - Boiler Plant Equipment       | 7,681,069     | 618,122       | 5,940,565       | (5,322,442)  | -69.29%     | -49.99%           | -43.57%           | -38.90%           | -38.81%           | -37.95%           | -36.00%           | -37.63%           | -37.06%           | -34.64%            |
| 2009             | 312 - Boiler Plant Equipment       | 18,055,310    | 171,927       | 2,317,096       | (2,145,168)  | -11.88%     | -29.02%           | -31.64%           | -30.65%           | -30.57%           | -30.51%           | -30.82%           | -30.37%           | -31.88%           | -31.79%            |
| 2010             | 312 - Boiler Plant Equipment       | 4,073,597     | 289,470       | 1,743,494       | (1,454,024)  | -35.69%     | -16.26%           | -29.93%           | -32.04%           | -31.07%           | -30.90%           | -30.84%           | -31.10%           | -30.64%           | -32.06%            |
| 2011             | 312 - Boiler Plant Equipment       | 16,605,451    | 1,340,397     | 7,147,791       | (5,807,394)  | -34.97%     | -35.11%           | -24.28%           | -31.73%           | -32.88%           | -32.07%           | -31.75%           | -31.71%           | -31.84%           | -31.37%            |
| 2012             | 312 - Boiler Plant Equipment       | 12,306,073    | 526,599       | 12,357,219      | (11,830,620) | -96.14%     | -61.01%           | -57.88%           | -41.61%           | -45.23%           | -43.92%           | -42.28%           | -40.41%           | -40.37%           | -39.84%            |
| 2013             | 312 - Boiler Plant Equipment       | 17,318,694    | 395,218       | 3,502,099       | (3,106,881)  | -17.94%     | -50.42%           | -44.87%           | -44.13%           | -35.61%           | -39.01%           | -38.80%           | -37.82%           | -36.83%           | -36.80%            |
| 2014             | 312 - Boiler Plant Equipment       | 8,214,661     | 951,911       | 3,491,553       | (2,539,641)  | -30.92%     | -22.11%           | -46.19%           | -42.77%           | -42.27%           | -35.11%           | -38.22%           | -38.12%           | -37.27%           | -36.42%            |
|                  | Average Retirement                 | 11,707,915    |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 1,558,536,473 |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 0.7512%       |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1994             | 314 - Turbogenerator Units         | 723,398       | 1,902         | 218,096         | (216,194)    | -29.89%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1995             | 314 - Turbogenerator Units         | 657,091       | -             | 260,480         | (260,480)    | -39.64%     | -34.53%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1996             | 314 - Turbogenerator Units         | 1,739,556     | -             | 126,437         | (126,437)    | -7.27%      | -16.14%           | -19.33%           |                   |                   |                   |                   |                   |                   |                    |
| 1997             | 314 - Turbogenerator Units         | 146,000       | -             | 10,680          | (10,680)     | -7.31%      | -7.27%            | -15.64%           | -18.79%           |                   |                   |                   |                   |                   |                    |
| 1998             | 314 - Turbogenerator Units         | 1,045,045     | -             | 268,813         | (268,813)    | -25.72%     | -23.47%           | -13.85%           | -18.57%           | -20.47%           |                   |                   |                   |                   |                    |
| 1999             | 314 - Turbogenerator Units         | 660,155       | 27,542        | 187,372         | (159,830)    | -24.21%     | -25.14%           | -23.73%           | -15.76%           | -19.45%           | -20.97%           |                   |                   |                   |                    |
| 2000             | 314 - Turbogenerator Units         | 404,288       | 189,572       | 232,690         | (43,118)     | -10.67%     | -19.07%           | -22.36%           | -21.39%           | -15.24%           | -18.69%           | -20.19%           |                   |                   |                    |
| 2001             | 314 - Turbogenerator Units         | 167,999       | 32,000        | 74,945          | (42,945)     | -25.56%     | -15.04%           | -19.95%           | -22.60%           | -21.68%           | -15.66%           | -18.93%           | -20.36%           |                   |                    |
| 2002             | 314 - Turbogenerator Units         | 1,996,989     | 155,136       | 793,382         | (638,246)    | -31.96%     | -31.46%           | -28.19%           | -27.38%           | -26.97%           | -26.32%           | -20.94%           | -22.74%           | -23.43%           |                    |
| 2003             | 314 - Turbogenerator Units         | 1,716,763     | 53,564        | 72,781          | (19,217)     | -1.12%      | -17.70%           | -18.04%           | -17.35%           | -18.26%           | -19.56%           | -19.27%           | -16.62%           | -18.39%           | -19.29%            |
| 2004             | 314 - Turbogenerator Units         | 4,790,385     | -             | 1,353,020       | (1,353,020)  | -28.24%     | -21.09%           | -23.64%           | -23.68%           | -23.10%           | -23.17%           | -23.42%           | -23.21%           | -21.02%           | -21.94%            |
| 2005             | 314 - Turbogenerator Units         | 218,391       | 68,733        | (402,154)       | 470,887      | 215.62%     | -17.61%           | -13.40%           | -17.65%           | -17.80%           | -17.49%           | -17.94%           | -18.68%           | -18.53%           | -17.01%            |
| 2006             | 314 - Turbogenerator Units         | 6,909,778     | 418,449       | 873,446         | (454,998)    | -6.58%      | 0.22%             | -11.22%           | -9.95%            | -12.76%           | -12.90%           | -12.84%           | -13.29%           | -14.01%           | -13.96%            |
| 2007             | 314 - Turbogenerator Units         | 4,410,652     | 118,926       | 1,345,525       | (1,226,599)  | -27.81%     | -14.85%           | -10.49%           | -15.70%           | -14.31%           | -16.07%           | -16.15%           | -16.04%           | -16.30%           | -16.74%            |
| 2008             | 314 - Turbogenerator Units         | 1,141,101     | 709,908       | 1,855,080       | (1,145,173)  | -100.36%    | -42.72%           | -22.68%           | -18.58%           | -21.23%           | -19.43%           | -20.61%           | -20.65%           | -20.46%           | -20.58%            |
| 2009             | 314 - Turbogenerator Units         | 838,520       | 44,412        | 1,141,819       | (1,097,408)  | -130.87%    | -113.28%          | -54.29%           | -29.50%           | -25.55%           | -26.25%           | -24.10%           | -24.81%           | -24.82%           | -24.56%            |
| 2010             | 314 - Turbogenerator Units         | 6,249,585     | 10,215        | 1,539,471       | (1,529,255)  | -24.47%     | -37.06%           | -45.83%           | -39.55%           | -27.90%           | -25.21%           | -25.80%           | -24.19%           | -24.73%           | -24.74%            |
| 2011             | 314 - Turbogenerator Units         | 2,304,259     | 130,908       | 2,422,102       | (2,291,194)  | -99.43%     | -44.66%           | -52.36%           | -57.56%           | -48.78%           | -35.44%           | -32.95%           | -32.11%           | -30.25%           | -30.36%            |
| 2012             | 314 - Turbogenerator Units         | 8,935,933     | 315,103       | 5,304,437       | (4,989,334)  | -55.83%     | -64.77%           | -50.37%           | -54.05%           | -56.77%           | -51.42%           | -41.36%           | -39.55%           | -38.04%           | -36.35%            |
| 2013             | 314 - Turbogenerator Units         | 1,158,638     | 2,775         | 192,916         | (190,141)    | -16.41%     | -51.31%           | -60.25%           | -48.26%           | -51.82%           | -54.50%           | -49.80%           | -40.45%           | -38.71%           | -37.36%            |
| 2014             | 314 - Turbogenerator Units         | 1,398,230     | 6,771         | 196,432         | (189,661)    | -13.56%     | -14.85%           | -46.72%           | -55.52%           | -45.84%           | -49.26%           | -51.90%           | -47.88%           | -39.33%           | -37.67%            |
|                  | Average Retirement                 | 3,356,509     |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 311,048,014   |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 1.0791%       |               |                 |              |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1994             | 315 - Accessory Electric Equipment | 79,955        | -             | 283             | (283)        | -0.35%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1995             | 315 - Accessory Electric Equipment | 114,270       | -             | 5,850           | (5,850)      | -5.12%      | -3.16%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1996             | 315 - Accessory Electric Equipment | 564,112       | -             | 239,339         | (239,339)    | -42.43%     | -36.14%           | -32.37%           |                   |                   |                   |                   |                   |                   |                    |
| 1997             | 315 - Accessory Electric Equipment | 159,848       | -             | 33,619          | (33,619)     | -21.03%     | -37.70%           | -33.26%           | -30.40%           |                   |                   |                   |                   |                   |                    |
| 1998             | 315 - Accessory Electric Equipment | 164,139       | 4,000         | 61,422          | (57,422)     | -34.98%     | -28.10%           | -37.20%           | -33.54%           | -31.09%           |                   |                   |                   |                   |                    |
| 1999             | 315 - Accessory Electric Equipment | 85,734        | -             | 33,707          | (33,707)     | -39.32%     | -36.47%           | -30.45%           | -37.39%           |                   | -31.70%           |                   |                   |                   |                    |
| 2000             | 315 - Accessory Electric Equipment | 292,477       | -             | 3,275           | (3,275)      | -1.12%      | -9.78%            | -17.41%           | -18.23%           | -29.01%           | -27.03%           | -25.57%           |                   |                   |                    |
| 2001             | 315 - Accessory Electric Equipment | 17,822        | -             | 2,936           | (2,936)      | -16.47%     | -2.00%            | -10.08%           | -17.38%           | -18.19%           | -28.84%           | -26.90%           | -25.46%           |                   |                    |
| 2002             | 315 - Accessory Electric Equipment | 136,803       | -             | 14,711          | (14,711)     | -10.75%     | -11.41%           | -4.68%            | -10.25%           | -16.08%           | -17.00%           | -27.10%           | -25.46%           | -24.22%           |                    |
| 2003             | 315 - Accessory Electric Equipment | 407,103       | -             | 27,667          | (27,667)     | -6.80%      | -7.79%            | -8.07%            | -5.69%            | -8.76%            | -12.65%           | -13.71%           | -22.57%           | -21.55%           | -20.71%            |
| 2004             | 315 - Accessory Electric Equipment | 375,020       | -             | 153,983         | (153,983)    | -41.06%     | -23.23%           | -21.37%           | -21.28%           | -16.48%           | -17.97%           | -19.86%           | -19.97%           | -25.72%           | -24.71%            |
| 2005             | 315 - Accessory Electric Equipment | 2,417,945     | 17,644        | 25,210          | (7,566)      | -0.31%      | -5.78%            | -5.91%            | -6.11%            | -6.17%            | -5.76%            | -6.53%            | -7.73%            | -8.25%            | -12.43%            |
| 2006             | 315 - Accessory Electric Equipment | 2,445,073     | -             | 54,336          | (54,336)     | -2.22%      | -1.27%            | -4.12%            | -4.31%            | -4.47%            | -4.50%            | -4.34%            | -4.83%            | -5.61%            | -5.99%             |
| 2007             | 315 - Accessory Electric Equipment | 1,050,657     | -             | 127,916         | (127,916)    | -12.17%     | -5.21%            | -3.21%            | -5.47%            | -5.55%            | -5.65%            | -5.68%            | -5.49%            | -5.89%            | -6.54%             |
| 2008             | 315 - Accessory Electric Equipment | 3,136,935     | -             | 46,533          | (46,533)     | -1.48%      | -4.17%            | -3.45%            | -2.61%            | -4.14%            | -4.25%            | -4.34%            | -4.36%            | -4.27%            | -4.56%             |
| 2009             | 315 - Accessory Electric Equipment | 148,477       | -             | 108,254         | (108,254)    | -25.87%     | -4.35%            | -6.14%            | -4.78%            | -3.64%            | -5.06%            | -5.13%            | -5.21%            | -5.23%            | -5.11%             |
| 2010             | 315 - Accessory Electric Equipment | 622,478       | -             | 51,324          | (51,324)     | -8.25%      | -15.33%           | -4.93%            | -6.39%            | -5.06%            | -3.92%            | -5.25%            | -5.31%            | -5.38%            | -5.40%             |
| 2011             | 315 - Accessory Electric Equipment | 776,929       | 16,928        | 103,795         | (86,866)     | -11.18%     | -9.87%            | -13.56%           | -5.91%            | -7.01%            | -5.62%            | -4.44%            | -5.66%            | -5.70%            | -5.76%             |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                        | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2012             | 315 - Accessory Electric Equipment | 36,292      | -             | 81,184          | (81,184)    | -223.70%    | -20.66%           | -15.28%           | -17.67%           | -7.50%            | -8.31%            | -6.56%            | -5.17%            | -6.37%            | -6.38%             |
| 2013             | 315 - Accessory Electric Equipment | 69,579      | (16,928)      | 259,651         | (276,579)   | -397.50%    | -337.92%          | -50.37%           | -32.95%           | -31.41%           | -12.86%           | -12.74%           | -9.74%            | -7.66%            | -8.76%             |
| 2014             | 315 - Accessory Electric Equipment | 284,989     | 23,500        | 99,509          | (76,009)    | -26.67%     | -99.44%           | -110.98%          | -44.58%           | -31.95%           | -30.80%           | -13.60%           | -13.36%           | -10.28%           | -8.14%             |
|                  | Average Retirement                 | 1,125,935   |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 214,053,764 |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 0.5260%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  |                                    |             |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1994             | 316 - Misc Power Plant Equipment   | 135,856     | 2,750         | 3,810           | (1,060)     | -0.78%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1995             | 316 - Misc Power Plant Equipment   | 208,186     | -             | 82              | (82)        | -0.04%      | -0.33%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1996             | 316 - Misc Power Plant Equipment   | 33,701      | 1,079         | (5)             | 1,085       | 3.22%       | 0.41%             | -0.01%            |                   |                   |                   |                   |                   |                   |                    |
| 1997             | 316 - Misc Power Plant Equipment   | 53,553      | 4,660         | -               | 4,660       | 8.70%       | 6.58%             | 1.92%             | 1.07%             |                   |                   |                   |                   |                   |                    |
| 1998             | 316 - Misc Power Plant Equipment   | 17,997      | 370           | 252             | 118         | 0.66%       | 6.68%             | 5.57%             | 1.84%             | 1.05%             |                   |                   |                   |                   |                    |
| 1999             | 316 - Misc Power Plant Equipment   | 153,867     | 10,000        | 1,079           | 8,921       | 5.80%       | 5.26%             | 6.08%             | 5.71%             | 3.15%             | 2.26%             |                   |                   |                   |                    |
| 2000             | 316 - Misc Power Plant Equipment   | 102,684     | 1,968         | 15,490          | (13,523)    | -13.17%     | -1.79%            | -1.63%            | 0.05%             | 0.35%             | 0.21%             | 0.02%             |                   |                   |                    |
| 2001             | 316 - Misc Power Plant Equipment   | 401,130     | -             | 20,522          | (20,522)    | -5.12%      | -6.76%            | -3.82%            | -3.70%            | -2.79%            | -2.52%            | -1.99%            | -1.84%            |                   |                    |
| 2002             | 316 - Misc Power Plant Equipment   | 568,557     | -             | 79              | (79)        | -0.01%      | -2.12%            | -3.18%            | -2.06%            | -2.02%            | -1.57%            | -1.45%            | -1.26%            | -1.22%            |                    |
| 2003             | 316 - Misc Power Plant Equipment   | 67,827      | -             | 26,279          | (26,279)    | -38.74%     | -4.14%            | -4.52%            | -5.30%            | -3.98%            | -3.91%            | -3.42%            | -3.26%            | -2.84%            | -2.68%             |
| 2004             | 316 - Misc Power Plant Equipment   | 139,043     | -             | 5,995           | (5,995)     | -4.31%      | -15.60%           | -4.17%            | -4.49%            | -5.19%            | -4.01%            | -3.95%            | -3.50%            | -3.36%            | -2.96%             |
| 2005             | 316 - Misc Power Plant Equipment   | 23,047      | 1,895         | (23,264)        | 25,160      | 109.17%     | 11.82%            | -3.09%            | -0.90%            | -2.31%            | -3.17%            | -2.22%            | -2.18%            | -1.80%            | -1.69%             |
| 2006             | 316 - Misc Power Plant Equipment   | 71,345      | 9,138         | 208             | 8,930       | 12.52%      | 36.11%            | 12.03%            | 0.60%             | 0.20%             | -1.48%            | -2.35%            | -1.53%            | -1.51%            | -1.16%             |
| 2007             | 316 - Misc Power Plant Equipment   | 95,321      | 417           | 540             | (123)       | -0.13%      | 5.28%             | 17.90%            | 8.51%             | 0.43%             | 0.17%             | -1.38%            | -2.21%            | -1.45%            | -1.43%             |
| 2008             | 316 - Misc Power Plant Equipment   | 15,459      | 1,543         | 17,187          | (15,644)    | -101.20%    | -14.23%           | -3.75%            | 8.93%             | 3.58%             | -3.39%            | -1.43%            | -2.50%            | -3.24%            | -2.39%             |
| 2009             | 316 - Misc Power Plant Equipment   | 51,648      | -             | 22,930          | (22,930)    | -44.40%     | -57.48%           | -23.82%           | -12.73%           | -1.79%            | -2.68%            | -7.95%            | -3.58%            | -4.01%            | -4.62%             |
| 2010             | 316 - Misc Power Plant Equipment   | 203,797     | -             | (3,066)         | 3,066       | 1.50%       | -7.78%            | -13.11%           | -9.73%            | -6.10%            | -0.33%            | -1.26%            | -5.07%            | -2.74%            | -3.32%             |
| 2011             | 316 - Misc Power Plant Equipment   | 7,279       | 25,193        | 29,409          | (4,215)     | -57.91%     | -0.54%            | -9.16%            | -14.28%           | -10.67%           | -6.95%            | -1.23%            | -1.94%            | -5.64%            | -3.07%             |
| 2012             | 316 - Misc Power Plant Equipment   | 46,441      | -             | 2,604           | (2,604)     | -5.61%      | -12.69%           | -1.46%            | -8.63%            | -13.04%           | -10.11%           | -6.82%            | -1.63%            | -2.20%            | -5.63%             |
| 2013             | 316 - Misc Power Plant Equipment   | 63,900      | -             | 3,487           | (3,487)     | -5.46%      | -5.52%            | -8.76%            | -2.25%            | -8.09%            | -11.79%           | -9.49%            | -6.67%            | -2.05%            | -2.49%             |
| 2014             | 316 - Misc Power Plant Equipment   | 270,034     | -             | 34,898          | (34,898)    | -12.92%     | -11.49%           | -10.78%           | -11.66%           | -7.12%            | -10.12%           | -12.26%           | -10.72%           | -8.71%            | -5.51%             |
|                  | Average Retirement                 | 84,827      |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 15,059,895  |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 0.5633%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  |                                    |             |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1981             | Other Production                   | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | Other Production                   | 222,500     | 1,000         | 22,345          | (21,345)    | -9.59%      | -9.59%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | Other Production                   | -           | -             | -               | -           | NA          | -9.59%            | -9.59%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | Other Production                   | -           | -             | -               | -           | NA          | NA                | -9.59%            | -9.59%            |                   |                   |                   |                   |                   |                    |
| 1985             | Other Production                   | 633         | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | -9.57%            | -9.57%            |                   |                   |                   |                   |                    |
| 1986             | Other Production                   | 42,200      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | -8.04%            | -8.04%            |                   |                   |                   |                    |
| 1987             | Other Production                   | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -8.04%            | -8.04%            |                   |                   |                    |
| 1988             | Other Production                   | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -8.04%            | -8.04%            |                   |                    |
| 1989             | Other Production                   | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -8.04%            | -8.04%            |                    |
| 1990             | Other Production                   | 10,228      | -             | 200             | (200)       | -1.96%      | -1.96%            | -1.96%            | -1.96%            | -0.38%            | -0.38%            | -0.38%            | -0.38%            | -7.82%            | -7.82%             |
| 1991             | Other Production                   | 7,923       | -             | -               | -           | 0.00%       | -1.10%            | -1.10%            | -1.10%            | -1.10%            | -0.33%            | -0.33%            | -0.33%            | -0.33%            | -7.60%             |
| 1992             | Other Production                   | (7,923)     | -             | -               | -           | 0.00%       | NA                | -1.96%            | -1.96%            | -1.96%            | -0.38%            | -0.38%            | -0.38%            | -0.38%            | -0.38%             |
| 1993             | Other Production                   | 13,446      | -             | 2,981           | (2,981)     | -22.17%     | -53.97%           | -22.17%           | -13.44%           | -13.44%           | -13.44%           | -13.44%           | -4.83%            | -4.78%            | -4.78%             |
| 1994             | Other Production                   | 683         | -             | 96              | (96)        | -14.02%     | -21.78%           | -49.58%           | -21.78%           | -13.45%           | -13.45%           | -13.45%           | -13.45%           | -4.92%            | -4.88%             |
| 1995             | Other Production                   | 2,074       | -             | (1)             | 1           | 0.03%       | -3.45%            | -18.99%           | -37.15%           | -18.99%           | -12.40%           | -12.40%           | -12.40%           | -12.40%           | -4.77%             |
| 1996             | Other Production                   | -           | -             | -               | -           | NA          | 0.03%             | -3.45%            | -18.99%           | -37.15%           | -18.99%           | -12.40%           | -12.40%           | -12.40%           | -12.40%            |
| 1997             | Other Production                   | -           | -             | -               | -           | NA          | NA                | 0.03%             | -3.45%            | -18.99%           | -37.15%           | -18.99%           | -12.40%           | -12.40%           | -12.40%            |
| 1998             | Other Production                   | 16,574      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | -0.49%            | -9.39%            | -12.38%           | -9.39%            | -7.62%            | -7.62%             |
| 1999             | Other Production                   | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.49%            | -9.39%            | -12.38%           | -9.39%            | -7.62%             |
| 2000             | Other Production                   | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.49%            | -9.39%            | -9.39%            | -9.39%             |
| 2001             | Other Production                   | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.49%            | -9.39%            | -12.38%            |
| 2002             | Other Production                   | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.49%            | -9.39%             |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                        | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2003             | Other Production                   | -           | -             | 10,899          | (10,899)    | NA          | NA                | NA                | NA                | NA                | -65.76%           | -65.76%           | -65.76%           | -58.44%           | -56.88%            |
| 2004             | Other Production                   | 3,035,628   | -             | 236,247         | (236,247)   | -7.78%      | -8.14%            | -8.14%            | -8.14%            | -8.14%            | -8.14%            | -8.10%            | -8.10%            | -8.10%            | -8.09%             |
| 2005             | Other Production                   | 17,614,936  | -             | 1,630,525       | (1,630,525) | -9.26%      | -9.04%            | -9.09%            | -9.09%            | -9.09%            | -9.09%            | -9.09%            | -9.09%            | -9.09%            | -9.09%             |
| 2006             | Other Production                   | 7,738,683   | -             | (1,232,583)     | 1,232,583   | 15.93%      | -1.57%            | -2.23%            | -2.27%            | -2.27%            | -2.27%            | -2.27%            | -2.27%            | -2.27%            | -2.27%             |
| 2007             | Other Production                   | 14,249,350  | -             | 809,665         | (809,665)   | -5.68%      | 1.92%             | -3.05%            | -3.39%            | -3.41%            | -3.41%            | -3.41%            | -3.41%            | -3.41%            | -3.41%             |
| 2008             | Other Production                   | 777,766     | -             | 22,270          | (22,270)    | -2.86%      | -5.54%            | 1.76%             | -3.05%            | -3.38%            | -3.40%            | -3.40%            | -3.40%            | -3.40%            | -3.40%             |
| 2009             | Other Production                   | 177,530     | -             | 272,612         | (272,612)   | -153.56%    | -30.87%           | -7.26%            | 0.56%             | -3.70%            | -3.99%            | -4.01%            | -4.01%            | -4.01%            | -4.01%             |
| 2010             | Other Production                   | 20,655,108  | 4,590,645     | 2,705,769       | 1,884,876   | 9.13%       | 7.74%             | 7.36%             | 2.18%             | 4.62%             | 0.62%             | 0.23%             | 0.21%             | 0.21%             | 0.21%              |
| 2011             | Other Production                   | 2,423,189   | 38,737        | 76,208          | (37,471)    | -1.55%      | 8.00%             | 6.77%             | 6.46%             | 1.94%             | 4.29%             | 0.54%             | 0.16%             | 0.15%             | 0.15%              |
| 2012             | Other Production                   | 1,337,860   | -             | 172,995         | (172,995)   | -12.93%     | -5.60%            | 6.86%             | 5.70%             | 5.44%             | 1.44%             | 3.81%             | 0.26%             | -0.09%            | -0.11%             |
| 2013             | Other Production                   | 20,720,394  | -             | 1,865,500       | (1,865,500) | -9.00%      | -9.24%            | -8.48%            | -0.42%            | -1.02%            | -1.05%            | -2.15%            | -0.09%            | -1.98%            | -2.17%             |
| 2014             | Other Production                   | 1,451,547   | -             | 143,361         | (143,361)   | -9.88%      | -9.06%            | -9.28%            | -8.56%            | -0.72%            | -1.30%            | -1.32%            | -2.33%            | -0.30%            | -2.11%             |
| 1981             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1985             | 341 - Structures & Improvements    | 633         | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                   |                   |                    |
| 1986             | 341 - Structures & Improvements    | 42,200      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                   |                    |
| 1987             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                    |
| 1988             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                   |                    |
| 1989             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                    |
| 1990             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                    |
| 1991             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1992             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1993             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1994             | 341 - Structures & Improvements    | 683         | -             | 96              | (96)        | -14.02%     | -14.02%           | -14.02%           | -14.02%           | -14.02%           | -14.02%           | -14.02%           | -14.02%           | -0.22%            | -0.22%             |
| 1995             | 341 - Structures & Improvements    | 2,074       | -             | (1)             | 1           | 0.03%       | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -0.21%             |
| 1996             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | 0.03%             | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%             |
| 1997             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | 0.03%             | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%            | -3.45%             |
| 1998             | 341 - Structures & Improvements    | 14,083      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | -0.56%            | -0.56%            | -0.56%            | -0.56%            | -0.56%            | -0.56%             |
| 1999             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.56%            | -0.56%            | -0.56%            | -0.56%            | -0.56%             |
| 2000             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.56%            | -0.56%            | -0.56%            | -0.56%             |
| 2001             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.56%            | -0.56%            | -0.56%             |
| 2002             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | -0.56%            | -0.56%            | -0.56%             |
| 2003             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | -0.56%             |
| 2004             | 341 - Structures & Improvements    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2005             | 341 - Structures & Improvements    | 55,888      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2006             | 341 - Structures & Improvements    | -           | -             | 480             | (480)       | NA          | -0.86%            | -0.86%            | -0.86%            | -0.86%            | -0.86%            | -0.86%            | -0.86%            | -0.69%            | -0.69%             |
| 2007             | 341 - Structures & Improvements    | -           | -             | 35,174          | (35,174)    | NA          | NA                | -63.80%           | -63.80%           | -63.80%           | -63.80%           | -63.80%           | -63.80%           | -63.80%           | -50.96%            |
| 2008             | 341 - Structures & Improvements    | 66,193      | -             | 13,117          | (13,117)    | -19.82%     | -72.95%           | -73.68%           | -39.95%           | -39.95%           | -39.95%           | -39.95%           | -39.95%           | -39.95%           | -39.95%            |
| 2009             | 341 - Structures & Improvements    | 113,763     | -             | 175,261         | (175,261)   | -154.06%    | -104.68%          | -124.23%          | -124.49%          | -94.99%           | -94.99%           | -94.99%           | -94.99%           | -94.99%           | -94.99%            |
| 2010             | 341 - Structures & Improvements    | 669,544     | -             | 238,000         | (238,000)   | -35.55%     | -52.76%           | -50.19%           | -54.33%           | -54.39%           | -51.03%           | -51.03%           | -51.03%           | -51.03%           | -51.03%            |
| 2011             | 341 - Structures & Improvements    | 1,297,654   | -             | 43,371          | (43,371)    | -3.34%      | -14.30%           | -21.94%           | -21.88%           | -23.52%           | -23.54%           | -22.94%           | -22.94%           | -22.94%           | -22.94%            |
| 2012             | 341 - Structures & Improvements    | 1,022,063   | -             | 151,021         | (151,021)   | -14.78%     | -8.38%            | -14.46%           | -19.58%           | -19.59%           | -20.70%           | -20.71%           | -20.35%           | -20.35%           | -20.35%            |
| 2013             | 341 - Structures & Improvements    | 300,805     | -             | -               | -           | 0.00%       | -11.42%           | -7.42%            | -13.14%           | -17.85%           | -17.89%           | -18.90%           | -18.92%           | -18.62%           | -18.62%            |
| 2014             | 341 - Structures & Improvements    | 18,545      | -             | 350             | (350)       | -1.89%      | -0.11%            | -11.28%           | -7.38%            | -13.08%           | -17.77%           | -17.80%           | -18.81%           | -18.83%           | -18.53%            |
|                  | Average Retirement                 | 354,446     |               |                 |             | 0.00%       | -0.09%            | -0.05%            | -8.93%            | -6.51%            | -11.81%           | -16.10%           | -16.16%           | -17.08%           | -17.09%            |
|                  | PIS                                | 16,248,806  |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 2.1814%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1981             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                        | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1984             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                   |                    |
| 1989             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                    |
| 1990             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1991             | 342 - Fuel Holders and Accessories | 7,923       | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1992             | 342 - Fuel Holders and Accessories | (7,923)     | -             | -               | -           | 0.00%       | NA                 |
| 1993             | 342 - Fuel Holders and Accessories | 13,446      | -             | 2,981           | (2,981)     | -22.17%     | -53.97%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%            |
| 1994             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | -22.17%           | -53.97%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%            |
| 1995             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | -22.17%           | -53.97%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%            |
| 1996             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | -22.17%           | -53.97%           | -22.17%           | -22.17%           | -22.17%           | -22.17%           | -22.17%            |
| 1997             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | -22.17%           | -53.97%           | -22.17%           | -22.17%           | -22.17%           | -22.17%            |
| 1998             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | -22.17%           | -53.97%           | -22.17%           | -22.17%           | -22.17%            |
| 1999             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | -22.17%           | -53.97%           | -22.17%           | -22.17%            |
| 2000             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | -22.17%           | -53.97%           | -22.17%            |
| 2001             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -22.17%           | -53.97%            |
| 2002             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -22.17%            |
| 2003             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2004             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2005             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2006             | 342 - Fuel Holders and Accessories | 13,400      | -             | 2,253           | (2,253)     | -16.81%     | -16.81%           | -16.81%           | -16.81%           | -16.81%           | -16.81%           | -16.81%           | -16.81%           | -16.81%           | -16.81%            |
| 2007             | 342 - Fuel Holders and Accessories | -           | -             | 466,145         | (466,145)   | NA          | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%          |
| 2008             | 342 - Fuel Holders and Accessories | -           | -             | -               | -           | NA          | NA                | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%         | -3495.51%          |
| 2009             | 342 - Fuel Holders and Accessories | -           | -             | 10,349          | (10,349)    | NA          | NA                | NA                | -3572.74%         | -3572.74%         | -3572.74%         | -3572.74%         | -3572.74%         | -3572.74%         | -3572.74%          |
| 2010             | 342 - Fuel Holders and Accessories | 43,147      | -             | 58,289          | (58,289)    | -135.10%    | -159.08%          | -159.08%          | -1239.45%         | -949.72%          | -949.72%          | -949.72%          | -949.72%          | -949.72%          | -949.72%           |
| 2011             | 342 - Fuel Holders and Accessories | 206,845     | -             | 6,769           | (6,769)     | -3.27%      | -26.02%           | -30.16%           | -30.16%           | -216.63%          | -206.46%          | -206.46%          | -206.46%          | -206.46%          | -206.46%           |
| 2012             | 342 - Fuel Holders and Accessories | 23,444      | -             | -               | -           | 0.00%       | -2.94%            | -23.79%           | -27.58%           | -27.58%           | -198.05%          | -189.59%          | -189.59%          | -189.59%          | -189.59%           |
| 2013             | 342 - Fuel Holders and Accessories | -           | -             | 1,386           | (1,386)     | NA          | -5.91%            | -3.54%            | -24.30%           | -28.08%           | -28.08%           | -198.56%          | -190.07%          | -190.07%          | -190.07%           |
| 2014             | 342 - Fuel Holders and Accessories | 284,576     | -             | 15,494          | (15,494)    | -5.44%      | -5.93%            | -5.48%            | -4.59%            | -14.68%           | -16.54%           | -16.54%           | -100.08%          | -98.12%           | -98.12%            |
|                  | Average Retirement                 | 57,141      |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 4,504,704   |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 1.2685%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1981             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                   |                    |
| 1989             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                    |
| 1990             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1991             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1992             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1993             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1994             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1995             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1996             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1997             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1998             | 343 - Prime Movers                 | 2,491       | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1999             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2000             | 343 - Prime Movers                 | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description        | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. %    | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|--------------------|-------------|---------------|-----------------|-------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2001             | 343 - Prime Movers | -           | -             | -               | -           | NA             | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2002             | 343 - Prime Movers | -           | -             | -               | -           | NA             | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2003             | 343 - Prime Movers | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 2004             | 343 - Prime Movers | 2,911,960   | -             | 236,247         | (236,247)   | -8.11%         | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%             |
| 2005             | 343 - Prime Movers | (0)         | -             | -               | -           | 0.00%          | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%            | -8.11%             |
| 2006             | 343 - Prime Movers | 7,704,417   | -             | 0               | (0)         | 0.00%          | 0.00%             | -2.23%            | -2.23%            | -2.23%            | -2.23%            | -2.23%            | -2.23%            | -2.22%            | -2.22%             |
| 2007             | 343 - Prime Movers | (0)         | -             | (157,799)       | 157,799     | -175332366.96% | 2.05%             | 2.05%             | -0.74%            | -0.74%            | -0.74%            | -0.74%            | -0.74%            | -0.74%            | -0.74%             |
| 2008             | 343 - Prime Movers | 572,207     | -             | 9,077           | (9,077)     | -1.59%         | 25.99%            | 1.80%             | 1.80%             | -0.78%            | -0.78%            | -0.78%            | -0.78%            | -0.78%            | -0.78%             |
| 2009             | 343 - Prime Movers | 61,961      | -             | 1,868           | (1,868)     | -3.01%         | -1.73%            | 23.16%            | 1.76%             | -0.79%            | -0.79%            | -0.79%            | -0.79%            | -0.79%            | -0.79%             |
| 2010             | 343 - Prime Movers | 9,558,591   | (0)           | 2,278,434       | (2,278,434) | -23.84%        | -23.70%           | -22.46%           | -20.91%           | -11.91%           | -11.91%           | -11.38%           | -11.38%           | -11.38%           | -11.38%            |
| 2011             | 343 - Prime Movers | 769,041     | 18,330        | 9,904           | 8,425       | 1.10%          | -21.98%           | -21.87%           | -20.81%           | -19.37%           | -11.37%           | -11.37%           | -10.93%           | -10.93%           | -10.93%            |
| 2012             | 343 - Prime Movers | 249,094     | -             | (43,464)        | 43,464      | 17.45%         | 5.10%             | -21.05%           | -20.95%           | -19.96%           | -18.55%           | -10.99%           | -10.99%           | -10.61%           | -10.61%            |
| 2013             | 343 - Prime Movers | 19,660,137  | -             | 1,780,880       | (1,780,880) | -9.06%         | -8.73%            | -8.36%            | -13.25%           | -13.23%           | -13.02%           | -12.51%           | -10.01%           | -10.01%           | -9.87%             |
| 2014             | 343 - Prime Movers | 916,410     | -             | 53,732          | (53,732)    | -5.86%         | -8.92%            | -8.60%            | -8.26%            | -13.04%           | -13.02%           | -12.81%           | -12.31%           | -9.91%            | -9.91%             |
|                  | Average Retirement | 3,949,186   |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                | 131,479,007 |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                | 3.0037%     |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1981             | 344 - Generators   | -           | -             | -               | -           | NA             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 344 - Generators   | 222,500     | 1,000         | 22,345          | (21,345)    | -9.59%         | -9.59%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 344 - Generators   | -           | -             | -               | -           | NA             | -9.59%            | -9.59%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | -9.59%            | -9.59%            |                   |                   |                   |                   |                   |                    |
| 1985             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | -9.59%            | -9.59%            |                   |                   |                   |                   |                    |
| 1986             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | -9.59%            | -9.59%            |                   |                   |                   |                    |
| 1987             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | -9.59%            | -9.59%            |                   |                   |                    |
| 1988             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | -9.59%            | -9.59%            |                   |                    |
| 1989             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | -9.59%            | -9.59%            |                    |
| 1990             | 344 - Generators   | 10,228      | -             | 200             | (200)       | -1.96%         | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1991             | 344 - Generators   | -           | -             | -               | -           | NA             | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1992             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1993             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1994             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1995             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | -1.96%            | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1996             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | -1.96%            | -1.96%            | -1.96%            | -1.96%             |
| 1997             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | -1.96%            | -1.96%            | -1.96%             |
| 1998             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -1.96%            | -1.96%             |
| 1999             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -1.96%             |
| 2000             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2001             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2002             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2003             | 344 - Generators   | -           | -             | 10,078          | (10,078)    | NA             | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2004             | 344 - Generators   | 122,367     | -             | -               | -           | 0.00%          | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%             |
| 2005             | 344 - Generators   | -           | -             | -               | -           | NA             | 0.00%             | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%             |
| 2006             | 344 - Generators   | -           | -             | -               | -           | NA             | NA                | 0.00%             | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%            | -8.24%             |
| 2007             | 344 - Generators   | 178,881     | -             | -               | -           | 0.00%          | 0.00%             | 0.00%             | 0.00%             | -3.35%            | -3.35%            | -3.35%            | -3.35%            | -3.35%            | -3.35%             |
| 2008             | 344 - Generators   | 139,366     | -             | 76              | (76)        | -0.05%         | -0.02%            | -0.02%            | -0.02%            | -0.02%            | -2.30%            | -2.30%            | -2.30%            | -2.30%            | -2.30%             |
| 2009             | 344 - Generators   | 1,806       | -             | -               | -           | 0.00%          | -0.05%            | -0.02%            | -0.02%            | -0.02%            | -2.30%            | -2.30%            | -2.30%            | -2.30%            | -2.30%             |
| 2010             | 344 - Generators   | 47,896      | -             | 4,943           | (4,943)     | -10.32%        | -9.94%            | -2.65%            | -1.36%            | -1.36%            | -1.36%            | -1.02%            | -3.08%            | -3.08%            | -3.08%             |
| 2011             | 344 - Generators   | 29,346      | 20,407        | 5,864           | 14,543      | 49.56%         | 12.43%            | 12.14%            | 4.36%             | 2.40%             | 2.40%             | 2.40%             | 1.83%             | -0.11%            | -0.11%             |
| 2012             | 344 - Generators   | 7,462       | -             | -               | -           | 0.00%          | 39.51%            | 11.33%            | 11.10%            | 4.22%             | 2.35%             | 2.35%             | 2.35%             | 1.81%             | -0.11%             |
| 2013             | 344 - Generators   | 81,185      | -             | 24,779          | (24,779)    | -30.52%        | -27.95%           | -8.67%            | -9.15%            | -9.05%            | -4.97%            | -3.14%            | -3.14%            | -3.14%            | -2.51%             |
| 2014             | 344 - Generators   | 143,956     | -             | 2,982           | (2,982)     | -2.07%         | -12.33%           | -11.93%           | -5.05%            | -5.86%            | -5.83%            | -4.04%            | -2.90%            | -2.90%            | -2.90%             |
|                  | Average Retirement | 62,990      |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                | 73,938,902  |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                | 0.0852%     |               |                 |             |                |                   |                   |                   |                   |                   |                   |                   |                   |                    |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analyss**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                        | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1981             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                   |                    |
| 1989             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                    |
| 1990             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1991             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1992             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1993             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1994             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1995             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1996             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1997             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1998             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1999             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2000             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2001             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2002             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2003             | 345 - Accessory Electric Equipment | -           | -             | 821             | (821)       | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2004             | 345 - Accessory Electric Equipment | 1,301       | -             | -               | -           | 0.00%       | -63.15%           | -63.15%           | -63.15%           | -63.15%           | -63.15%           | -63.15%           | -63.15%           | -63.15%           | -63.15%            |
| 2005             | 345 - Accessory Electric Equipment | 14,838      | -             | 2,611           | (2,611)     | -17.60%     | -16.18%           | -21.27%           | -21.27%           | -21.27%           | -21.27%           | -21.27%           | -21.27%           | -21.27%           | -21.27%            |
| 2006             | 345 - Accessory Electric Equipment | 20,866      | -             | 1,309           | (1,309)     | -6.27%      | -10.98%           | -10.59%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%            |
| 2007             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | -6.27%            | -10.98%           | -10.59%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%            |
| 2008             | 345 - Accessory Electric Equipment | -           | -             | -               | -           | NA          | NA                | -6.27%            | -10.98%           | -10.59%           | -12.81%           | -12.81%           | -12.81%           | -12.81%           | -12.81%            |
| 2009             | 345 - Accessory Electric Equipment | -           | -             | 74,662          | (74,662)    | NA          | NA                | NA                | -364.09%          | -220.10%          | -212.36%          | -214.58%          | -214.58%          | -214.58%          | -214.58%           |
| 2010             | 345 - Accessory Electric Equipment | 964,852     | -             | 111,401         | (111,401)   | -11.55%     | -19.28%           | -19.28%           | -19.28%           | -19.01%           | -18.99%           | -18.96%           | -19.05%           | -19.05%           | -19.05%            |
| 2011             | 345 - Accessory Electric Equipment | 118,001     | -             | 10,299          | (10,299)    | -8.73%      | -11.24%           | -18.13%           | -18.13%           | -18.13%           | -17.91%           | -17.91%           | -17.88%           | -17.96%           | -17.96%            |
| 2012             | 345 - Accessory Electric Equipment | -           | -             | 65,437          | (65,437)    | NA          | -64.18%           | -17.28%           | -24.18%           | -24.18%           | -24.18%           | -23.84%           | -23.76%           | -23.73%           | -23.80%            |
| 2013             | 345 - Accessory Electric Equipment | 678,268     | -             | 58,455          | (58,455)    | -8.62%      | -18.27%           | -16.85%           | -13.95%           | -18.18%           | -18.18%           | -18.18%           | -18.05%           | -18.04%           | -18.03%            |
| 2014             | 345 - Accessory Electric Equipment | 84,252      | -             | 70,803          | (70,803)    | -84.04%     | -16.95%           | -25.53%           | -23.28%           | -17.15%           | -21.19%           | -21.19%           | -21.19%           | -21.02%           | -21.00%            |
|                  | Average Retirement                 | 207,360     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                                | 13,767,910  |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                                | 1.5061%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1981             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                   |                    |
| 1989             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                    |
| 1990             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1991             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1992             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1993             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1994             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1995             | 346 - Misc. Equipment              | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |

**GULF POWER**  
**Production Interim Retirement and Interim Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description           | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|-----------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1996             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1997             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1998             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1999             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2000             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2001             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2002             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2003             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2004             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2005             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2006             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2007             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2008             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2009             | 346 - Misc. Equipment | -           | -             | 10,472          | (10,472)    | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2010             | 346 - Misc. Equipment | 187,274     | 990           | 14,702          | (13,712)    | -7.32%      | -12.91%           | -12.91%           | -12.91%           | -12.91%           | -12.91%           | -12.91%           | -12.91%           | -12.91%           | -12.91%            |
| 2011             | 346 - Misc. Equipment | 2,302       | -             | -               | -           | 0.00%       | -7.23%            | -12.76%           | -12.76%           | -12.76%           | -12.76%           | -12.76%           | -12.76%           | -12.76%           | -12.76%            |
| 2012             | 346 - Misc. Equipment | 35,797      | -             | -               | -           | 0.00%       | 0.00%             | -6.08%            | -10.73%           | -10.73%           | -10.73%           | -10.73%           | -10.73%           | -10.73%           | -10.73%            |
| 2013             | 346 - Misc. Equipment | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | -6.08%            | -10.73%           | -10.73%           | -10.73%           | -10.73%           | -10.73%           | -10.73%            |
| 2014             | 346 - Misc. Equipment | 3,808       | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | -5.98%            | -10.55%           | -10.55%           | -10.55%           | -10.55%           | -10.55%            |
|                  | Average Retirement    | 22,918      |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | PIS                   | 1,258,525   |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |
|                  | IRR                   | 1.8210%     |               |                 |             |             |                   |                   |                   |                   |                   |                   |                   |                   |                    |

**APPENDIX E-2 - Net Salvage Analysis Transmission, Distribution, General Plant  
and Transportation Equipment**

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                     | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1981             | 352 - Structures & Improvements | 4,562       | -             | -               | -           | 0.00%       |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 352 - Structures & Improvements | 644         | -             | 1,892           | (1,892)     | -293.60%    | -36.34%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 352 - Structures & Improvements | -           | -             | -               | -           | NA          | -293.60%          | -36.34%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 352 - Structures & Improvements | 1,565       | -             | 46              | (46)        | -2.94%      | -2.94%            | -87.70%           | -28.62%           |                   |                   |                   |                   |                   |                    |
| 1985             | 352 - Structures & Improvements | 7,130       | -             | 5,446           | (5,446)     | -76.38%     | -63.16%           | -63.16%           | -79.06%           | -53.12%           |                   |                   |                   |                   |                    |
| 1986             | 352 - Structures & Improvements | -           | -             | -               | -           | NA          | -76.38%           | -63.16%           | -63.16%           | -79.06%           | -53.12%           |                   |                   |                   |                    |
| 1987             | 352 - Structures & Improvements | 2,896       | -             | 36              | (36)        | -1.23%      | -1.23%            | -54.68%           | -47.69%           | -47.69%           | -60.64%           | -44.17%           |                   |                   |                    |
| 1988             | 352 - Structures & Improvements | 23,456      | -             | 2,762           | (2,762)     | -11.77%     | -10.62%           | -10.62%           | -24.62%           | -23.65%           | -23.65%           | -28.53%           | -25.29%           |                   |                    |
| 1989             | 352 - Structures & Improvements | 1,589       | 63            | 1,480           | (1,417)     | -89.19%     | -16.69%           | -15.09%           | -15.09%           | -27.55%           | -26.50%           | -26.50%           | -31.11%           | -27.72%           |                    |
| 1990             | 352 - Structures & Improvements | 2,032       | -             | 5,333           | (5,333)     | -262.45%    | -186.42%          | -35.13%           | -31.86%           | -31.86%           | -40.41%           | -38.90%           | -38.90%           | -43.07%           | -38.59%            |
| 1991             | 352 - Structures & Improvements | 23,866      | 4             | 78              | (74)        | -0.31%      | -20.88%           | -24.83%           | -18.82%           | -17.87%           | -17.87%           | -24.71%           | -24.17%           | -24.17%           | -26.92%            |
| 1992             | 352 - Structures & Improvements | 17,216      | -             | 2,502           | (2,502)     | -14.53%     | -6.27%            | -18.34%           | -20.86%           | -17.74%           | -17.06%           | -17.06%           | -22.47%           | -22.09%           | -22.09%            |
| 1993             | 352 - Structures & Improvements | 21,328      | -             | 292             | (292)       | -1.37%      | -7.25%            | -4.60%            | -12.73%           | -14.57%           | -13.83%           | -13.44%           | -13.44%           | -17.95%           | -17.72%            |
| 1994             | 352 - Structures & Improvements | 12,877      | -             | 1,258           | (1,258)     | -9.77%      | -4.53%            | -7.88%            | -5.48%            | -12.23%           | -13.78%           | -13.32%           | -12.99%           | -12.99%           | -17.01%            |
| 1995             | 352 - Structures & Improvements | 4,194       | -             | 1,079           | (1,079)     | -25.73%     | -13.69%           | -6.85%            | -9.23%            | -6.55%            | -12.93%           | -14.39%           | -13.81%           | -13.48%           | -13.48%            |
| 1996             | 352 - Structures & Improvements | 6,620       | -             | 176             | (176)       | -2.66%      | -11.61%           | -10.61%           | -6.23%            | -8.53%            | -6.25%            | -12.16%           | -13.52%           | -13.16%           | -12.86%            |
| 1997             | 352 - Structures & Improvements | 40,292      | -             | 1,092           | (1,092)     | -2.71%      | -2.70%            | -4.59%            | -5.64%            | -4.57%            | -6.24%            | -5.12%            | -9.19%            | -10.17%           | -10.42%            |
| 1998             | 352 - Structures & Improvements | 17,650      | -             | (3)             | 3           | 0.02%       | -1.88%            | -1.96%            | -3.41%            | -4.41%            | -3.78%            | -5.32%            | -4.49%            | -8.08%            | -8.95%             |
| 1999             | 352 - Structures & Improvements | 10,530      | -             | 454             | (454)       | -4.31%      | -1.60%            | -2.25%            | -2.29%            | -3.53%            | -4.40%            | -3.83%            | -5.24%            | -4.48%            | -7.83%             |
| 2000             | 352 - Structures & Improvements | -           | -             | 125             | (125)       | NA          | -5.50%            | -2.04%            | -2.44%            | -2.46%            | -3.69%            | -4.54%            | -3.94%            | -5.34%            | -4.56%             |
| 2001             | 352 - Structures & Improvements | 3,215       | -             | 0               | (0)         | 0.00%       | -3.89%            | -4.21%            | -1.84%            | -2.33%            | -2.36%            | -3.84%            | -4.38%            | -3.83%            | -5.21%             |
| 2002             | 352 - Structures & Improvements | 14,806      | -             | 308             | (308)       | -2.08%      | -1.71%            | -2.40%            | -3.11%            | -1.91%            | -2.28%            | -2.31%            | -3.32%            | -4.07%            | -3.64%             |
| 2003             | 352 - Structures & Improvements | -           | -             | -               | -           | NA          | -2.08%            | -1.71%            | -2.40%            | -3.11%            | -1.91%            | -2.28%            | -2.31%            | -3.32%            | -4.07%             |
| 2004             | 352 - Structures & Improvements | -           | -             | 151             | (151)       | NA          | NA                | -3.10%            | -2.55%            | -3.24%            | -3.64%            | -2.24%            | -2.46%            | -2.47%            | -3.48%             |
| 2005             | 352 - Structures & Improvements | 9,836       | -             | 820             | (820)       | -8.34%      | -9.87%            | -9.87%            | -5.19%            | -4.59%            | -5.04%            | -4.84%            | -3.31%            | -3.06%            | -3.03%             |
| 2006             | 352 - Structures & Improvements | 14,159      | -             | 847             | (847)       | -5.98%      | -6.95%            | -7.58%            | -7.58%            | -5.48%            | -5.06%            | -5.36%            | -5.15%            | -3.85%            | -3.43%             |
| 2007             | 352 - Structures & Improvements | 6,754       | -             | -               | -           | 0.00%       | -4.05%            | -5.42%            | -5.91%            | -5.91%            | -4.67%            | -4.36%            | -4.62%            | -4.56%            | -3.51%             |
| 2008             | 352 - Structures & Improvements | 8,184       | -             | 434             | (434)       | -5.30%      | -2.91%            | -4.40%            | -5.40%            | -5.78%            | -4.78%            | -4.76%            | -4.49%            | -4.71%            | -4.65%             |
| 2009             | 352 - Structures & Improvements | 921         | -             | -               | -           | 0.00%       | -4.77%            | -2.74%            | -4.27%            | -5.27%            | -5.65%            | -5.65%            | -4.68%            | -4.42%            | -4.64%             |
| 2010             | 352 - Structures & Improvements | -           | -             | -               | -           | NA          | 0.00%             | -4.77%            | -4.27%            | -5.27%            | -5.65%            | -5.65%            | -4.68%            | -4.42%            | -4.42%             |
| 2011             | 352 - Structures & Improvements | -           | -             | -               | -           | NA          | NA                | 0.00%             | -4.77%            | -2.74%            | -4.27%            | -5.27%            | -5.65%            | -5.65%            | -4.68%             |
| 2012             | 352 - Structures & Improvements | 17,057      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | -1.66%            | -1.32%            | -2.72%            | -3.69%            | -3.96%            | -3.96%             |
| 2013             | 352 - Structures & Improvements | 214,184     | -             | 11,967          | (11,967)    | -5.59%      | -5.18%            | -5.18%            | -5.18%            | -5.15%            | -5.16%            | -5.02%            | -5.07%            | -5.19%            | -5.25%             |
| 2014             | 352 - Structures & Improvements | 112,693     | -             | 44,993          | (44,993)    | -39.93%     | -17.43%           | -16.56%           | -16.56%           | -16.56%           | -16.52%           | -16.26%           | -15.95%           | -15.57%           | -15.39%            |
| 1981             | 353 - Station Equipment         | 115,015     | 17,799        | 5,363           | 12,436      | 10.81%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 353 - Station Equipment         | 260,783     | -             | 8,482           | (8,482)     | -3.25%      | 1.05%             |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 353 - Station Equipment         | 31,707      | -             | 10,611          | (10,611)    | -33.47%     | -6.53%            | -1.63%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 353 - Station Equipment         | 265,053     | 3,279         | 1,287           | 1,992       | 0.75%       | -2.90%            | -3.07%            | -0.69%            |                   |                   |                   |                   |                   |                    |
| 1985             | 353 - Station Equipment         | 253,821     | -             | 1,844           | (1,844)     | -0.73%      | 0.03%             | -1.90%            | -2.34%            | -0.70%            |                   |                   |                   |                   |                    |
| 1986             | 353 - Station Equipment         | 197,995     | -             | -               | -           | 0.00%       | -0.41%            | 0.02%             | -1.40%            | -1.88%            | -0.58%            |                   |                   |                   |                    |
| 1987             | 353 - Station Equipment         | 193,039     | -             | 9,127           | (9,127)     | -4.73%      | -2.33%            | -1.70%            | -0.99%            | -2.08%            | -2.33%            | -1.19%            |                   |                   |                    |
| 1988             | 353 - Station Equipment         | 409,973     | -             | 306             | (306)       | -0.07%      | -1.56%            | -1.18%            | -1.07%            | -0.70%            | -1.47%            | -1.76%            | -0.92%            |                   |                    |
| 1989             | 353 - Station Equipment         | 275,414     | -             | 10,735          | (10,735)    | -3.90%      | -1.61%            | -2.30%            | -1.87%            | -1.65%            | -1.25%            | -1.88%            | -2.07%            | -1.33%            |                    |
| 1990             | 353 - Station Equipment         | 193,478     | -             | 4,085           | (4,085)     | -2.11%      | -3.16%            | -1.72%            | -2.26%            | -1.91%            | -1.71%            | -1.35%            | -1.91%            | -2.08%            | -1.40%             |
| 1991             | 353 - Station Equipment         | 432,431     | 1,861         | 96,928          | (95,067)    | -21.98%     | -15.84%           | -12.19%           | -8.40%            | -7.93%            | -7.01%            | -6.19%            | -5.37%            | -5.76%            | -5.50%             |
| 1992             | 353 - Station Equipment         | 704,088     | 4,023         | 101,527         | (97,504)    | -13.85%     | -16.94%           | -14.79%           | -12.92%           | -10.31%           | -9.82%            | -9.01%            | -8.22%            | -7.41%            | -7.69%             |
| 1993             | 353 - Station Equipment         | 476,445     | 1,468         | 143,775         | (142,307)   | -29.87%     | -20.31%           | -20.76%           | -18.76%           | -16.80%           | -14.05%           | -13.38%           | -12.46%           | -11.51%           | -10.55%            |
| 1994             | 353 - Station Equipment         | 534,600     | 1,048         | 88,859          | (87,811)    | -16.43%     | -22.76%           | -19.10%           | -19.68%           | -18.23%           | -16.72%           | -14.47%           | -13.88%           | -13.08%           | -12.22%            |
| 1995             | 353 - Station Equipment         | 633,381     | 105,268       | 14,137          | 91,132      | 14.39%      | 0.28%             | -8.45%            | -10.07%           | -11.92%           | -11.28%           | -10.66%           | -9.47%            | -9.24%            | -8.78%             |
| 1996             | 353 - Station Equipment         | 80,399      | 23,930        | 8,660           | 15,270      | 18.99%      | 14.91%            | 1.49%             | -7.17%            | -9.11%            | -11.05%           | -10.49%           | -9.94%            | -8.86%            | -8.66%             |
| 1997             | 353 - Station Equipment         | 636,398     | -             | 18,713          | (18,713)    | -2.94%      | -0.48%            | 6.49%             | -0.01%            | -6.03%            | -7.83%            | -9.58%            | -9.19%            | -8.82%            | -8.00%             |
| 1998             | 353 - Station Equipment         | 932,453     | 5,200         | 8,818           | (3,618)     | -0.39%      | -1.42%            | -0.43%            | 3.68%             | -0.13%            | -4.43%            | -6.09%            | -7.64%            | -7.41%            | -7.21%             |
| 1999             | 353 - Station Equipment         | 1,004,952   | -             | 37,430          | (37,430)    | -3.72%      | -2.12%            | -2.32%            | -1.68%            | 1.42%             | -1.08%            | -4.27%            | -5.62%            | -6.92%            | -6.75%             |
| 2000             | 353 - Station Equipment         | 2,294,660   | -             | 12,188          | (12,188)    | -0.53%      | -1.50%            | -1.26%            | -1.48%            | -1.15%            | 0.62%             | -0.87%            | -2.97%            | -4.02%            | -5.02%             |
| 2001             | 353 - Station Equipment         | 691,933     | 125,177       | 26,842          | 98,335      | 14.21%      | 2.88%             | 1.22%             | 0.92%             | 0.47%             | 0.74%             | 2.12%             | 0.66%             | -1.34%            | -2.44%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description             | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|-------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2002             | 353 - Station Equipment | 222,963     | -             | 48,240          | (48,240)    | -21.64%     | 5.48%             | 1.18%             | 0.01%             | -0.06%            | -0.38%            | -0.11%            | 1.30%             | -0.05%            | -1.94%             |
| 2003             | 353 - Station Equipment | 2,403,130   | -             | 348,645         | (348,645)   | -14.51%     | -15.11%           | -9.00%            | -5.54%            | -5.26%            | -4.66%            | -4.53%            | -4.30%            | -2.97%            | -3.73%             |
| 2004             | 353 - Station Equipment | 220,914     | 40,000        | 58,197          | (18,197)    | -8.24%      | -13.98%           | -14.58%           | -8.95%            | -5.64%            | -5.36%            | -4.76%            | -4.62%            | -4.40%            | -3.09%             |
| 2005             | 353 - Station Equipment | 974,007     | -             | 84,505          | (84,505)    | -8.68%      | -8.59%            | -12.54%           | -13.07%           | -8.89%            | -6.07%            | -5.77%            | -5.20%            | -5.04%            | -4.84%             |
| 2006             | 353 - Station Equipment | 1,082,433   | 4,762         | 100,105         | (95,343)    | -8.81%      | -8.75%            | -8.70%            | -11.68%           | -12.13%           | -8.88%            | -6.45%            | -6.14%            | -5.59%            | -5.43%             |
| 2007             | 353 - Station Equipment | 965,642     | 4,281         | 114,940         | (110,659)   | -11.46%     | -10.06%           | -9.61%            | -9.52%            | -11.64%           | -12.02%           | -9.26%            | -6.99%            | -6.66%            | -6.12%             |
| 2008             | 353 - Station Equipment | 1,588,427   | 20,668        | 50,957          | (30,289)    | -1.91%      | -5.52%            | -6.50%            | -6.96%            | -7.02%            | -9.50%            | -9.87%            | -7.82%            | -6.22%            | -6.00%             |
| 2009             | 353 - Station Equipment | 2,047,094   | 23,222        | 146,025         | (122,803)   | -6.00%      | -4.21%            | -5.73%            | -6.32%            | -6.66%            | -6.71%            | -8.73%            | -9.03%            | -7.46%            | -6.18%             |
| 2010             | 353 - Station Equipment | 451,276     | 78,814        | 61,436          | 17,377      | 3.85%       | -4.22%            | -3.32%            | -4.88%            | -5.57%            | -6.00%            | -6.06%            | -8.15%            | -8.45%            | -6.98%             |
| 2011             | 353 - Station Equipment | 1,478,877   | 38,040        | 194,263         | (156,223)   | -10.56%     | -7.19%            | -6.58%            | -5.25%            | -6.16%            | -6.54%            | -6.78%            | -6.82%            | -8.47%            | -8.72%             |
| 2012             | 353 - Station Equipment | 2,574,917   | 22,701        | 670,022         | (647,321)   | -25.14%     | -19.82%           | -17.45%           | -13.87%           | -11.54%           | -11.53%           | -11.24%           | -11.02%           | -10.96%           | -11.58%            |
| 2013             | 353 - Station Equipment | 4,455,426   | 40,003        | 500,744         | (460,740)   | -10.34%     | -15.76%           | -14.86%           | -13.92%           | -12.44%           | -11.11%           | -11.14%           | -10.97%           | -10.82%           | -10.79%            |
| 2014             | 353 - Station Equipment | 1,356,297   | 200,216       | 1,271,409       | (1,071,193) | -78.98%     | -26.36%           | -25.98%           | -23.67%           | -22.47%           | -19.74%           | -17.71%           | -17.31%           | -16.73%           | -16.27%            |
| 1981             | 354 - Towers            | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 354 - Towers            | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                |                   |                    |
| 1989             | 354 - Towers            | 16,711      | -             | 11,516          | (11,516)    | -68.91%     | -68.91%           | -68.91%           | -68.91%           | -68.91%           | -68.91%           | -68.91%           | -68.91%           | -68.91%           | -68.91%            |
| 1990             | 354 - Towers            | 30,576      | 8,023         | 5,775           | 2,248       | 7.35%       | -19.60%           | -19.60%           | -19.60%           | -19.60%           | -19.60%           | -19.60%           | -19.60%           | -19.60%           | -19.60%            |
| 1991             | 354 - Towers            | 16,595      | 1,067         | (5,934)         | 7,001       | 42.19%      | 19.61%            | -3.55%            | -3.55%            | -3.55%            | -3.55%            | -3.55%            | -3.55%            | -3.55%            | -3.55%             |
| 1992             | 354 - Towers            | 18,196      | -             | 9,150           | (9,150)     | -50.29%     | -6.18%            | 0.15%             | -13.91%           | -13.91%           | -13.91%           | -13.91%           | -13.91%           | -13.91%           | -13.91%            |
| 1993             | 354 - Towers            | 69,368      | -             | (109)           | 109         | 0.16%       | -10.33%           | -1.96%            | 0.15%             | -7.47%            | -7.47%            | -7.47%            | -7.47%            | -7.47%            | -7.47%             |
| 1994             | 354 - Towers            | 45,152      | -             | 9,859           | (9,859)     | -21.83%     | -8.51%            | -14.24%           | -7.97%            | -5.37%            | -10.77%           | -10.77%           | -10.77%           | -10.77%           | -10.77%            |
| 1995             | 354 - Towers            | -           | -             | 547             | (547)       | NA          | -23.05%           | -8.99%            | -14.65%           | -8.34%            | -5.67%            | -11.04%           | -11.04%           | -11.04%           | -11.04%            |
| 1996             | 354 - Towers            | 50,383      | -             | (3)             | 3           | 0.01%       | -1.08%            | -10.89%           | -6.24%            | -10.62%           | -6.23%            | -4.43%            | -8.79%            | -8.79%            | -8.79%             |
| 1997             | 354 - Towers            | 80,474      | -             | 1               | (1)         | 0.00%       | 0.00%             | -0.42%            | -5.91%            | -4.20%            | -7.38%            | -4.44%            | -3.28%            | -6.63%            | -6.63%             |
| 1998             | 354 - Towers            | 109,299     | -             | 2,500           | (2,500)     | -2.29%      | -1.32%            | -1.04%            | -1.27%            | -4.52%            | -3.61%            | -5.89%            | -3.84%            | -3.02%            | -5.54%             |
| 1999             | 354 - Towers            | 2,632       | -             | 1,915           | (1,915)     | -72.76%     | -3.94%            | -2.30%            | -1.82%            | -2.04%            | -5.15%            | -4.12%            | -6.35%            | -4.30%            | -3.46%             |
| 2000             | 354 - Towers            | 145         | -             | 97,498          | (97,498)    | -67240.00%  | -3579.87%         | -90.93%           | -52.93%           | -41.95%           | -42.18%           | -38.99%           | -31.39%           | -32.31%           | -29.15%            |
| 2001             | 354 - Towers            | 403,450     | -             | 15,810          | (15,810)    | -3.92%      | -28.07%           | -28.36%           | -22.84%           | -19.75%           | -18.21%           | -18.30%           | -18.53%           | -16.82%           | -17.61%            |
| 2002             | 354 - Towers            | 73,540      | -             | 59,342          | (59,342)    | -80.69%     | -15.76%           | -36.18%           | -36.39%           | -30.06%           | -26.45%           | -24.59%           | -24.67%           | -24.50%           | -22.45%            |
| 2003             | 354 - Towers            | 189,870     | -             | 49,819          | (49,819)    | -26.24%     | -41.44%           | -18.74%           | -33.35%           | -33.51%           | -29.13%           | -26.40%           | -24.94%           | -25.00%           | -24.85%            |
| 2004             | 354 - Towers            | 48,924      | -             | 26,469          | (26,469)    | -54.10%     | -31.95%           | -43.42%           | -21.16%           | -34.77%           | -34.91%           | -30.60%           | -27.89%           | -26.43%           | -26.48%            |
| 2005             | 354 - Towers            | 15,924      | -             | -               | -           | 0.00%       | -40.82%           | -29.95%           | -41.32%           | -20.70%           | -34.01%           | -34.15%           | -30.03%           | -27.41%           | -25.99%            |
| 2006             | 354 - Towers            | 139,464     | 4,417         | 32,253          | (27,836)    | -19.96%     | -17.91%           | -26.58%           | -26.42%           | -34.95%           | -20.58%           | -31.76%           | -31.89%           | -28.60%           | -26.43%            |
| 2007             | 354 - Towers            | 344,766     | -             | 52,336          | (52,336)    | -15.18%     | -16.56%           | -16.03%           | -19.42%           | -21.17%           | -26.56%           | -19.05%           | -27.06%           | -27.16%           | -25.11%            |
| 2008             | 354 - Towers            | 31,679      | -             | 6,331           | (6,331)     | -19.98%     | -15.58%           | -16.77%           | -16.27%           | -19.45%           | -21.12%           | -26.31%           | -19.07%           | -26.88%           | -26.98%            |
| 2009             | 354 - Towers            | 13,427      | -             | 96,590          | (96,590)    | -719.35%    | -228.17%          | -39.82%           | -34.59%           | -33.58%           | -35.27%           | -33.08%           | -37.16%           | -26.53%           | -34.26%            |
| 2010             | 354 - Towers            | 19,253      | -             | 140,775         | (140,775)   | -731.20%    | -726.33%          | -378.65%          | -72.36%           | -59.04%           | -57.37%           | -57.11%           | -49.81%           | -52.40%           | -37.12%            |
| 2011             | 354 - Towers            | 90,710      | -             | -               | -           | 0.00%       | -128.02%          | -192.37%          | -157.15%          | -59.23%           | -50.66%           | -49.43%           | -49.75%           | -44.76%           | -47.49%            |
| 2012             | 354 - Towers            | 1,174,359   | 7,932         | 5,518           | 2,414       | 0.21%       | 0.19%             | -10.77%           | -18.10%           | -18.15%           | -17.54%           | -17.72%           | -17.57%           | -18.52%           | -19.23%            |
| 2013             | 354 - Towers            | 275,378     | -             | 249,946         | (249,946)   | -90.76%     | -17.07%           | -16.07%           | -24.90%           | -30.82%           | -30.61%           | -27.88%           | -27.35%           | -27.15%           | -27.76%            |
| 2014             | 354 - Towers            | 141,378     | 11,224        | 282,908         | (271,684)   | -192.17%    | -125.16%          | -32.63%           | -30.87%           | -38.80%           | -44.13%           | -43.69%           | -38.99%           | -37.80%           | -37.53%            |
| 1981             | 355 - Poles             | 15,257      | -             | 39,172          | (39,172)    | -256.74%    |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 355 - Poles             | 203,371     | 6,503         | 75,396          | (68,893)    | -33.88%     | -49.43%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 355 - Poles             | 141,355     | 6,294         | 35,039          | (28,744)    | -20.33%     | -28.32%           | -38.00%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 355 - Poles             | 93,972      | -             | 52,181          | (52,181)    | -55.53%     | -34.39%           |                   | -41.63%           |                   |                   |                   |                   |                   |                    |
| 1985             | 355 - Poles             | 218,373     | 1,903         | 77,638          | (75,735)    | -34.68%     | -40.95%           | -34.53%           | -34.33%           | -39.37%           |                   |                   |                   |                   |                    |
| 1986             | 355 - Poles             | 61,312      | -             | 60,187          | (60,187)    | -98.17%     | -48.60%           | -50.34%           | -42.11%           | -39.78%           | -44.29%           |                   |                   |                   |                    |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description               | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1987             | 355 - Poles               | 239,739     | 1,456         | 206,391         | (204,934)   | -85.48%     | -88.07%           | -65.62%           | -64.08%           | -55.88%           | -51.21%           | -54.43%           |                   |                   |                    |
| 1988             | 355 - Poles               | 177,291     | -             | 172,984         | (172,984)   | -97.57%     | -90.62%           | -91.59%           | -73.75%           | -71.59%           | -63.81%           | -58.45%           | -61.08%           |                   |                    |
| 1989             | 355 - Poles               | 113,224     | 1,246         | 245,740         | (244,494)   | -215.94%    | -143.70%          | -117.38%          | -115.39%          | -93.63%           | -89.67%           | -80.29%           | -72.73%           | -74.95%           |                    |
| 1990             | 355 - Poles               | 124,449     | -             | 255,862         | (255,862)   | -205.60%    | -210.52%          | -162.26%          | -134.15%          | -131.07%          | -108.54%          | -103.70%          | -93.62%           | -84.77%           | -86.66%            |
| 1991             | 355 - Poles               | 234,629     | -             | 166,779         | (166,779)   | -71.08%     | -117.70%          | -141.25%          | -129.33%          | -117.51%          | -116.26%          | -101.02%          | -97.64%           | -89.86%           | -82.78%            |
| 1992             | 355 - Poles               | 155,498     | 12,225        | 273,856         | (261,631)   | -168.25%    | -109.81%          | -132.98%          | -147.94%          | -136.85%          | -125.06%          | -123.57%          | -108.92%          | -105.38%          | -97.67%            |
| 1993             | 355 - Poles               | 430,661     | (8,283)       | 253,660         | (256,943)   | -59.66%     | -88.47%           | -83.50%           | -99.57%           | -112.02%          | -109.95%          | -105.97%          | -105.66%          | -96.83%           | -94.73%            |
| 1994             | 355 - Poles               | 136,901     | 947           | 192,328         | (191,380)   | -139.79%    | -78.99%           | -98.19%           | -91.55%           | -104.66%          | -115.20%          | -112.93%          | -108.85%          | -108.45%          | -99.94%            |
| 1995             | 355 - Poles               | 97,998      | -             | 116,877         | (116,877)   | -119.26%    | -131.23%          | -84.92%           | -100.70%          | -94.12%           | -105.88%          | -115.51%          | -113.35%          | -109.44%          | -109.05%           |
| 1996             | 355 - Poles               | 1,664,590   | -             | 76,421          | (76,421)    | -4.59%      | -10.97%           | -20.25%           | -27.54%           | -36.34%           | -39.34%           | -46.61%           | -53.09%           | -55.61%           | -57.73%            |
| 1997             | 355 - Poles               | 929,279     | 297           | 97,067          | (96,770)    | -10.41%     | -6.68%            | -10.78%           | -17.02%           | -22.65%           | -29.28%           | -31.97%           | -37.70%           | -42.89%           | -45.27%            |
| 1998             | 355 - Poles               | 1,744,635   | 1,500         | 71,475          | (69,975)    | -4.01%      | -6.24%            | -5.60%            | -8.12%            | -12.06%           | -16.15%           | -20.74%           | -22.93%           | -27.05%           | -30.84%            |
| 1999             | 355 - Poles               | 222,086     | 46,746        | 432,764         | (386,018)   | -173.81%    | -23.19%           | -19.09%           | -13.80%           | -16.01%           | -19.55%           | -22.85%           | -27.06%           | -28.89%           | -32.73%            |
| 2000             | 355 - Poles               | 57,195      | 488           | 376,999         | (376,511)   | -658.29%    | -273.03%          | -41.13%           | -31.47%           | -21.78%           | -23.80%           | -27.08%           | -29.73%           | -33.69%           | -35.24%            |
| 2001             | 355 - Poles               | 239,259     | -             | 276,227         | (276,227)   | -115.45%    | -220.18%          | -200.32%          | -48.99%           | -37.76%           | -26.39%           | -28.23%           | -31.23%           | -33.45%           | -37.14%            |
| 2002             | 355 - Poles               | 676,972     | -             | 906,677         | (906,677)   | -133.93%    | -129.11%          | -160.20%          | -162.73%          | -68.55%           | -54.59%           | -39.55%           | -40.94%           | -43.28%           | -44.42%            |
| 2003             | 355 - Poles               | 194,122     | -             | 81,562          | (81,562)    | -42.02%     | -113.45%          | -113.88%          | -140.55%          | -145.87%          | -66.90%           | -53.99%           | -39.63%           | -40.97%           | -43.24%            |
| 2004             | 355 - Poles               | 271,507     | -             | 278,599         | (278,599)   | -102.61%    | -77.35%           | -110.87%          | -111.67%          | -133.39%          | -138.80%          | -69.75%           | -57.03%           | -42.48%           | -43.72%            |
| 2005             | 355 - Poles               | 293,726     | 1,042         | 376,525         | (375,483)   | -127.83%    | -115.72%          | -96.88%           | -114.34%          | -114.50%          | -132.45%          | -137.15%          | -74.36%           | -61.52%           | -46.47%            |
| 2006             | 355 - Poles               | 115,485     | -             | 315,939         | (315,939)   | -273.58%    | -168.96%          | -142.50%          | -120.20%          | -126.19%          | -124.76%          | -141.27%          | -144.76%          | -80.39%           | -66.69%            |
| 2007             | 355 - Poles               | 425,040     | 11,133        | 484,243         | (473,110)   | -111.31%    | -145.98%          | -139.59%          | -130.51%          | -117.29%          | -122.99%          | -122.18%          | -113.66%          | -139.06%          | -83.49%            |
| 2008             | 355 - Poles               | 804,023     | -             | 365,164         | (365,164)   | -45.42%     | -68.20%           | -85.84%           | -93.37%           | -94.69%           | -89.83%           | -100.56%          | -101.74%          | -112.09%          | -116.24%           |
| 2009             | 355 - Poles               | 560,901     | -             | 1,001,741       | (1,001,741) | -178.60%    | -100.15%          | -102.80%          | -113.15%          | -115.11%          | -113.74%          | -108.51%          | -113.66%          | -113.78%          | -122.34%           |
| 2010             | 355 - Poles               | 420,644     | -             | 2,324,197       | (2,324,197) | -552.53%    | -338.85%          | -206.72%          | -188.37%          | -192.60%          | -185.34%          | -177.57%          | -169.05%          | -162.73%          | -159.90%           |
| 2011             | 355 - Poles               | 327,298     | -             | 1,440,092       | (1,440,092) | -439.99%    | -503.29%          | -364.14%          | -242.85%          | -220.82%          | -223.12%          | -213.62%          | -204.26%          | -195.03%          | -184.92%           |
| 2012             | 355 - Poles               | 3,579,967   | 262,658       | 5,970,882       | (5,708,224) | -159.45%    | -182.95%          | -218.87%          | -214.25%          | -190.40%          | -184.91%          | -186.55%          | -183.91%          | -180.66%          | -176.81%           |
| 2013             | 355 - Poles               | 1,048,660   | 236,383       | 3,231,566       | (2,995,183) | -285.62%    | -188.03%          | -204.67%          | -231.89%          | -226.85%          | -205.22%          | -199.65%          | -200.82%          | -197.99%          | -194.69%           |
| 2014             | 355 - Poles               | 3,102,713   | 100,745       | 4,534,953       | (4,434,208) | -142.91%    | -178.96%          | -169.93%          | -180.90%          | -199.33%          | -198.05%          | -185.58%          | -182.51%          | -183.52%          | -181.99%           |
| 1981             | 356 - Overhead Conductors | 5,776       | -             | 1,854           | (1,854)     | -32.10%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 356 - Overhead Conductors | 145,880     | 15,340        | 16,361          | (1,021)     | -0.70%      | -1.90%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 356 - Overhead Conductors | 65,837      | 521           | 19,851          | (19,330)    | -29.36%     | -9.61%            | -10.21%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 356 - Overhead Conductors | 14,693      | 222           | 6,783           | (6,560)     | -44.65%     | -32.15%           | -11.89%           | -12.39%           |                   |                   |                   |                   |                   |                    |
| 1985             | 356 - Overhead Conductors | 33,394      | 4,401         | 4,839           | (438)       | -1.31%      | -14.55%           | -23.11%           | -10.53%           | -11.00%           |                   |                   |                   |                   |                    |
| 1986             | 356 - Overhead Conductors | 9,092       | -             | 1,818           | (1,818)     | -20.00%     | -5.31%            | -15.42%           | -22.88%           | -10.85%           | -11.29%           |                   |                   |                   |                    |
| 1987             | 356 - Overhead Conductors | 14,810      | 104           | 16,065          | (15,961)    | -107.77%    | -74.38%           | -31.79%           | -34.42%           | -32.00%           | -15.91%           | -16.23%           |                   |                   |                    |
| 1988             | 356 - Overhead Conductors | 5,865       | -             | 7,436           | (7,436)     | -126.80%    | -113.16%          | -84.71%           | -40.62%           | -41.38%           | -35.87%           | -18.15%           | -18.43%           |                   |                    |
| 1989             | 356 - Overhead Conductors | 11,138      | 2,011         | 6,070           | (4,059)     | -36.44%     | -67.61%           | -86.30%           | -71.56%           | -39.99%           | -40.76%           | -35.91%           | -18.83%           | -19.08%           |                    |
| 1990             | 356 - Overhead Conductors | 52,779      | 1,992         | 138,194         | (136,202)   | -258.06%    | -219.44%          | -211.66%          | -193.47%          | -176.63%          | -130.56%          | -121.66%          | -92.39%           | -54.55%           | -54.19%            |
| 1991             | 356 - Overhead Conductors | 117,581     | 5,740         | 22,810          | (17,070)    | -14.52%     | -89.97%           | -86.68%           | -87.94%           | -89.39%           | -86.41%           | -74.79%           | -73.08%           | -64.23%           | -44.56%            |
| 1992             | 356 - Overhead Conductors | 25,251      | -             | 127,481         | (127,481)   | -504.86%    | -101.20%          | -143.53%          | -137.76%          | -137.45%          | -135.52%          | -131.08%          | -115.03%          | -111.39%          | -95.98%            |
| 1993             | 356 - Overhead Conductors | 216,323     | -             | 77,657          | (77,657)    | -35.90%     | -84.92%           | -61.87%           | -87.01%           | -85.68%           | -86.24%           | -86.96%           | -85.61%           | -79.82%           | -78.79%            |
| 1994             | 356 - Overhead Conductors | 13,431      | -             | 7,945           | 7,945       | 59.16%      | -30.34%           | -77.33%           | -57.51%           | -82.39%           | -81.22%           | -81.82%           | -82.66%           | -81.44%           | -76.09%            |
| 1995             | 356 - Overhead Conductors | 95,314      | -             | 53,384          | (53,384)    | -56.01%     | -41.78%           | -37.87%           | -71.53%           | -57.20%           | -77.56%           | -76.70%           | -77.25%           | -78.07%           | -77.13%            |
| 1996             | 356 - Overhead Conductors | 768,898     | -             | 59,235          | (59,235)    | -7.70%      | -13.03%           | -11.93%           | -16.67%           | -27.68%           | -26.43%           | -35.91%           | -35.91%           | -36.32%           | -37.12%            |
| 1997             | 356 - Overhead Conductors | 101,822     | -             | 12,859          | (12,859)    | -12.63%     | -8.28%            | -12.99%           | -12.00%           | -16.32%           | -26.43%           | -25.38%           | -34.21%           | -34.22%           | -34.61%            |
| 1998             | 356 - Overhead Conductors | 557,598     | -             | 39,782          | (39,782)    | -7.13%      | -7.98%            | -7.83%            | -10.85%           | -10.23%           | -13.40%           | -20.38%           | -20.01%           | -26.46%           | -26.52%            |
| 1999             | 356 - Overhead Conductors | 68,322      | -             | 549,019         | (549,019)   | -803.58%    | -94.07%           | -82.67%           | -44.16%           | -44.87%           | -44.00%           | -43.04%           | -49.35%           | -47.27%           | -52.78%            |
| 2000             | 356 - Overhead Conductors | 6,900       | 166,425       | 460,839         | (294,414)   | -4266.87%   | -1121.26%         | -139.57%          | -121.97%          | -63.54%           | -63.09%           | -62.07%           | -58.97%           | -65.05%           | -62.03%            |
| 2001             | 356 - Overhead Conductors | 481,086     | 74,742        | 183,363         | (108,621)   | -22.58%     | -82.59%           | -171.14%          | -89.04%           | -82.64%           | -53.61%           | -53.72%           | -52.99%           | -51.39%           | -56.30%            |
| 2002             | 356 - Overhead Conductors | 326,727     | 40,609        | 806,900         | (766,291)   | -234.54%    | -108.31%          | -143.53%          | -194.60%          | -122.04%          | -114.82%          | -79.18%           | -77.27%           | -74.09%           |                    |
| 2003             | 356 - Overhead Conductors | 162,714     | -             | 104,884         | (104,884)   | -64.46%     | -177.99%          | -100.96%          | -130.36%          | -174.35%          | -116.20%          | -110.01%          | -78.22%           | -77.39%           | -76.68%            |
| 2004             | 356 - Overhead Conductors | 224,236     | -             | 33,482          | (33,482)    | -14.93%     | -35.76%           | -126.76%          | -84.81%           | -108.82%          | -146.20%          | -103.77%          | -98.96%           | -72.96%           | -72.38%            |
| 2005             | 356 - Overhead Conductors | 89,214      | -             | 106,368         | (106,368)   | -119.23%    | -44.62%           | -51.40%           | -125.92%          | -109.54%          | -109.44%          | -104.43%          | -104.99%          | -99.86%           | -74.40%            |
| 2006             | 356 - Overhead Conductors | 123,323     | -             | 3,670           | (3,670)     | -2.98%      | -51.77%           | -32.86%           | -41.44%           | -109.55%          | -79.82%           | -100.25%          | -132.66%          | -98.35%           | -94.28%            |
| 2007             | 356 - Overhead Conductors | 328,179     | -             | 20,059          | (20,059)    | -6.11%      | -5.26%            | -24.06%           | -21.38%           | -28.94%           | -82.49%           | -65.88%           | -82.52%           | -109.73%          | -85.57%            |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                     | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2008             | 356 - Overhead Conductors       | 1,882,466   | -             | 34,785          | (34,785)    | -1.85%      | -2.48%            | -2.51%            | -6.80%            | -7.49%            | -10.79%           | -34.10%           | -32.56%           | -40.62%           | -54.74%            |
| 2009             | 356 - Overhead Conductors       | 466,844     | -             | 80,745          | (80,745)    | -17.30%     | -4.92%            | -5.06%            | -4.97%            | -8.50%            | -8.96%            | -11.72%           | -31.92%           | -30.82%           | -37.96%            |
| 2010             | 356 - Overhead Conductors       | 179,744     | -             | 107,482         | (107,482)   | -59.80%     | -29.11%           | -8.82%            | -8.51%            | -8.28%            | -11.50%           | -11.74%           | -14.22%           | -33.24%           | -32.04%            |
| 2011             | 356 - Overhead Conductors       | 847,928     | -             | 930,685         | (930,685)   | -109.76%    | -101.02%          | -74.87%           | -34.16%           | -31.68%           | -30.75%           | -32.77%           | -31.80%           | -33.04%           | -47.25%            |
| 2012             | 356 - Overhead Conductors       | 2,447,790   | 7,023         | 473,804         | (466,781)   | -19.07%     | -42.40%           | -43.30%           | -40.22%           | -27.82%           | -26.66%           | -26.20%           | -27.50%           | -27.07%           | -27.97%            |
| 2013             | 356 - Overhead Conductors       | 503,506     | 5,258         | 545,823         | (540,565)   | -107.36%    | -34.13%           | -51.01%           | -51.41%           | -47.83%           | -34.15%           | -32.77%           | -32.22%           | -33.35%           | -32.77%            |
| 2014             | 356 - Overhead Conductors       | 1,211,232   | 11,742        | 211,606         | (199,864)   | -16.50%     | -43.18%           | -29.00%           | -42.67%           | -43.26%           | -41.12%           | -31.31%           | -30.26%           | -29.84%           | -30.83%            |
| 1981             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1982             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1983             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1984             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1985             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1986             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1987             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1988             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1989             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1990             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1991             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1992             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1993             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1994             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1995             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1996             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1997             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1998             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 1999             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2000             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2001             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2002             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2003             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2004             | 358 - Underground Conductors    | -           | -             | 8,005           | (8,005)     | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2005             | 358 - Underground Conductors    | 18,423      | -             | -               | -           | 0.00%       | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2006             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | 0.00%             | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2007             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | 0.00%             | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2008             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2009             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | -43.45%           | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2010             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | -43.45%           | -43.45%           | -43.45%           | -43.45%            |
| 2011             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | 0.00%             | -43.45%           | -43.45%           | -43.45%            |
| 2012             | 358 - Underground Conductors    | -           | -             | 2,633           | (2,633)     | NA          | NA                | NA                | NA                | NA                | NA                | NA                | -14.29%           | -57.74%           | -57.74%            |
| 2013             | 358 - Underground Conductors    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -14.29%           | -57.74%            |
| 2014             | 358 - Underground Conductors    | -           | -             | 3,680           | (3,680)     | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | -34.27%            |
| 1981             | 361 - Structures & Improvements | 13,925      | -             | 380             | (380)       | -2.73%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 361 - Structures & Improvements | 23,341      | -             | 20,418          | (20,418)    | -87.48%     | -55.81%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 361 - Structures & Improvements | 11,235      | -             | 121             | (121)       | -1.08%      | -59.40%           | -43.13%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 361 - Structures & Improvements | 18,025      | -             | 176             | (176)       | -0.97%      | -1.01%            | -39.38%           | -31.71%           |                   |                   |                   |                   |                   |                    |
| 1985             | 361 - Structures & Improvements | 491         | 25            | 245             | (220)       | -44.83%     | -2.14%            | -1.74%            | -39.43%           | -31.81%           |                   |                   |                   |                   |                    |
| 1986             | 361 - Structures & Improvements | 321         | -             | 577             | (577)       | -180.02%    | -98.27%           | -5.16%            | -3.64%            | -40.28%           | -32.51%           |                   |                   |                   |                    |
| 1987             | 361 - Structures & Improvements | 54,502      | 752           | 10,754          | (10,002)    | -18.35%     | -19.30%           | -19.52%           | -14.96%           | -13.12%           | -29.20%           | -26.18%           |                   |                   |                    |
| 1988             | 361 - Structures & Improvements | 41,607      | 20            | 3,050           | (3,030)     | -7.28%      | -13.56%           | -14.11%           | -14.27%           | -12.18%           | -11.20%           | -23.10%           | -21.37%           |                   |                    |
| 1989             | 361 - Structures & Improvements | 14,862      | 48            | 2,578           | (2,530)     | -17.02%     | -9.85%            | -14.02%           | -14.50%           | -14.63%           | -12.74%           | -11.81%           | -22.55%           | -21.01%           |                    |
| 1990             | 361 - Structures & Improvements | 58,904      | 415           | 8,656           | (8,241)     | -13.99%     | -14.60%           | -11.96%           | -14.01%           | -14.32%           | -14.41%           | -13.13%           | -12.45%           | -20.29%           | -19.26%            |
| 1991             | 361 - Structures & Improvements | 207,417     | 502           | 13,044          | (12,542)    | -6.05%      | -7.80%            | -8.29%            | -8.16%            | -9.63%            | -9.78%            | -9.82%            | -9.42%            | -9.19%            | -13.43%            |
| 1992             | 361 - Structures & Improvements | 31,944      | -             | 3,262           | (3,262)     | -10.21%     | -6.60%            | -8.06%            | -8.49%            | -8.35%            | -9.68%            | -9.81%            | -9.85%            | -9.48%            | -9.26%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                     | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1993             | 361 - Structures & Improvements | 86,776      | -             | 3,649           | (3,649)     | -4.21%      | -5.82%            | -5.96%            | -7.19%            | -7.56%            | -7.53%            | -8.72%            | -8.83%            | -8.87%            | -8.59%             |
| 1994             | 361 - Structures & Improvements | 26,674      | -             | 8,576           | (8,576)     | -32.15%     | -10.78%           | -10.65%           | -7.94%            | -8.81%            | -9.10%            | -8.93%            | -9.92%            | -10.02%           | -10.05%            |
| 1995             | 361 - Structures & Improvements | 25,393      | 723           | 456             | 268         | 1.05%       | -15.96%           | -8.61%            | -8.91%            | -7.34%            | -8.24%            | -8.53%            | -8.42%            | -9.41%            | -9.51%             |
| 1996             | 361 - Structures & Improvements | 6,621       | -             | 1,462           | (1,462)     | -22.08%     | -3.73%            | -16.65%           | -9.23%            | -9.40%            | -7.59%            | -8.44%            | -8.72%            | -8.60%            | -9.56%             |
| 1997             | 361 - Structures & Improvements | 114,903     | -             | 893             | (893)       | -0.78%      | -1.94%            | -1.42%            | -6.14%            | -5.50%            | -6.01%            | -6.03%            | -6.87%            | -7.13%            | -7.14%             |
| 1998             | 361 - Structures & Improvements | 46,129      | -             | 744             | (744)       | -1.61%      | -1.02%            | -1.85%            | -1.47%            | -5.19%            | -4.91%            | -5.41%            | -5.65%            | -6.47%            | -6.72%             |
| 1999             | 361 - Structures & Improvements | 73,738      | -             | 640             | (640)       | -0.87%      | -1.15%            | -0.97%            | -1.55%            | -1.30%            | -4.11%            | -4.13%            | -4.60%            | -5.08%            | -5.86%             |
| 2000             | 361 - Structures & Improvements | 10,842      | -             | 4,576           | (4,576)     | -42.21%     | -6.17%            | -4.56%            | -2.79%            | -3.30%            | -2.90%            | -5.46%            | -5.18%            | -5.56%            | -5.72%             |
| 2001             | 361 - Structures & Improvements | 16,725      | -             | 381             | (381)       | -2.28%      | -17.98%           | -5.52%            | -4.30%            | -2.76%            | -3.23%            | -2.86%            | -5.30%            | -5.06%            | -5.44%             |
| 2002             | 361 - Structures & Improvements | 65,146      | -             | 4,781           | (4,781)     | -7.34%      | -6.31%            | -10.50%           | -6.23%            | -5.23%            | -3.67%            | -4.03%            | -3.67%            | -5.64%            | -5.38%             |
| 2003             | 361 - Structures & Improvements | 33,602      | -             | 1,131           | (1,131)     | -3.37%      | -5.99%            | -5.45%            | -8.60%            | -5.75%            | -4.98%            | -3.64%            | -3.97%            | -3.65%            | -5.46%             |
| 2004             | 361 - Structures & Improvements | 29,781      | -             | 3,142           | (3,142)     | -10.55%     | -6.74%            | -7.04%            | -6.50%            | -8.98%            | -6.37%            | -5.58%            | -4.17%            | -4.47%            | -4.13%             |
| 2005             | 361 - Structures & Improvements | 50,784      | -             | 791             | (791)       | -1.56%      | -4.88%            | -4.44%            | -5.49%            | -5.22%            | -7.15%            | -5.50%            | -4.95%            | -3.87%            | -4.14%             |
| 2006             | 361 - Structures & Improvements | 34,680      | -             | 1,385           | (1,385)     | -3.99%      | -2.55%            | -4.61%            | -4.33%            | -5.25%            | -5.03%            | -6.70%            | -5.34%            | -4.86%            | -3.88%             |
| 2007             | 361 - Structures & Improvements | 19,510      | -             | -               | -           | 0.00%       | -2.56%            | -2.07%            | -3.95%            | -3.83%            | -4.81%            | -4.64%            | -6.20%            | -5.03%            | -4.61%             |
| 2008             | 361 - Structures & Improvements | 12,567      | -             | 11,741          | (11,741)    | -93.43%     | -36.60%           | -19.66%           | -11.84%           | -11.58%           | -10.05%           | -9.33%            | -8.89%            | -10.21%           | -8.22%             |
| 2009             | 361 - Structures & Improvements | 54,009      | -             | 81,931          | (81,931)    | -151.70%    | -140.70%          | -108.81%          | -78.71%           | -55.87%           | -49.17%           | -42.62%           | -34.96%           | -33.23%           | -33.53%            |
| 2010             | 361 - Structures & Improvements | 15,444      | -             | 870             | (870)       | -5.63%      | -119.22%          | -115.27%          | -93.12%           | -70.43%           | -51.72%           | -46.07%           | -40.34%           | -33.52%           | -31.95%            |
| 2011             | 361 - Structures & Improvements | 4,670       | -             | (153)           | 153         | 3.28%       | -3.56%            | -111.50%          | -108.88%          | -88.88%           | -67.98%           | -50.38%           | -45.03%           | -39.54%           | -32.99%            |
| 2012             | 361 - Structures & Improvements | 80,558      | 20,265        | 827             | 19,437      | 24.13%      | 22.99%            | 18.60%            | -40.86%           | -44.81%           | -40.13%           | -34.47%           | -28.33%           | -26.58%           | -24.25%            |
| 2013             | 361 - Structures & Improvements | 379,397     | -             | 9,573           | (9,573)     | -2.52%      | 2.14%             | 2.16%             | 1.91%             | -13.63%           | -15.46%           | -14.37%           | -13.30%           | -13.31%           | -13.18%            |
| 2014             | 361 - Structures & Improvements | 273,189     | -             | 5,502           | (5,502)     | -2.01%      | -2.31%            | 0.59%             | 0.61%             | 0.48%             | -9.70%            | -10.98%           | -10.73%           | -10.46%           | -9.97%             |
| 1981             | 362 - Station Equipment         | 385,667     | -             | 14,981          | (14,981)    | -3.88%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 362 - Station Equipment         | 569,643     | -             | 67,676          | (67,676)    | -11.88%     | -8.65%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 362 - Station Equipment         | 338,452     | -             | 14,385          | (14,385)    | -4.25%      | -9.04%            | -7.50%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 362 - Station Equipment         | 745,918     | -             | 10,388          | (10,388)    | -1.39%      | -2.28%            | -5.59%            | -5.27%            |                   |                   |                   |                   |                   |                    |
| 1985             | 362 - Station Equipment         | 176,650     | -             | 4,494           | (4,494)     | -2.54%      | -1.61%            | -2.32%            | -5.30%            | -5.05%            |                   |                   |                   |                   |                    |
| 1986             | 362 - Station Equipment         | 118,883     | -             | 2,377           | (2,377)     | -2.00%      | -2.32%            | -1.66%            | -2.29%            | -5.09%            | -4.89%            |                   |                   |                   |                    |
| 1987             | 362 - Station Equipment         | 487,083     | -             | 24,108          | (24,108)    | -4.95%      | -4.37%            | -3.96%            | -2.71%            | -2.99%            | -5.07%            | -4.90%            |                   |                   |                    |
| 1988             | 362 - Station Equipment         | 860,201     | -             | 19,767          | (19,767)    | -2.30%      | -3.26%            | -3.15%            | -3.09%            | -2.56%            | -2.77%            | -4.34%            | -4.30%            |                   |                    |
| 1989             | 362 - Station Equipment         | 601,523     | -             | 160,116         | (160,116)   | -26.62%     | -12.31%           | -10.47%           | -9.98%            | -9.40%            | -7.40%            | -7.08%            | -7.78%            | -7.43%            |                    |
| 1990             | 362 - Station Equipment         | 630,557     | -             | 71,269          | (71,269)    | -11.30%     | -18.78%           | -12.00%           | -10.67%           | -10.29%           | -9.81%            | -8.08%            | -7.75%            | -8.27%            | -7.93%             |
| 1991             | 362 - Station Equipment         | 1,814,875   | -             | 160,866         | (160,866)   | -8.86%      | -9.49%            | -12.87%           | -10.55%           | -9.92%            | -9.72%            | -9.45%            | -8.34%            | -8.10%            | -8.44%             |
| 1992             | 362 - Station Equipment         | 1,422,788   | -             | 268,476         | (268,476)   | -18.87%     | -13.26%           | -12.94%           | -14.78%           | -12.77%           | -12.11%           | -11.91%           | -11.64%           | -10.53%           | -10.23%            |
| 1993             | 362 - Station Equipment         | 1,047,398   | -             | 284,625         | (284,625)   | -27.17%     | -22.39%           | -16.66%           | -15.97%           | -17.13%           | -15.13%           | -14.41%           | -14.20%           | -13.91%           | -12.73%            |
| 1994             | 362 - Station Equipment         | 453,480     | -             | 210,094         | (210,094)   | -46.33%     | -32.96%           | -26.10%           | -19.50%           | -18.54%           | -19.35%           | -17.20%           | -16.39%           | -16.16%           | -15.84%            |
| 1995             | 362 - Station Equipment         | 598,512     | -             | 41,219          | (41,219)    | -6.89%      | -23.89%           | -25.53%           | -22.84%           | -18.09%           | -17.37%           | -18.22%           | -16.37%           | -15.67%           | -15.47%            |
| 1996             | 362 - Station Equipment         | 494,356     | -             | 28,894          | (28,894)    | -5.84%      | -6.42%            | -18.12%           | -21.78%           | -20.75%           | -17.05%           | -16.49%           | -17.35%           | -15.72%           | -15.09%            |
| 1997             | 362 - Station Equipment         | 2,140,446   | -             | 51,512          | (51,512)    | -2.41%      | -3.05%            | -3.76%            | -9.00%            | -13.02%           | -14.37%           | -13.12%           | -12.98%           | -13.88%           | -12.89%            |
| 1998             | 362 - Station Equipment         | 515,603     | -             | 39,181          | (39,181)    | -7.60%      | -3.41%            | -3.80%            | -4.29%            | -8.83%            | -12.49%           | -13.85%           | -12.78%           | -12.68%           | -13.54%            |
| 1999             | 362 - Station Equipment         | 1,451,604   | -             | 20,008          | (20,008)    | -1.38%      | -3.01%            | -2.69%            | -3.03%            | -3.48%            | -6.91%            | -10.08%           | -11.62%           | -11.12%           | -11.13%            |
| 2000             | 362 - Station Equipment         | 1,324,658   | -             | 102,163         | (102,163)   | -7.71%      | -4.40%            | -4.90%            | -3.92%            | -4.08%            | -4.34%            | -7.07%            | -9.69%            | -11.07%           | -10.72%            |
| 2001             | 362 - Station Equipment         | 602,130     | -             | 7,550           | (7,550)     | -1.25%      | -5.69%            | -3.84%            | -4.34%            | -3.65%            | -3.82%            | -4.08%            | -6.60%            | -9.10%            | -10.48%            |
| 2002             | 362 - Station Equipment         | 872,475     | -             | 112,232         | (112,232)   | -12.86%     | -8.12%            | -7.93%            | -5.69%            | -5.90%            | -4.82%            | -4.88%            | -5.03%            | -7.25%            | -9.45%             |
| 2003             | 362 - Station Equipment         | 1,404,145   | -             | 95,432          | (95,432)    | -6.80%      | -9.12%            | -7.48%            | -7.55%            | -5.97%            | -6.10%            | -5.15%            | -5.19%            | -5.30%            | -7.19%             |
| 2004             | 362 - Station Equipment         | 805,413     | -             | 138,178         | (138,178)   | -17.16%     | -10.57%           | -11.22%           | -9.59%            | -9.10%            | -7.36%            | -7.38%            | -6.21%            | -6.19%            | -6.23%             |
| 2005             | 362 - Station Equipment         | 1,426,223   | -             | 116,847         | (116,847)   | -8.19%      | -11.43%           | -9.64%            | -10.26%           | -9.20%            | -8.90%            | -7.51%            | -7.52%            | -6.48%            | -6.45%             |
| 2006             | 362 - Station Equipment         | 1,810,524   | 250           | 298,793         | (298,543)   | -16.49%     | -12.83%           | -13.69%           | -11.92%           | -12.05%           | -11.11%           | -10.56%           | -9.19%            | -9.11%            | -7.95%             |
| 2007             | 362 - Station Equipment         | 2,378,927   | 215,931       | 382,190         | (166,259)   | -6.99%      | -11.09%           | -10.36%           | -11.21%           | -10.42%           | -10.66%           | -10.05%           | -9.76%            | -8.75%            | -8.71%             |
| 2008             | 362 - Station Equipment         | 1,597,784   | 53,838        | 114,855         | (61,017)    | -3.82%      | -5.72%            | -9.09%            | -8.91%            | -9.74%            | -9.30%            | -9.60%            | -9.14%            | -8.99%            | -8.74%             |
| 2009             | 362 - Station Equipment         | 1,272,952   | 45,118        | 216,095         | (170,977)   | -13.43%     | -8.08%            | -7.59%            | -9.87%            | -9.59%            | -10.24%           | -9.79%            | -10.02%           | -9.59%            | -9.40%             |
| 2010             | 362 - Station Equipment         | 603,627     | 15,193        | 130,773         | (115,580)   | -19.15%     | -15.27%           | -10.00%           | -8.78%            | -10.60%           | -10.22%           | -10.79%           | -10.29%           | -10.48%           | -10.04%            |
| 2011             | 362 - Station Equipment         | 1,952,133   | 4,717         | 358,724         | (354,007)   | -18.13%     | -18.37%           | -16.73%           | -12.93%           | -11.12%           | -12.13%           | -11.62%           | -12.00%           | -11.45%           | -11.53%            |
| 2012             | 362 - Station Equipment         | 2,093,739   | 110,061       | 288,398         | (178,337)   | -8.52%      | -13.16%           | -13.94%           | -13.83%           | -11.70%           | -10.57%           | -11.48%           | -11.13%           | -11.47%           | -11.05%            |
| 2013             | 362 - Station Equipment         | 7,785,861   | 117,925       | 1,837,844       | (1,719,919) | -22.09%     | -19.21%           | -19.04%           | -19.04%           | -18.52%           | -16.99%           | -15.64%           | -15.72%           | -15.21%           | -15.28%            |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description               | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2014             | 362 - Station Equipment   | 10,130,061  | 407,775       | 1,361,328       | (953,553)   | -9.41%      | -14.92%           | -14.25%           | -14.60%           | -14.72%           | -14.65%           | -13.97%           | -13.37%           | -13.56%           | -13.32%            |
| 1981             | 364 - Poles               | 389,946     | 111,714       | 147,973         | (36,259)    | -9.30%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 364 - Poles               | 410,238     | 157,555       | 182,138         | (24,582)    | -5.99%      | -7.60%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 364 - Poles               | 288,346     | 171,382       | 84,306          | 87,076      | 30.20%      | 8.95%             | 2.41%             |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 364 - Poles               | 405,117     | 407,987       | 160,344         | 247,643     | 61.13%      | 48.27%            | 28.10%            | 18.34%            |                   |                   |                   |                   |                   |                    |
| 1985             | 364 - Poles               | 691,546     | 367,319       | 446,348         | (79,029)    | -11.43%     | 15.38%            | 18.46%            | 12.87%            | 8.92%             |                   |                   |                   |                   |                    |
| 1986             | 364 - Poles               | 606,641     | 454,376       | 788,691         | (334,316)   | -55.11%     | -31.84%           | -9.73%            | -3.95%            | -4.30%            | -5.00%            |                   |                   |                   |                    |
| 1987             | 364 - Poles               | 631,198     | 222,448       | 869,993         | (647,545)   | -102.59%    | -79.32%           | -54.99%           | -34.84%           | -27.69%           | -24.75%           | -22.99%           |                   |                   |                    |
| 1988             | 364 - Poles               | 802,363     | 100,303       | 1,252,990       | (1,152,688) | -143.66%    | -125.58%          | -104.62%          | -81.03%           | -62.67%           | -54.85%           | -49.63%           | -45.91%           |                   |                    |
| 1989             | 364 - Poles               | 930,677     | 245,865       | 944,145         | (698,280)   | -75.03%     | -106.80%          | -105.68%          | -95.35%           | -79.51%           | -65.50%           | -59.16%           | -54.59%           | -51.16%           |                    |
| 1990             | 364 - Poles               | 828,727     | 384,911       | 1,212,502       | (827,591)   | -99.86%     | -86.73%           | -104.56%          | -104.17%          | -96.34%           | -83.26%           | -71.32%           | -65.67%           | -61.29%           | -57.91%            |
| 1991             | 364 - Poles               | 1,022,175   | 56,981        | 1,498,194       | (1,441,213) | -140.99%    | -122.58%          | -106.67%          | -114.95%          | -113.10%          | -105.80%          | -93.97%           | -83.35%           | -78.07%           | -73.61%            |
| 1992             | 364 - Poles               | 1,431,686   | 267,469       | 1,409,171       | (1,141,702) | -79.75%     | -105.26%          | -103.90%          | -97.52%           | -104.90%          | -104.64%          | -99.84%           | -91.03%           | -82.65%           | -78.39%            |
| 1993             | 364 - Poles               | 1,794,874   | 682,844       | 1,259,065       | (576,221)   | -32.10%     | -53.24%           | -74.35%           | -78.52%           | -77.98%           | -85.72%           | -87.15%           | -84.73%           | -78.93%           | -72.73%            |
| 1994             | 364 - Poles               | 967,642     | 218,251       | 1,321,323       | (1,103,072) | -114.00%    | -60.79%           | -67.26%           | -81.71%           | -84.20%           | -82.97%           | -89.23%           | -90.24%           | -87.87%           | -82.43%            |
| 1995             | 364 - Poles               | 1,347,297   | 377,808       | 1,383,841       | (1,006,033) | -74.67%     | -91.11%           | -65.34%           | -69.06%           | -80.26%           | -82.46%           | -81.63%           | -87.08%           | -88.09%           | -86.16%            |
| 1996             | 364 - Poles               | 1,487,291   | 119,983       | 1,003,655       | (883,672)   | -59.41%     | -66.67%           | -78.71%           | -63.77%           | -67.02%           | -76.41%           | -78.60%           | -78.26%           | -83.21%           | -84.29%            |
| 1997             | 364 - Poles               | 988,241     | 406,654       | 888,264         | (481,610)   | -48.73%     | -55.15%           | -62.03%           | -72.53%           | -61.51%           | -64.77%           | -73.39%           | -75.61%           | -75.56%           | -80.27%            |
| 1998             | 364 - Poles               | 1,251,492   | (218,037)     | 697,338         | (915,375)   | -73.14%     | -62.37%           | -61.19%           | -64.77%           | -72.65%           | -63.37%           | -65.90%           | -73.36%           | -75.33%           | -75.31%            |
| 1999             | 364 - Poles               | 1,475,319   | (31,253)      | 648,318         | (679,571)   | -46.06%     | -58.49%           | -55.90%           | -56.90%           | -60.56%           | -67.44%           | -60.63%           | -63.17%           | -69.93%           | -71.90%            |
| 2000             | 364 - Poles               | 981,762     | 158,136       | 762,673         | (604,537)   | -61.58%     | -52.26%           | -59.31%           | -57.08%           | -57.64%           | -60.69%           | -66.76%           | -60.72%           | -63.04%           | -69.29%            |
| 2001             | 364 - Poles               | 1,387,595   | 157,312       | 1,301,443       | (1,144,131) | -82.45%     | -73.80%           | -63.16%           | -65.61%           | -62.87%           | -62.19%           | -64.08%           | -68.96%           | -63.30%           | -65.09%            |
| 2002             | 364 - Poles               | 1,057,425   | (178,971)     | 965,935         | (1,144,906) | -108.27%    | -93.62%           | -84.44%           | -72.89%           | -72.94%           | -69.59%           | -67.84%           | -68.76%           | -72.76%           | -67.03%            |
| 2003             | 364 - Poles               | 903,760     | 266,992       | 515,784         | (248,793)   | -27.53%     | -71.06%           | -75.78%           | -72.56%           | -65.83%           | -67.13%           | -64.87%           | -64.02%           | -65.34%           | -69.31%            |
| 2004             | 364 - Poles               | 1,041,139   | 226,192       | 1,026,212       | (800,020)   | -76.84%     | -53.93%           | -73.07%           | -76.03%           | -73.39%           | -67.50%           | -68.37%           | -66.24%           | -65.28%           | -66.34%            |
| 2005             | 364 - Poles               | 740,209     | 131,630       | 378,010         | (246,380)   | -33.29%     | -58.24%           | -48.24%           | -65.20%           | -69.87%           | -68.53%           | -64.17%           | -65.44%           | -63.76%           | -63.19%            |
| 2006             | 364 - Poles               | 978,568     | 230,532       | 706,075         | (475,543)   | -48.60%     | -42.00%           | -55.14%           | -48.33%           | -61.76%           | -66.46%           | -65.78%           | -62.39%           | -63.76%           | -62.38%            |
| 2007             | 364 - Poles               | 1,126,261   | 57,044        | 816,237         | (759,193)   | -67.41%     | -58.66%           | -52.06%           | -58.70%           | -52.82%           | -62.85%           | -66.61%           | -66.01%           | -62.97%           | -64.13%            |
| 2008             | 364 - Poles               | 1,218,361   | 76,851        | 1,095,036       | (1,018,185) | -83.57%     | -75.81%           | -67.79%           | -61.51%           | -64.64%           | -59.05%           | -66.42%           | -69.05%           | -68.27%           | -65.27%            |
| 2009             | 364 - Poles               | 1,351,716   | 23,122        | 1,178,477       | (1,155,355) | -85.47%     | -84.57%           | -79.34%           | -72.91%           | -67.49%           | -69.00%           | -63.91%           | -69.48%           | -71.32%           | -70.43%            |
| 2010             | 364 - Poles               | 1,506,948   | 60,795        | 1,876,185       | (1,815,389) | -120.47%    | -103.92%          | -97.84%           | -91.25%           | -84.50%           | -79.02%           | -78.74%           | -73.52%           | -77.22%           | -77.86%            |
| 2011             | 364 - Poles               | 1,717,685   | 23,762        | 2,086,831       | (2,063,069) | -120.11%    | -120.28%          | -110.00%          | -104.44%          | -98.41%           | -92.24%           | -87.19%           | -86.08%           | -81.08%           | -83.55%            |
| 2012             | 364 - Poles               | 1,254,100   | (91,434)      | 3,539,193       | (3,630,627) | -289.50%    | -191.59%          | -167.66%          | -148.61%          | -137.37%          | -127.73%          | -119.27%          | -112.84%          | -109.41%          | -103.16%           |
| 2013             | 364 - Poles               | 955,059     | (1,082)       | 419,715         | (420,798)   | -44.06%     | -183.39%          | -155.71%          | -145.94%          | -133.89%          | -126.23%          | -118.98%          | -112.16%          | -106.78%          | -104.16%           |
| 2014             | 364 - Poles               | 1,666,013   | 552           | 1,578,780       | (1,578,228) | -94.73%     | -76.27%           | -145.27%          | -137.55%          | -133.92%          | -126.17%          | -120.80%          | -115.23%          | -109.70%          | -105.18%           |
| 1981             | 365 - Overhead Conductors | 208,373     | 74,657        | 112,394         | (37,737)    | -18.11%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 365 - Overhead Conductors | 212,102     | 110,600       | 124,735         | (14,136)    | -6.66%      | -12.34%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 365 - Overhead Conductors | 153,969     | 79,409        | 112,887         | (33,478)    | -21.74%     | -13.01%           | -14.86%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 365 - Overhead Conductors | 206,121     | 50,711        | 224,751         | (174,040)   | -84.44%     | -57.63%           | -38.74%           | -33.23%           |                   |                   |                   |                   |                   |                    |
| 1985             | 365 - Overhead Conductors | 353,276     | 131,454       | 197,232         | (65,778)    | -18.62%     | -42.87%           | -38.31%           | -31.06%           | -28.68%           |                   |                   |                   |                   |                    |
| 1986             | 365 - Overhead Conductors | 392,700     | 157,595       | 132,146         | 25,449      | 6.48%       | -5.41%            | -22.52%           | -22.41%           | -19.87%           | -19.63%           |                   |                   |                   |                    |
| 1987             | 365 - Overhead Conductors | 461,841     | 377,278       | 161,218         | 216,060     | 46.78%      | 28.26%            | 14.55%            | 0.12%             | -2.03%            | -2.58%            | -4.21%            |                   |                   |                    |
| 1988             | 365 - Overhead Conductors | 846,928     | 578,461       | 282,415         | 296,046     | 34.96%      | 39.13%            | 31.59%            | 22.96%            | 13.17%            | 10.94%            | 9.52%             | 7.49%             |                   |                    |
| 1989             | 365 - Overhead Conductors | 566,595     | 514,213       | 140,319         | 373,894     | 65.99%      | 47.40%            | 47.24%            | 40.19%            | 32.26%            | 23.75%            | 21.40%            | 19.54%            | 17.23%            |                    |
| 1990             | 365 - Overhead Conductors | 547,143     | 545,004       | 206,272         | 338,732     | 61.91%      | 63.99%            | 51.45%            | 50.56%            | 44.41%            | 37.38%            | 29.94%            | 27.68%            | 25.74%            | 23.42%             |
| 1991             | 365 - Overhead Conductors | 853,717     | 395,944       | 269,571         | 126,373     | 14.80%      | 33.20%            | 42.64%            | 40.33%            | 41.24%            | 37.52%            | 32.59%            | 26.88%            | 25.18%            | 23.71%             |
| 1992             | 365 - Overhead Conductors | 910,350     | 704,566       | 847,938         | (143,372)   | -15.75%     | -0.96%            | 13.92%            | 24.17%            | 26.62%            | 28.85%            | 26.93%            | 23.67%            | 19.33%            | 18.14%             |
| 1993             | 365 - Overhead Conductors | 962,049     | 330,194       | 949,996         | (619,802)   | -64.43%     | -40.76%           | -23.36%           | -9.11%            | 1.97%             | 7.93%             | 11.42%            | 11.07%            | 9.29%             | 6.12%              |
| 1994             | 365 - Overhead Conductors | 724,715     | 546,516       | 775,754         | (229,238)   | -31.63%     | -50.34%           | -38.21%           | -25.10%           | -13.19%           | -3.36%            | 2.64%             | 6.11%             | 6.13%             | 4.81%              |
| 1995             | 365 - Overhead Conductors | 973,550     | 590,316       | 632,539         | (42,223)    | -4.34%      | -15.98%           | -33.50%           | -28.98%           | -20.53%           | -11.46%           | -3.53%            | 1.57%             | 4.62%             | 4.72%              |
| 1996             | 365 - Overhead Conductors | 1,419,209   | 661,312       | 220,411         | 440,900     | 31.07%      | 16.66%            | 5.44%             | -11.04%           | -11.90%           | -8.00%            | -2.01%            | 3.53%             | 6.94%             | 9.16%              |
| 1997             | 365 - Overhead Conductors | 715,609     | 417,756       | 274,918         | 142,838     | 19.96%      | 27.34%            | 17.42%            | 8.15%             | -6.41%            | -7.90%            | -4.95%            | 0.20%             | 5.06%             | 8.03%              |
| 1998             | 365 - Overhead Conductors | 1,079,375   | 527,615       | 371,600         | 156,015     | 14.45%      | 16.65%            | 23.02%            | 16.66%            | 9.53%             | -2.58%            | -4.35%            | -2.21%            | 2.08%             | 6.22%              |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                  | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1999             | 365 - Overhead Conductors    | 924,677     | 224,849       | 306,712         | (81,863)    | -8.85%      | 3.70%             | 7.98%             | 15.90%            | 12.04%            | 6.62%             | -3.43%            | -4.89%            | -2.92%            | 0.97%              |
| 2000             | 365 - Overhead Conductors    | 957,158     | 182,929       | 413,261         | (230,332)   | -24.06%     | -16.59%           | -5.27%            | -0.36%            | 8.39%             | 6.35%             | 2.30%             | -5.98%            | -7.00%            | -5.05%             |
| 2001             | 365 - Overhead Conductors    | 1,001,781   | 203,270       | 531,740         | (328,470)   | -32.79%     | -28.53%           | -22.22%           | -12.23%           | -7.31%            | 1.62%             | 0.80%             | -2.21%            | -9.05%            | -9.68%             |
| 2002             | 365 - Overhead Conductors    | 916,215     | 253,781       | 620,388         | (366,607)   | -40.01%     | -36.24%           | -32.19%           | -26.51%           | -17.45%           | -12.66%           | -3.81%            | -3.88%            | -6.19%            | -11.98%            |
| 2003             | 365 - Overhead Conductors    | 633,603     | 64,620        | 525,481         | (460,862)   | -72.74%     | -53.39%           | -45.30%           | -39.51%           | -33.12%           | -23.80%           | -18.77%           | -9.52%            | -8.94%            | -10.70%            |
| 2004             | 365 - Overhead Conductors    | 635,967     | 67,908        | 528,102         | (460,194)   | -72.36%     | -72.55%           | -58.91%           | -50.70%           | -44.55%           | -38.04%           | -28.82%           | -23.74%           | -14.35%           | -13.30%            |
| 2005             | 365 - Overhead Conductors    | 602,103     | 118,931       | 345,841         | (226,910)   | -37.69%     | -55.50%           | -61.33%           | -54.33%           | -48.63%           | -43.68%           | -38.00%           | -29.61%           | -24.86%           | -15.93%            |
| 2006             | 365 - Overhead Conductors    | 1,324,230   | 135,184       | 696,639         | (561,455)   | -42.40%     | -40.93%           | -48.73%           | -53.49%           | -50.49%           | -47.02%           | -43.40%           | -38.83%           | -31.71%           | -27.50%            |
| 2007             | 365 - Overhead Conductors    | 793,034     | 236,807       | 803,430         | (566,623)   | -71.45%     | -53.28%           | -49.83%           | -54.10%           | -57.06%           | -53.87%           | -50.30%           | -46.64%           | -42.15%           | -35.26%            |
| 2008             | 365 - Overhead Conductors    | 736,229     | 215,155       | 591,709         | (376,554)   | -51.15%     | -61.68%           | -52.73%           | -50.11%           | -53.57%           | -56.14%           | -53.52%           | -50.39%           | -47.08%           | -42.93%            |
| 2009             | 365 - Overhead Conductors    | 449,915     | 168,889       | 479,002         | (310,113)   | -68.93%     | -57.89%           | -63.32%           | -54.94%           | -52.28%           | -55.09%           | -57.25%           | -54.66%           | -51.57%           | -48.30%            |
| 2010             | 365 - Overhead Conductors    | 945,737     | 463,793       | 1,064,145       | (600,352)   | -63.48%     | -65.24%           | -60.37%           | -63.37%           | -56.84%           | -54.46%           | -56.54%           | -58.21%           | -55.84%           | -52.97%            |
| 2011             | 365 - Overhead Conductors    | 864,992     | 936,863       | 883,326         | 53,537      | 6.19%       | -30.20%           | -37.91%           | -41.16%           | -47.50%           | -46.18%           | -45.28%           | -47.99%           | -50.24%           | -49.05%            |
| 2012             | 365 - Overhead Conductors    | 850,864     | 138,783       | 803,751         | (664,968)   | -78.15%     | -35.63%           | -45.53%           | -48.91%           | -49.34%           | -53.12%           | -50.74%           | -49.54%           | -51.56%           | -53.27%            |
| 2013             | 365 - Overhead Conductors    | 1,059,692   | 145,145       | 1,002,453       | (857,308)   | -80.90%     | -79.68%           | -52.92%           | -55.60%           | -57.04%           | -56.15%           | -58.28%           | -55.29%           | -53.90%           | -55.32%            |
| 2014             | 365 - Overhead Conductors    | 785,977     | 189,051       | 572,474         | (383,422)   | -48.78%     | -67.22%           | -70.67%           | -52.00%           | -54.41%           | -55.73%           | -55.14%           | -57.13%           | -54.63%           | -53.42%            |
| 1981             | 366 - Underground Conduit    | 79          | 12,089        | 52              | 12,037      | 15221.22%   |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 366 - Underground Conduit    | 2,505       | 2,069         | 1,791           | 278         | 11.12%      | 476.67%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | 11.12%            | 476.67%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | 11.12%            | 476.67%           |                   |                   |                   |                   |                   |                    |
| 1985             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | 11.12%            | 476.67%           |                   |                   |                   |                   |                    |
| 1986             | 366 - Underground Conduit    | 5,735       | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 3.38%             | 148.05%           |                   |                   |                   |                    |
| 1987             | 366 - Underground Conduit    | 3,084       | -             | 8,017           | (8,017)     | -259.95%    | -90.91%           | -90.91%           | -90.91%           | -90.91%           | -68.34%           | 37.69%            |                   |                   |                    |
| 1988             | 366 - Underground Conduit    | 1,423       | -             | 4,698           | (4,698)     | -330.06%    | -282.09%          | -124.15%          | -124.15%          | -124.15%          | -124.15%          | -97.57%           | -3.12%            |                   |                    |
| 1989             | 366 - Underground Conduit    | 474         | -             | 805             | (805)       | -169.83%    | -290.03%          | -271.41%          | -126.17%          | -126.17%          | -126.17%          | -126.17%          | -100.16%          | -9.06%            |                    |
| 1990             | 366 - Underground Conduit    | 7,592       | -             | 7,728           | (7,728)     | -101.79%    | -105.79%          | -139.43%          | -168.99%          | -116.06%          | -116.06%          | -116.06%          | -116.06%          | -100.75%          | -42.76%            |
| 1991             | 366 - Underground Conduit    | 1,614       | -             | 9,040           | (9,040)     | -560.10%    | -182.14%          | -181.54%          | -200.58%          | -213.49%          | -152.03%          | -152.03%          | -152.03%          | -152.03%          | -133.81%           |
| 1992             | 366 - Underground Conduit    | 270         | -             | (5)             | 5           | 1.90%       | -479.58%          | -176.90%          | -176.56%          | -195.77%          | -209.46%          | -149.97%          | -149.97%          | -149.97%          | -149.97%           |
| 1993             | 366 - Underground Conduit    | 135         | -             | 60              | (60)        | -44.12%     | -13.44%           | -450.47%          | -175.04%          | -174.79%          | -194.00%          | -207.94%          | -149.27%          | -149.27%          | -149.27%           |
| 1994             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | -44.12%           | -13.44%           | -450.47%          | -175.04%          | -174.79%          | -194.00%          | -207.94%          | -149.27%          | -149.27%           |
| 1995             | 366 - Underground Conduit    | 170         | -             | -               | -           | 0.00%       | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.99%          | -171.89%          | -191.17%          | -205.54%          | -148.03%           |
| 1996             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.99%          | -171.89%          | -191.17%          | -205.54%           |
| 1997             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.99%          | -171.89%          | -191.17%           |
| 1998             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.99%          | -171.89%           |
| 1999             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.99%          | -171.89%           |
| 2000             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | -19.52%           | -9.46%            | -415.48%          | -171.89%           |
| 2001             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | -19.52%           | -9.46%            | -171.89%           |
| 2002             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | -19.52%           | -171.89%           |
| 2003             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | -19.52%            |
| 2004             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | 0.00%             | -19.52%            |
| 2005             | 366 - Underground Conduit    | 34,385      | -             | 1,450           | (1,450)     | -4.22%      | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%             |
| 2006             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%            | -4.22%             |
| 2007             | 366 - Underground Conduit    | -           | -             | 11              | (11)        | NA          | NA                | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%             |
| 2008             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%             |
| 2009             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%             |
| 2010             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%             |
| 2011             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | -4.25%            | -4.25%            | -4.25%            | -4.25%            | -4.25%             |
| 2012             | 366 - Underground Conduit    | 56,769      | -             | 40              | (40)        | -0.07%      | -0.07%            | -0.07%            | -0.07%            | -0.07%            | -0.09%            | -0.09%            | -1.65%            | -1.65%            | -1.65%             |
| 2013             | 366 - Underground Conduit    | -           | -             | -               | -           | NA          | -0.07%            | -0.07%            | -0.07%            | -0.07%            | -0.07%            | -0.09%            | -1.65%            | -1.65%            | -1.65%             |
| 2014             | 366 - Underground Conduit    | 15,633      | -             | 7,300           | (7,300)     | -46.70%     | -46.70%           | -10.14%           | -10.14%           | -10.14%           | -10.14%           | -10.14%           | -10.15%           | -10.15%           | -8.24%             |
| 1981             | 367 - Underground Conductors | 2,221       | 415           | 546             | (132)       | -5.93%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 367 - Underground Conductors | 6,946       | 5,077         | 4,953           | 125         | 1.79%       | -0.08%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 367 - Underground Conductors | 1,077       | 1,379         | 68              | 1,311       | 121.74%     | 17.90%            | 12.73%            |                   |                   |                   |                   |                   |                   |                    |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                  | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1984             | 367 - Underground Conductors | 16,843      | 3,751         | 238             | 3,513       | 20.86%      | 26.92%            | 19.90%            | 17.78%            |                   |                   |                   |                   |                   |                    |
| 1985             | 367 - Underground Conductors | 51,792      | 28,354        | 3,107           | 25,247      | 48.75%      | 41.90%            | 43.14%            | 39.39%            | 38.11%            |                   |                   |                   |                   |                    |
| 1986             | 367 - Underground Conductors | 41,297      | 14,409        | 2,475           | 11,934      | 28.90%      | 39.94%            | 37.02%            | 37.84%            | 35.72%            | 34.95%            |                   |                   |                   |                    |
| 1987             | 367 - Underground Conductors | 41,200      | 14,123        | 3,179           | 10,944      | 26.56%      | 27.73%            | 35.84%            | 34.17%            | 34.79%            | 33.35%            | 32.81%            |                   |                   |                    |
| 1988             | 367 - Underground Conductors | 84,370      | 31,705        | 16,870          | 14,835      | 17.58%      | 20.53%            | 22.60%            | 28.79%            | 28.23%            | 28.65%            | 27.89%            | 27.58%            |                   |                    |
| 1989             | 367 - Underground Conductors | 52,108      | 26,233        | 3,314           | 22,919      | 43.98%      | 27.66%            | 27.41%            | 27.69%            | 31.72%            | 31.08%            | 31.42%            | 30.72%            | 30.45%            |                    |
| 1990             | 367 - Underground Conductors | 29,823      | 12,056        | 9,847           | 2,209       | 7.41%       | 30.67%            | 24.03%            | 24.53%            | 25.26%            | 29.31%            | 28.86%            | 29.17%            | 28.59%            | 28.35%             |
| 1991             | 367 - Underground Conductors | 33,304      | 14,784        | 3,935           | 10,849      | 32.58%      | 20.69%            | 31.22%            | 25.46%            | 25.65%            | 26.12%            | 29.63%            | 29.21%            | 29.49%            | 28.96%             |
| 1992             | 367 - Underground Conductors | 92,797      | 1,780         | 10,439          | (8,659)     | -9.33%      | 1.74%             | 2.82%             | 13.13%            | 14.42%            | 15.92%            | 17.35%            | 21.16%            | 21.15%            | 21.39%             |
| 1993             | 367 - Underground Conductors | 70,947      | 2,131         | 4,480           | (2,349)     | -3.31%      | -6.72%            | -0.08%            | 0.90%             | 8.95%             | 10.95%            | 12.54%            | 14.06%            | 17.67%            | 17.77%             |
| 1994             | 367 - Underground Conductors | 141,689     | 4,162         | 25,910          | (21,748)    | -15.35%     | -11.33%           | -10.72%           | -6.47%            | -5.34%            | 0.77%             | 3.58%             | 5.31%             | 6.97%             | 10.35%             |
| 1995             | 367 - Underground Conductors | 206,658     | 38,112        | 97,390          | (59,278)    | -28.68%     | -23.26%           | -19.88%           | -17.97%           | -14.89%           | -13.73%           | -8.94%            | -5.79%            | -4.02%            | -2.31%             |
| 1996             | 367 - Underground Conductors | 165,154     | 58,246        | 23,578          | 34,669      | 20.99%      | -6.62%            | -9.03%            | -8.33%            | -8.47%            | -6.55%            | -5.98%            | -2.70%            | -0.75%            | 0.48%              |
| 1997             | 367 - Underground Conductors | 339,553     | 28,792        | 45,685          | (16,893)    | -4.98%      | 3.52%             | -5.83%            | -7.41%            | -7.10%            | -7.30%            | -6.04%            | -5.67%            | -3.38%            | -1.93%             |
| 1998             | 367 - Underground Conductors | 397,981     | 102,153       | 76,568          | 25,585      | 6.43%       | 1.18%             | 4.80%             | -1.43%            | -3.01%            | -3.03%            | -3.44%            | -2.61%            | -2.41%            | -0.83%             |
| 1999             | 367 - Underground Conductors | 412,432     | 69,010        | 61,324          | 7,686       | 1.86%       | 4.11%             | 1.42%             | 3.88%             | -0.54%            | -1.80%            | -1.86%            | -2.24%            | -1.62%            | -1.48%             |
| 2000             | 367 - Underground Conductors | 651,004     | 182,170       | 85,808          | 96,362      | 14.80%      | 9.78%             | 8.87%             | 6.26%             | 7.50%             | 4.06%             | 2.87%             | 2.68%             | 2.23%             | 2.64%              |
| 2001             | 367 - Underground Conductors | 380,600     | 83,526        | 119,771         | (36,245)    | -9.52%      | 5.83%             | 4.70%             | 5.07%             | 3.51%             | 4.74%             | 2.03%             | 1.12%             | 1.00%             | 0.67%              |
| 2002             | 367 - Underground Conductors | 521,005     | 138,863       | 136,261         | 2,602       | 0.50%       | -3.73%            | 4.04%             | 3.58%             | 4.06%             | 2.93%             | 3.97%             | 1.77%             | 1.02%             | 0.92%              |
| 2003             | 367 - Underground Conductors | 404,525     | 23,475        | 86,679          | (63,204)    | -15.62%     | -6.55%            | -7.41%            | -0.02%            | 0.30%             | 1.18%             | 0.51%             | 1.55%             | -0.25%            | -0.84%             |
| 2004             | 367 - Underground Conductors | 293,438     | 24,695        | 69,946          | (45,252)    | -15.42%     | -15.54%           | -8.68%            | -8.88%            | -2.03%            | -1.43%            | -0.41%            | -0.86%            | 0.15%             | -1.43%             |
| 2005             | 367 - Underground Conductors | 342,060     | 22,310        | 73,666          | (51,356)    | -15.01%     | -15.20%           | -15.37%           | -10.07%           | -9.96%            | -3.74%            | -2.98%            | -1.88%            | -2.16%            | -1.18%             |
| 2006             | 367 - Underground Conductors | 723,509     | 31,539        | 137,812         | (106,273)   | -14.69%     | -14.79%           | -14.93%           | -15.09%           | -11.53%           | -11.25%           | -6.13%            | -5.25%            | -4.12%            | -4.19%             |
| 2007             | 367 - Underground Conductors | 808,014     | 72,142        | 204,519         | (132,377)   | -16.38%     | -15.58%           | -15.48%           | -15.47%           | -15.50%           | -12.80%           | -12.44%           | -8.14%            | -7.23%            | -6.13%             |
| 2008             | 367 - Underground Conductors | 364,300     | 21,759        | 141,917         | (120,158)   | -32.98%     | -21.54%           | -18.93%           | -18.33%           | -17.99%           | -17.67%           | -14.93%           | -14.39%           | -10.16%           | -9.15%             |
| 2009             | 367 - Underground Conductors | 526,743     | 31,546        | 125,755         | (94,209)    | -17.89%     | -24.06%           | -20.41%           | -18.70%           | -18.24%           | -17.97%           | -17.70%           | -15.32%           | -14.81%           | -10.97%            |
| 2010             | 367 - Underground Conductors | 457,351     | 29,198        | 152,497         | (123,299)   | -26.96%     | -22.10%           | -25.04%           | -21.80%           | -20.01%           | -19.48%           | -19.14%           | -18.78%           | -16.52%           | -15.97%            |
| 2011             | 367 - Underground Conductors | 504,490     | 58,303        | 138,472         | (80,169)    | -15.89%     | -21.15%           | -20.00%           | -22.55%           | -20.68%           | -19.40%           | -18.99%           | -18.73%           | -18.45%           | -16.45%            |
| 2012             | 367 - Underground Conductors | 755,578     | 130,090       | 146,012         | (15,922)    | -2.11%      | -7.63%            | -12.77%           | -13.97%           | -16.63%           | -16.57%           | -16.24%           | -16.15%           | -16.10%           | -16.07%            |
| 2013             | 367 - Underground Conductors | 941,532     | 73,425        | 233,937         | (160,512)   | -17.05%     | -10.40%           | -11.66%           | -14.29%           | -14.88%           | -16.74%           | -16.67%           | -16.39%           | -16.30%           | -16.26%            |
| 2014             | 367 - Underground Conductors | 653,793     | 80,983        | 161,920         | (80,937)    | -12.38%     | -15.13%           | -10.95%           | -11.82%           | -13.91%           | -14.46%           | -16.06%           | -16.11%           | -15.93%           | -15.88%            |
| 1981             | 368 - Line Transformers      | 1,612,039   | 62,579        | 316,766         | (254,188)   | -15.77%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 368 - Line Transformers      | 985,498     | 78,527        | 341,802         | (263,275)   | -26.71%     | -19.92%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 368 - Line Transformers      | 963,363     | 84,754        | 109,885         | (25,131)    | -2.61%      | -14.80%           | -15.24%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 368 - Line Transformers      | 1,013,353   | 79,858        | 122,088         | (42,230)    | -4.17%      | -3.41%            | -11.16%           | -12.79%           |                   |                   |                   |                   |                   |                    |
| 1985             | 368 - Line Transformers      | 659,811     | 89,800        | 218,821         | (129,021)   | -19.55%     | -10.24%           | -7.45%            | -12.69%           | -13.64%           |                   |                   |                   |                   |                    |
| 1986             | 368 - Line Transformers      | 1,292,410   | 120,205       | 339,705         | (219,500)   | -16.98%     | -17.85%           | -13.18%           | -10.59%           | -13.82%           | -14.30%           |                   |                   |                   |                    |
| 1987             | 368 - Line Transformers      | 1,207,643   | 103,233       | 301,787         | (198,554)   | -16.44%     | -16.72%           | -17.31%           | -14.12%           | -11.96%           | -14.34%           | -14.64%           |                   |                   |                    |
| 1988             | 368 - Line Transformers      | 983,941     | 93,117        | 423,973         | (330,857)   | -33.63%     | -24.16%           | -21.50%           | -21.19%           | -17.84%           | -15.44%           | -17.01%           | -16.78%           |                   |                    |
| 1989             | 368 - Line Transformers      | 860,104     | 134,907       | 347,108         | (212,201)   | -24.67%     | -29.45%           | -24.30%           | -22.12%           | -21.79%           | -18.82%           | -16.58%           | -17.84%           | -17.49%           |                    |
| 1990             | 368 - Line Transformers      | 1,588,482   | 84,850        | 568,282         | (483,432)   | -30.43%     | -28.41%           | -29.90%           | -26.40%           | -24.35%           | -23.87%           | -21.24%           | -19.15%           | -19.93%           | -19.33%            |
| 1991             | 368 - Line Transformers      | 1,742,147   | 102,119       | 815,800         | (713,681)   | -40.97%     | -35.94%           | -33.63%           | -33.63%           | -30.38%           | -28.12%           | -27.44%           | -24.92%           | -22.84%           | -23.17%            |
| 1992             | 368 - Line Transformers      | 1,692,542   | 153,332       | 632,060         | (478,727)   | -28.28%     | -34.72%           | -33.36%           | -32.09%           | -32.31%           | -29.94%           | -28.15%           | -27.59%           | -25.44%           | -23.60%            |
| 1993             | 368 - Line Transformers      | 2,206,223   | 167,374       | 924,443         | (757,069)   | -34.32%     | -31.70%           | -34.56%           | -33.65%           | -32.70%           | -32.80%           | -30.88%           | -29.33%           | -28.80%           | -26.91%            |
| 1994             | 368 - Line Transformers      | 1,479,843   | 112,017       | 647,875         | (535,858)   | -36.21%     | -35.08%           | -32.94%           | -34.90%           | -34.09%           | -33.24%           | -33.28%           | -31.55%           | -30.11%           | -29.60%            |
| 1995             | 368 - Line Transformers      | 2,709,332   | 204,291       | 982,748         | (778,457)   | -28.73%     | -31.37%           | -32.39%           | -31.53%           | -32.20%           | -32.82%           | -32.25%           | -32.35%           | -31.02%           | -29.87%            |
| 1996             | 368 - Line Transformers      | 2,001,150   | 123,915       | 573,201         | (449,286)   | -22.45%     | -26.06%           | -28.49%           | -30.02%           | -29.73%           | -31.38%           | -31.27%           | -30.87%           | -31.05%           | -29.98%            |
| 1997             | 368 - Line Transformers      | 1,377,599   | 136,515       | 547,916         | (411,401)   | -29.86%     | -25.47%           | -26.92%           | -28.74%           | -30.00%           | -29.75%           | -31.23%           | -31.14%           | -30.78%           | -30.95%            |
| 1998             | 368 - Line Transformers      | 1,980,705   | 184,346       | 555,011         | (370,665)   | -18.71%     | -23.29%           | -22.98%           | -24.91%           | -26.66%           | -28.10%           | -28.12%           | -29.59%           | -29.67%           | -29.43%            |
| 1999             | 368 - Line Transformers      | 2,355,785   | 69,238        | 614,295         | (545,057)   | -23.14%     | -21.12%           | -23.23%           | -23.02%           | -24.51%           | -25.96%           | -27.27%           | -27.38%           | -28.73%           | -28.87%            |
| 2000             | 368 - Line Transformers      | 2,555,386   | 68,603        | 688,741         | (620,138)   | -24.27%     | -23.73%           | -22.29%           | -23.55%           | -23.33%           | -24.46%           | -25.66%           | -26.81%           | -26.94%           | -28.16%            |
| 2001             | 368 - Line Transformers      | 3,309,047   | 74,745        | 1,133,286       | (1,058,541) | -31.99%     | -28.62%           | -27.05%           | -25.43%           | -25.96%           | -25.44%           | -25.99%           | -26.84%           | -27.67%           | -27.72%            |
| 2002             | 368 - Line Transformers      | 3,960,667   | 100,394       | 830,652         | (730,258)   | -18.44%     | -24.61%           | -24.52%           | -24.25%           | -23.48%           | -24.04%           | -23.86%           | -24.51%           | -25.31%           | -26.14%            |
| 2003             | 368 - Line Transformers      | 3,006,665   | 74,759        | 992,870         | (918,112)   | -30.54%     | -23.66%           | -26.34%           | -25.93%           | -25.50%           | -24.71%           | -25.10%           | -24.84%           | -25.29%           | -25.94%            |
| 2004             | 368 - Line Transformers      | 1,585,092   | 85,491        | 660,122         | (574,630)   | -36.25%     | -32.51%           | -25.99%           | -27.67%           | -27.06%           | -26.51%           | -25.69%           | -25.97%           | -25.66%           | -25.99%            |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                  | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2005             | 368 - Line Transformers      | 3,374,432   | 399,460       | 768,292         | (368,832)   | -10.93%     | -19.02%           | -23.37%           | -21.73%           | -23.96%           | -24.00%           | -23.90%           | -23.44%           | -23.81%           | -23.71%            |
| 2006             | 368 - Line Transformers      | 3,188,373   | 308,793       | 724,277         | (415,484)   | -13.03%     | -11.95%           | -16.68%           | -20.41%           | -19.90%           | -22.07%           | -22.34%           | -22.42%           | -22.13%           | -22.53%            |
| 2007             | 368 - Line Transformers      | 2,597,556   | 240,235       | 616,133         | (375,898)   | -14.47%     | -13.68%           | -12.67%           | -16.14%           | -19.29%           | -19.10%           | -21.13%           | -21.47%           | -21.62%           | -21.41%            |
| 2008             | 368 - Line Transformers      | 2,175,009   | 380,066       | 841,019         | (460,953)   | -21.19%     | -17.53%           | -15.73%           | -14.30%           | -16.99%           | -19.55%           | -19.33%           | -21.14%           | -21.45%           | -21.59%            |
| 2009             | 368 - Line Transformers      | 2,949,929   | 157,691       | 1,124,548       | (966,858)   | -32.78%     | -27.86%           | -23.36%           | -20.34%           | -18.12%           | -19.93%           | -21.62%           | -21.07%           | -22.45%           | -22.61%            |
| 2010             | 368 - Line Transformers      | 2,772,338   | 147,766       | 1,483,760       | (1,335,994) | -48.19%     | -40.24%           | -35.00%           | -29.92%           | -25.98%           | -23.00%           | -24.13%           | -25.02%           | -24.00%           | -24.92%            |
| 2011             | 368 - Line Transformers      | 3,916,935   | 219,758       | 1,152,501       | (932,743)   | -23.81%     | -33.92%           | -33.57%           | -31.29%           | -28.26%           | -25.50%           | -23.16%           | -24.08%           | -24.84%           | -23.98%            |
| 2012             | 368 - Line Transformers      | 4,070,873   | 151,305       | 1,241,219       | (1,089,914) | -26.77%     | -25.32%           | -31.21%           | -31.55%           | -30.13%           | -27.93%           | -25.74%           | -23.74%           | -24.49%           | -25.10%            |
| 2013             | 368 - Line Transformers      | 4,190,230   | 211,179       | 1,006,413       | (795,234)   | -18.98%     | -22.82%           | -23.14%           | -27.78%           | -28.61%           | -27.80%           | -26.28%           | -24.64%           | -23.06%           | -23.74%            |
| 2014             | 368 - Line Transformers      | 4,461,636   | 255,488       | 1,091,687       | (836,199)   | -18.74%     | -18.86%           | -21.39%           | -21.96%           | -25.71%           | -26.64%           | -26.16%           | -25.04%           | -23.78%           | -22.49%            |
| 1981             | 369.1 - Overhead Services    | 230,580     | 81,379        | 106,270         | (24,891)    | -10.80%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 369.1 - Overhead Services    | 102,601     | 67,027        | 66,574          | 452         | 0.44%       | -7.34%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 369.1 - Overhead Services    | 232,316     | 41,068        | 24,865          | 16,203      | 6.97%       | 4.97%             | -1.46%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 369.1 - Overhead Services    | 141,699     | 30,769        | 79,446          | (48,677)    | -34.35%     | -8.68%            | -6.72%            | -8.05%            |                   |                   |                   |                   |                   |                    |
| 1985             | 369.1 - Overhead Services    | 190,330     | 13,809        | 30,281          | (16,471)    | -8.65%      | -19.62%           | -8.67%            | -7.27%            | -8.18%            |                   |                   |                   |                   |                    |
| 1986             | 369.1 - Overhead Services    | 196,372     | 16,506        | 1,520           | 14,986      | 7.63%       | -0.38%            | -9.49%            | -4.46%            | -3.88%            | -5.34%            |                   |                   |                   |                    |
| 1987             | 369.1 - Overhead Services    | 198,480     | 6,255         | 1,778           | 4,476       | 2.26%       | 4.93%             | 0.51%             | -6.29%            | -3.07%            | -2.73%            | -4.17%            |                   |                   |                    |
| 1988             | 369.1 - Overhead Services    | 232,466     | 3,555         | 3,463           | 92          | 0.04%       | 1.06%             | 3.12%             | 0.38%             | -4.75%            | -2.47%            | -2.24%            | -3.53%            |                   |                    |
| 1989             | 369.1 - Overhead Services    | 223,737     | -             | 818             | (818)       | -0.37%      | -0.16%            | 0.57%             | 2.20%             | 0.22%             | -3.92%            | -2.13%            | -1.96%            | -3.13%            |                    |
| 1990             | 369.1 - Overhead Services    | 205,017     | -             | 1,610           | (1,610)     | -0.79%      | -0.57%            | -0.35%            | 0.25%             | 1.62%             | 0.05%             | -3.46%            | -1.96%            | -1.82%            | -2.88%             |
| 1991             | 369.1 - Overhead Services    | 235,789     | -             | 1,867           | (1,867)     | -0.79%      | -0.79%            | -0.65%            | -0.47%            | 0.02%             | 1.18%             | -0.08%            | -3.07%            | -1.81%            | -1.70%             |
| 1992             | 369.1 - Overhead Services    | 421,505     | -             | 2,026           | (2,026)     | -0.48%      | -0.59%            | -0.64%            | -0.58%            | -0.47%            | -0.12%            | 0.77%             | -0.17%            | -2.54%            | -1.57%             |
| 1993             | 369.1 - Overhead Services    | 424,502     | -             | 2,294           | (2,294)     | -0.54%      | -0.51%            | -0.57%            | -0.61%            | -0.57%            | -0.49%            | -0.21%            | 0.51%             | -0.24%            | -2.19%             |
| 1994             | 369.1 - Overhead Services    | 374,403     | -             | 2,770           | (2,770)     | -0.74%      | -0.63%            | -0.58%            | -0.62%            | -0.64%            | -0.60%            | -0.53%            | -0.29%            | 0.33%             | -0.31%             |
| 1995             | 369.1 - Overhead Services    | 466,478     | 1,550         | 2,057           | (507)       | -0.11%      | -0.39%            | -0.44%            | -0.45%            | -0.49%            | -0.52%            | -0.51%            | -0.46%            | -0.26%            | 0.26%              |
| 1996             | 369.1 - Overhead Services    | 258,426     | -             | 2,932           | (2,932)     | -1.13%      | -0.47%            | -0.56%            | -0.56%            | -0.54%            | -0.57%            | -0.59%            | -0.57%            | -0.52%            | -0.34%             |
| 1997             | 369.1 - Overhead Services    | 402,678     | -             | 89,403          | (89,403)    | -22.20%     | -13.97%           | -8.23%            | -6.37%            | -5.08%            | -4.26%            | -3.94%            | -3.71%            | -3.46%            | -3.21%             |
| 1998             | 369.1 - Overhead Services    | 711,123     | -             | 316,292         | (316,292)   | -44.48%     | -36.42%           | -29.78%           | -22.25%           | -18.61%           | -15.70%           | -13.61%           | -12.69%           | -11.99%           | -11.29%            |
| 1999             | 369.1 - Overhead Services    | 366,092     | 41,300        | 110,861         | (69,561)    | -19.00%     | -35.82%           | -32.11%           | -27.51%           | -21.71%           | -18.67%           | -16.11%           | -14.18%           | -13.32%           | -12.66%            |
| 2000             | 369.1 - Overhead Services    | 369,655     | 72,500        | 216,048         | (143,548)   | -38.83%     | -28.96%           | -36.59%           | -33.46%           | -29.49%           | -24.17%           | -21.20%           | -18.60%           | -16.58%           | -15.66%            |
| 2001             | 369.1 - Overhead Services    | 334,855     | 101,210       | 299,546         | (198,336)   | -59.23%     | -48.53%           | -38.43%           | -40.84%           | -37.41%           | -33.57%           | -28.21%           | -25.07%           | -22.27%           | -20.04%            |
| 2002             | 369.1 - Overhead Services    | 242,882     | 61,091        | 118,096         | (57,005)    | -23.47%     | -44.20%           | -42.10%           | -35.66%           | -38.76%           | -36.01%           | -32.66%           | -27.84%           | -24.96%           | -22.34%            |
| 2003             | 369.1 - Overhead Services    | 367,630     | 50,964        | 408,086         | (357,121)   | -97.14%     | -67.83%           | -64.79%           | -57.49%           | -49.11%           | -47.73%           | -44.05%           | -40.42%           | -35.08%           | -31.78%            |
| 2004             | 369.1 - Overhead Services    | 246,408     | 53,504        | 328,039         | (274,534)   | -111.41%    | -102.87%          | -80.36%           | -74.43%           | -66.00%           | -57.07%           | -53.68%           | -49.51%           | -45.72%           | -40.07%            |
| 2005             | 369.1 - Overhead Services    | 328,916     | 28,366        | 489,712         | (461,346)   | -140.26%    | -127.91%          | -115.91%          | -96.98%           | -88.67%           | -78.92%           | -69.20%           | -63.28%           | -58.37%           | -54.29%            |
| 2006             | 369.1 - Overhead Services    | 299,627     | 17,019        | 356,610         | (339,591)   | -113.34%    | -127.43%          | -122.92%          | -115.29%          | -100.28%          | -92.73%           | -83.63%           | -74.37%           | -67.87%           | -62.86%            |
| 2007             | 369.1 - Overhead Services    | 205,171     | 48,232        | 227,157         | (178,925)   | -87.21%     | -102.72%          | -117.53%          | -116.13%          | -111.31%          | -98.69%           | -92.17%           | -83.94%           | -75.33%           | -69.01%            |
| 2008             | 369.1 - Overhead Services    | 181,951     | 14,887        | 227,245         | (212,358)   | -116.71%    | -101.07%          | -106.43%          | -117.38%          | -116.22%          | -111.91%          | -100.44%          | -94.19%           | -86.25%           | -77.89%            |
| 2009             | 369.1 - Overhead Services    | 161,080     | 15,401        | 230,140         | (214,739)   | -133.31%    | -124.51%          | -110.55%          | -111.53%          | -119.56%          | -118.15%          | -113.84%          | -103.05%          | -96.85%           | -89.02%            |
| 2010             | 369.1 - Overhead Services    | 141,936     | 16,973        | 260,393         | (243,420)   | -171.50%    | -151.20%          | -138.26%          | -123.08%          | -120.13%          | -125.15%          | -122.99%          | -118.07%          | -107.51%          | -101.07%           |
| 2011             | 369.1 - Overhead Services    | 173,216     | 59,217        | 235,363         | (176,146)   | -101.69%    | -133.13%          | -133.19%          | -128.64%          | -118.79%          | -117.39%          | -122.43%          | -120.87%          | -116.73%          | -107.08%           |
| 2012             | 369.1 - Overhead Services    | 215,074     | 57,192        | 309,068         | (251,876)   | -117.11%    | -110.23%          | -126.63%          | -128.19%          | -125.80%          | -118.46%          | -117.34%          | -121.76%          | -120.45%          | -116.76%           |
| 2013             | 369.1 - Overhead Services    | 201,778     | 39,297        | 224,884         | (185,587)   | -91.98%     | -104.94%          | -103.99%          | -117.08%          | -120.01%          | -119.45%          | -114.28%          | -114.10%          | -118.61%          | -117.79%           |
| 2014             | 369.1 - Overhead Services    | 196,786     | 38,272        | 210,460         | (172,188)   | -87.50%     | -89.77%           | -99.35%           | -99.87%           | -110.81%          | -114.14%          | -114.51%          | -110.71%          | -111.16%          | -115.70%           |
| 1981             | 369.2 - Underground Services | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 369.2 - Underground Services | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 369.2 - Underground Services | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 369.2 - Underground Services | 5,077       | 571           | -               | 571         | 11.24%      | 11.24%            | 11.24%            | 11.24%            |                   |                   |                   |                   |                   |                    |
| 1985             | 369.2 - Underground Services | 13,195      | 2             | 0               | 2           | 0.01%       | 3.13%             | 3.13%             | 3.13%             | 3.13%             |                   |                   |                   |                   |                    |
| 1986             | 369.2 - Underground Services | 12,087      | -             | 0               | (0)         | 0.00%       | 0.01%             | 1.89%             | 1.89%             | 1.89%             |                   |                   |                   |                   |                    |
| 1987             | 369.2 - Underground Services | 37,711      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.84%             | 0.84%             | 0.84%             | 0.84%             |                   |                   |                    |
| 1988             | 369.2 - Underground Services | 83,128      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.38%             | 0.38%             | 0.38%             | 0.38%             |                   |                    |
| 1989             | 369.2 - Underground Services | 62,454      | 1,238         | 11              | 1,227       | 1.96%       | 0.84%             | 0.67%             | 0.63%             | 0.59%             | 0.84%             | 0.84%             | 0.84%             | 0.84%             |                    |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                  | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1990             | 369.2 - Underground Services | 64,833      | 406           | 17              | 389         | 0.60%       | 1.27%             | 0.77%             | 0.65%             | 0.62%             | 0.59%             | 0.79%             | 0.79%             | 0.79%             | 0.79%              |
| 1991             | 369.2 - Underground Services | 41,254      | 499           | 25              | 474         | 1.15%       | 0.81%             | 1.24%             | 0.83%             | 0.72%             | 0.68%             | 0.66%             | 0.83%             | 0.83%             | 0.83%              |
| 1992             | 369.2 - Underground Services | 145,472     | 1,389         | 67              | 1,322       | 0.91%       | 0.96%             | 0.87%             | 1.09%             | 0.86%             | 0.78%             | 0.76%             | 0.74%             | 0.86%             | 0.86%              |
| 1993             | 369.2 - Underground Services | 69,530      | 1,009         | 338             | 671         | 0.97%       | 0.93%             | 0.96%             | 0.89%             | 1.06%             | 0.87%             | 0.81%             | 0.79%             | 0.77%             | 0.87%              |
| 1994             | 369.2 - Underground Services | 77,510      | 1,129         | 631             | 497         | 0.64%       | 0.79%             | 0.85%             | 0.89%             | 0.84%             | 0.99%             | 0.84%             | 0.79%             | 0.77%             | 0.75%              |
| 1995             | 369.2 - Underground Services | 81,505      | 3,579         | 601             | 2,978       | 3.65%       | 2.19%             | 1.81%             | 1.46%             | 1.43%             | 1.32%             | 1.39%             | 1.21%             | 1.14%             | 1.12%              |
| 1996             | 369.2 - Underground Services | 59,322      | 4,131         | 7,748           | (3,617)     | -6.10%      | -0.45%            | -0.06%            | 0.18%             | 0.43%             | 0.49%             | 0.50%             | 0.65%             | 0.58%             | 0.55%              |
| 1997             | 369.2 - Underground Services | 51,715      | 5,804         | 16,085          | (10,281)    | -19.88%     | -12.52%           | -5.67%            | -3.86%            | -2.87%            | -1.74%            | -1.51%            | -1.28%            | -0.97%            | -0.86%             |
| 1998             | 369.2 - Underground Services | 115,683     | 14,736        | 8,090           | 6,646       | 5.75%       | -2.17%            | -3.20%            | -1.39%            | -0.98%            | -0.68%            | -0.30%            | -0.20%            | -0.13%            | 0.04%              |
| 1999             | 369.2 - Underground Services | 65,850      | 2,776         | 6,921           | (4,145)     | -6.29%      | 1.38%             | -3.34%            | -3.90%            | -2.25%            | -1.75%            | -1.39%            | -0.89%            | -0.77%            | -0.66%             |
| 2000             | 369.2 - Underground Services | 58,633      | 18,342        | 10,258          | 8,084       | 13.79%      | 3.16%             | 4.41%             | 0.10%             | -0.94%            | -0.08%            | 0.03%             | 0.14%             | 0.30%             | 0.34%              |
| 2001             | 369.2 - Underground Services | 47,421      | 4,985         | 91,715          | (86,730)    | -182.89%    | -74.16%           | -48.16%           | -26.48%           | -25.47%           | -22.59%           | -18.13%           | -15.52%           | -13.70%           | -10.95%            |
| 2002             | 369.2 - Underground Services | 36,118      | -             | 6,305           | (6,305)     | -17.46%     | -111.37%          | -59.75%           | -42.83%           | -25.47%           | -24.70%           | -22.16%           | -18.09%           | -15.64%           | -13.90%            |
| 2003             | 369.2 - Underground Services | 55,822      | -             | 8,402           | (8,402)     | -15.05%     | -16.00%           | -72.79%           | -47.15%           | -36.95%           | -23.94%           | -23.45%           | -21.35%           | -17.79%           | -15.59%            |
| 2004             | 369.2 - Underground Services | 37,324      | -             | 8,164           | (8,164)     | -21.87%     | -17.78%           | -17.69%           | -62.03%           | -43.14%           | -35.08%           | -23.75%           | -23.33%           | -21.39%           | -18.04%            |
| 2005             | 369.2 - Underground Services | 59,213      | -             | 11,147          | (11,147)    | -18.83%     | -20.00%           | -18.19%           | -18.05%           | -51.19%           | -38.25%           | -32.41%           | -23.14%           | -22.82%           | -21.13%            |
| 2006             | 369.2 - Underground Services | 132,131     | -             | 46,146          | (46,146)    | -34.92%     | -29.94%           | -28.63%           | -25.96%           | -25.00%           | -45.35%           | -37.22%           | -33.09%           | -25.70%           | -25.24%            |
| 2007             | 369.2 - Underground Services | 57,288      | -             | 25,188          | (25,188)    | -43.97%     | -37.66%           | -33.17%           | -31.70%           | -28.98%           | -27.88%           | -45.16%           | -38.02%           | -34.22%           | -27.27%            |
| 2008             | 369.2 - Underground Services | 117,471     | -             | 19,668          | (19,668)    | -16.74%     | -25.67%           | -29.65%           | -27.90%           | -27.34%           | -25.85%           | -25.24%           | -39.01%           | -33.86%           | -31.14%            |
| 2009             | 369.2 - Underground Services | 106,445     | -             | 15,898          | (15,898)    | -14.94%     | -15.88%           | -21.61%           | -25.86%           | -24.98%           | -24.75%           | -23.80%           | -23.42%           | -35.06%           | -31.02%            |
| 2010             | 369.2 - Underground Services | 139,069     | -             | 29,417          | (29,417)    | -21.15%     | -18.46%           | -17.90%           | -21.46%           | -24.68%           | -24.11%           | -23.98%           | -23.27%           | -22.99%           | -32.61%            |
| 2011             | 369.2 - Underground Services | 83,255      | -             | 16,667          | (16,667)    | -20.02%     | -20.73%           | -18.85%           | -18.30%           | -21.22%           | -24.07%           | -23.62%           | -23.53%           | -22.93%           | -22.69%            |
| 2012             | 369.2 - Underground Services | 95,269      | -             | 100,020         | (100,020)   | -104.99%    | -65.36%           | -46.00%           | -38.20%           | -33.55%           | -34.55%           | -34.61%           | -33.43%           | -32.91%           | -31.78%            |
| 2013             | 369.2 - Underground Services | 112,851     | -             | (48,422)        | 48,422      | 42.91%      | -24.79%           | -23.43%           | -22.69%           | -21.16%           | -20.36%           | -22.26%           | -24.25%           | -23.89%           | -23.81%            |
| 2014             | 369.2 - Underground Services | 121,168     | -             | 31,582          | (31,582)    | -26.06%     | 7.20%             | -25.26%           | -24.20%           | -23.43%           | -22.06%           | -21.25%           | -22.82%           | -24.47%           | -24.15%            |
| 1981             | 370 - Meters                 | 197,293     | 195           | 14,761          | (14,565)    | -7.38%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 370 - Meters                 | 169,622     | 9,193         | 11,669          | (2,475)     | -1.46%      | -4.64%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 370 - Meters                 | 188,692     | 579           | 8,682           | (8,102)     | -4.29%      | -2.95%            | -4.53%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 370 - Meters                 | 149,731     | 2,415         | 9,120           | (6,705)     | -4.48%      | -4.38%            |                   | -4.52%            |                   |                   |                   |                   |                   |                    |
| 1985             | 370 - Meters                 | 257,013     | 12,572        | 25,055          | (12,483)    | -4.86%      | -4.72%            | -4.58%            | -3.89%            | -4.61%            |                   |                   |                   |                   |                    |
| 1986             | 370 - Meters                 | 172,104     | 957           | 22,999          | (22,041)    | -12.81%     | -8.05%            | -7.12%            | -6.43%            | -5.53%            | -5.85%            |                   |                   |                   |                    |
| 1987             | 370 - Meters                 | 224,580     | 2,467         | 12,457          | (9,989)     | -4.45%      | -8.07%            | -6.81%            | -6.37%            | -5.98%            | -5.32%            | -5.62%            |                   |                   |                    |
| 1988             | 370 - Meters                 | 200,348     | 4,075         | 7,823           | (3,748)     | -1.87%      | -3.23%            | -5.99%            | -5.65%            | -5.48%            | -5.29%            | -4.81%            | -5.14%            |                   |                    |
| 1989             | 370 - Meters                 | 481,584     | 9,636         | 15,293          | (5,657)     | -1.17%      | -1.38%            | -2.14%            | -3.84%            | -4.04%            | -4.08%            | -4.11%            | -3.86%            | -4.20%            |                    |
| 1990             | 370 - Meters                 | 205,553     | 3,735         | 9,996           | (6,261)     | -3.05%      | -1.73%            | -1.77%            | -2.31%            | -3.71%            | -3.90%            | -3.96%            | -3.99%            | -3.78%            | -4.10%             |
| 1991             | 370 - Meters                 | 384,949     | 5,750         | 13,589          | (7,839)     | -2.04%      | -2.39%            | -1.84%            | -1.85%            | -2.24%            | -3.33%            | -3.53%            | -3.60%            | -3.66%            | -3.50%             |
| 1992             | 370 - Meters                 | 434,914     | 1,982         | 12,858          | (10,876)    | -2.50%      | -2.28%            | -2.44%            | -2.03%            | -2.01%            | -2.30%            | -3.16%            | -3.34%            | -3.41%            | -3.47%             |
| 1993             | 370 - Meters                 | 202,527     | 14,984        | 10,578          | 4,406       | 2.18%       | -1.02%            | -1.40%            | -1.68%            | -1.53%            | -1.57%            | -1.87%            | -2.69%            | -2.91%            | -2.99%             |
| 1994             | 370 - Meters                 | 273,177     | 28,143        | 32,786          | (4,644)     | -1.70%      | -0.05%            | -1.22%            | -1.46%            | -1.68%            | -1.56%            | -1.59%            | -1.85%            | -2.58%            | -2.79%             |
| 1995             | 370 - Meters                 | 199,107     | 4,777         | 25,948          | (21,171)    | -10.63%     | -5.47%            | -3.17%            | -2.91%            | -2.68%            | -2.73%            | -2.39%            | -2.34%            | -2.52%            | -3.16%             |
| 1996             | 370 - Meters                 | 250,797     | 7,805         | 22,765          | (14,959)    | -5.96%      | -8.03%            | -5.64%            | -3.93%            | -3.47%            | -3.16%            | -3.14%            | -2.75%            | -2.69%            | -2.83%             |
| 1997             | 370 - Meters                 | 202,164     | 1,617         | 24,698          | (23,081)    | -11.42%     | -8.40%            | -9.08%            | -6.90%            | -5.27%            | -4.50%            | -4.01%            | -3.92%            | -3.42%            | -3.31%             |
| 1998             | 370 - Meters                 | 160,249     | 4,272         | 6,708           | (2,436)     | -1.52%      | -7.04%            | -6.60%            | -7.59%            | -6.11%            | -4.80%            | -4.22%            | -3.82%            | -3.75%            | -3.31%             |
| 1999             | 370 - Meters                 | 254,307     | 7,930         | 11,617          | (3,687)     | -1.45%      | -1.48%            | -4.74%            | -5.09%            | -6.13%            | -5.22%            | -4.25%            | -3.87%            | -3.57%            | -3.53%             |
| 2000             | 370 - Meters                 | 338,813     | 17,128        | 13,987          | 3,141       | 0.93%       | -0.09%            | -0.40%            | -2.73%            | -3.40%            | -4.43%            | -3.98%            | -3.32%            | -3.17%            | -3.00%             |
| 2001             | 370 - Meters                 | 434,282     | 40,330        | 37,149          | 3,181       | 0.73%       | 0.26%             | 0.02%             | 0.02%             | -1.65%            | -3.21%            | -3.21%            | -3.01%            | -2.56%            | -2.55%             |
| 2002             | 370 - Meters                 | 555,576     | 42,584        | 58,550          | (15,966)    | -2.87%      | -1.29%            | -0.73%            | -0.84%            | -0.90%            | -2.00%            | -2.45%            | -3.13%            | -2.98%            | -2.62%             |
| 2003             | 370 - Meters                 | 521,266     | 20,737        | 39,245          | (18,508)    | -3.55%      | -3.20%            | -2.07%            | -1.52%            | -1.51%            | -1.51%            | -2.33%            | -2.66%            | -3.21%            | -3.08%             |
| 2004             | 370 - Meters                 | 633,156     | 102,283       | 104,382         | (2,099)     | -0.33%      | -1.79%            | -2.14%            | -1.56%            | -1.22%            | -1.24%            | -1.26%            | -1.92%            | -2.22%            | -2.69%             |
| 2005             | 370 - Meters                 | 895,191     | 338,801       | 169,953         | 168,848     | 18.86%      | 10.91%            | 7.23%             | 5.08%             | 4.46%             | 4.10%             | 3.71%             | 3.49%             | 2.74%             | 2.22%              |
| 2006             | 370 - Meters                 | 1,179,287   | 488,282       | 108,465         | 379,817     | 32.21%      | 26.45%            | 20.19%            | 16.35%            | 13.53%            | 12.21%            | 11.37%            | 10.70%            | 10.30%            | 9.45%              |
| 2007             | 370 - Meters                 | 1,386,296   | 506,730       | 224,187         | 282,543     | 20.38%      | 25.82%            | 24.02%            | 20.25%            | 17.56%            | 15.37%            | 14.23%            | 13.48%            | 12.86%            | 12.50%             |
| 2008             | 370 - Meters                 | 1,246,424   | 532,731       | 266,965         | 265,766     | 21.32%      | 20.83%            | 24.35%            | 23.30%            | 20.50%            | 18.36%            | 16.52%            | 15.52%            | 14.84%            | 14.28%             |
| 2009             | 370 - Meters                 | 1,210,783   | 737,210       | 246,325         | 490,885     | 40.54%      | 30.79%            | 27.04%            | 28.25%            | 26.83%            | 24.21%            | 22.16%            | 20.34%            | 19.28%            | 18.54%             |
| 2010             | 370 - Meters                 | 1,656,366   | 1,018,127     | 369,759         | 648,368     | 39.14%      | 39.73%            | 34.16%            | 30.68%            | 30.95%            | 29.52%            | 27.22%            | 25.38%            | 23.69%            | 22.67%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                             | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2011             | 370 - Meters                            | 2,615,250   | 764,637       | 247,080         | 517,557     | 19.79%      | 27.29%            | 30.22%            | 28.57%            | 27.17%            | 27.81%            | 27.03%            | 25.42%            | 24.09%            | 22.83%             |
| 2012             | 370 - Meters                            | 1,381,326   | 225,485       | (374,836)       | 600,321     | 43.46%      | 27.97%            | 31.24%            | 32.88%            | 31.11%            | 29.54%            | 29.84%            | 28.99%            | 27.47%            | 26.20%             |
| 2013             | 370 - Meters                            | 2,066,560   | 280,402       | 201,527         | 78,875      | 3.82%       | 19.70%            | 19.74%            | 23.90%            | 26.16%            | 25.57%            | 24.94%            | 25.62%            | 25.17%            | 24.04%             |
| 2014             | 370 - Meters                            | 1,674,214   | 400,188       | 254,233         | 145,955     | 8.72%       | 6.01%             | 16.11%            | 17.35%            | 21.20%            | 23.40%            | 23.19%            | 22.89%            | 23.65%            | 23.37%             |
| 2010             | 370.2 AMI Meters                        | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 2011             | 370.2 AMI Meters                        | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 2012             | 370.2 AMI Meters                        | 83,475      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             |                   |                   |                   |                   |                   |                   |                    |
| 2013             | 370.2 AMI Meters                        | 205,764     | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                   |                   |                    |
| 2014             | 370.2 AMI Meters                        | 215,328     | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                   |                    |
|                  |   | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                   |                   |                   |                    |
| 1981             | 373 - Street Lighting                   | 179,742     | 74,096        | 93,155          | (19,059)    | -10.60%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 373 - Street Lighting                   | 173,132     | 97,615        | 101,524         | (3,909)     | -2.26%      | -6.51%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 373 - Street Lighting                   | 170,076     | 95,067        | 26,732          | 68,335      | 40.18%      | 18.77%            | 8.68%             |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 373 - Street Lighting                   | 286,958     | 18,635        | 37,392          | (18,756)    | -6.54%      | 10.85%            | 7.25%             | 3.29%             |                   |                   |                   |                   |                   |                    |
| 1985             | 373 - Street Lighting                   | 286,126     | 20,371        | 41,802          | (21,431)    | -7.49%      | -7.01%            | 3.79%             | 2.65%             | 0.47%             |                   |                   |                   |                   |                    |
| 1986             | 373 - Street Lighting                   | 268,770     | 14,410        | 52,316          | (37,906)    | -14.10%     | -10.69%           | -9.28%            | -0.96%            | -1.15%            | -2.40%            |                   |                   |                   |                    |
| 1987             | 373 - Street Lighting                   | 275,197     | 10,690        | 65,752          | (55,062)    | -20.01%     | -17.09%           | -13.78%           | -11.92%           | -5.04%            | -4.71%            | -5.35%            |                   |                   |                    |
| 1988             | 373 - Street Lighting                   | 799,968     | 23,051        | 105,366         | (82,315)    | -10.29%     | -12.78%           | -13.04%           | -12.07%           | -11.24%           | -7.05%            | -6.68%            | -6.97%            |                   |                    |
| 1989             | 373 - Street Lighting                   | 417,541     | 14,214        | 33,443          | (19,229)    | -4.61%      | -8.34%            | -10.49%           | -11.04%           | -10.55%           | -10.05%           | -6.64%            | -6.36%            | -6.63%            |                    |
| 1990             | 373 - Street Lighting                   | 443,090     | 51,928        | 84,120          | (32,192)    | -7.27%      | -5.97%            | -8.05%            | -9.75%            | -10.28%           | -9.96%            | -9.61%            | -6.74%            | -6.49%            | -6.71%             |
| 1991             | 373 - Street Lighting                   | 964,016     | 41,727        | 249,126         | (207,399)   | -21.51%     | -17.03%           | -14.18%           | -13.00%           | -13.66%           | -13.70%           | -13.19%           | -12.68%           | -10.38%           | -10.03%            |
| 1992             | 373 - Street Lighting                   | 716,279     | 36,569        | 141,875         | (105,307)   | -14.70%     | -18.61%           | -16.24%           | -14.33%           | -13.36%           | -13.87%           | -13.88%           | -13.45%           | -13.00%           | -11.05%            |
| 1993             | 373 - Street Lighting                   | 770,698     | 27,647        | 111,391         | (83,744)    | -10.87%     | -12.71%           | -16.18%           | -14.81%           | -13.52%           | -12.89%           | -13.34%           | -13.39%           | -13.04%           | -12.69%            |
| 1994             | 373 - Street Lighting                   | 715,564     | 26,462        | 85,116          | (58,654)    | -8.20%      | -9.58%            | -11.25%           | -14.37%           | -13.50%           | -12.58%           | -12.20%           | -12.62%           | -12.69%           | -12.43%            |
| 1995             | 373 - Street Lighting                   | 620,344     | 51,509        | 157,282         | (105,773)   | -17.05%     | -12.31%           | -11.78%           | -12.52%           | -14.81%           | -14.02%           | -13.17%           | -12.75%           | -13.10%           | -13.15%            |
| 1996             | 373 - Street Lighting                   | 604,115     | 90,955        | 95,613          | (4,657)     | -0.77%      | -9.02%            | -8.72%            | -9.33%            | -10.45%           | -12.88%           | -12.36%           | -11.75%           | -11.56%           | -11.92%            |
| 1997             | 373 - Street Lighting                   | 987,581     | 20,905        | 58,016          | (37,111)    | -3.76%      | -2.62%            | -6.67%            | -7.04%            | -7.84%            | -8.95%            | -11.20%           | -10.90%           | -10.48%           | -10.46%            |
| 1998             | 373 - Street Lighting                   | 778,799     | 107,221       | 227,567         | (120,346)   | -15.45%     | -8.91%            | -6.84%            | -8.96%            | -8.81%            | -9.16%            | -9.93%            | -11.74%           | -11.44%           | -11.03%            |
| 1999             | 373 - Street Lighting                   | 838,788     | 94,950        | 23,153          | 71,797      | 8.56%       | -3.00%            | -3.29%            | -2.81%            | -5.12%            | -5.60%            | -6.37%            | -7.36%            | -9.31%            | -9.19%             |
| 2000             | 373 - Street Lighting                   | 707,899     | 157,722       | 100,979         | 56,743      | 8.02%       | 8.31%             | 0.35%             | -0.87%            | -0.86%            | -3.07%            | -3.77%            | -4.68%            | -5.74%            | -7.72%             |
| 2001             | 373 - Street Lighting                   | 796,837     | 127,517       | 127,659         | (142)       | -0.02%      | 3.76%             | 5.48%             | 0.26%             | -0.71%            | -0.72%            | -2.61%            | -3.28%            | -4.13%            | -5.14%             |
| 2002             | 373 - Street Lighting                   | 675,994     | 139,388       | 144,957         | (5,568)     | -0.82%      | -0.39%            | 2.34%             | 4.07%             | 0.07%             | -0.72%            | -0.73%            | -2.41%            | -3.03%            | -3.83%             |
| 2003             | 373 - Street Lighting                   | 1,221,177   | 48,140        | 237,254         | (189,113)   | -15.49%     | -10.26%           | -7.23%            | -4.06%            | -1.56%            | -3.72%            | -3.72%            | -3.45%            | -4.62%            | -4.94%             |
| 2004             | 373 - Street Lighting                   | 1,556,805   | 53,975        | 164,751         | (110,776)   | -7.12%      | -10.80%           | -8.84%            | -7.19%            | -5.02%            | -3.05%            | -4.52%            | -4.42%            | -4.15%            | -5.06%             |
| 2005             | 373 - Street Lighting                   | 1,126,827   | 46,296        | 205,474         | (159,178)   | -14.13%     | -10.06%           | -11.76%           | -10.14%           | -8.64%            | -6.70%            | -4.86%            | -5.93%            | -5.68%            | -5.36%             |
| 2006             | 373 - Street Lighting                   | 1,308,239   | 111,772       | 660,963         | (549,191)   | -41.98%     | -29.09%           | -20.52%           | -19.34%           | -17.22%           | -15.17%           | -12.95%           | -10.76%           | -11.16%           | -10.43%            |
| 2007             | 373 - Street Lighting                   | 1,175,176   | 35,337        | 255,195         | (219,858)   | -18.71%     | -30.97%           | -25.71%           | -20.11%           | -19.22%           | -17.46%           | -15.70%           | -13.74%           | -11.75%           | -12.03%            |
| 2008             | 373 - Street Lighting                   | 1,497,785   | 10,626        | 378,414         | (367,788)   | -24.56%     | -21.98%           | -28.56%           | -25.37%           | -21.11%           | -20.24%           | -18.70%           | -17.11%           | -15.35%           | -13.51%            |
| 2009             | 373 - Street Lighting                   | 1,054,208   | 13,010        | 331,272         | (318,262)   | -30.19%     | -26.88%           | -24.31%           | -28.90%           | -26.20%           | -22.35%           | -21.41%           | -19.96%           | -18.44%           | -16.75%            |
| 2010             | 373 - Street Lighting                   | 410,414     | 75,467        | 161,837         | (86,370)    | -21.04%     | -27.63%           | -26.07%           | -23.98%           | -28.31%           | -25.87%           | -22.28%           | -21.39%           | -20.01%           | -18.54%            |
| 2011             | 373 - Street Lighting                   | 207,303     | 111,878       | 76,663          | 35,215      | 16.99%      | -8.28%            | -22.10%           | -23.26%           | -22.03%           | -26.64%           | -24.56%           | -21.31%           | -20.56%           | -19.26%            |
| 2012             | 373 - Street Lighting                   | 247,799     | 107,004       | 64,618          | 42,386      | 17.10%      | 17.05%            | -1.01%            | -17.04%           | -20.33%           | -19.92%           | -24.81%           | -23.09%           | -20.20%           | -19.61%            |
| 2013             | 373 - Street Lighting                   | 247,823     | 73,582        | 63,341          | 10,241      | 4.13%       | 10.62%            | 12.50%            | 0.13%             | -14.62%           | -18.68%           | -18.68%           | -23.64%           | -22.17%           | -19.51%            |
| 2014             | 373 - Street Lighting                   | 373,855     | 71,663        | 140,232         | (68,569)    | -18.34%     | -9.38%            | -1.83%            | 1.79%             | -4.51%            | -15.16%           | -18.65%           | -18.66%           | -23.34%           | -21.98%            |
| 1981             | Account 390 - Structures & Improvements | 147,286     | 200           | 31,113          | (30,913)    | -20.99%     |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | Account 390 - Structures & Improvements | -           | -             | -               | -           | NA          | -20.99%           |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | Account 390 - Structures & Improvements | 19,580      | 100           | 300             | (200)       | -1.02%      | -1.02%            | -18.65%           |                   |                   |                   |                   |                   |                   |                    |
| 1984             | Account 390 - Structures & Improvements | 66,964      | 290           | 15,008          | (14,718)    | -21.98%     | -17.24%           | -17.24%           | -19.60%           |                   |                   |                   |                   |                   |                    |
| 1985             | Account 390 - Structures & Improvements | -           | -             | -               | -           | NA          | -21.98%           | -17.24%           | -17.24%           | -19.60%           |                   |                   |                   |                   |                    |
| 1986             | Account 390 - Structures & Improvements | 136,600     | 195           | 25,305          | (25,110)    | -18.38%     | -18.38%           | -19.56%           | -24.31%           | -28.90%           | -26.20%           | -22.35%           | -21.41%           | -19.96%           | -18.44%            |
| 1987             | Account 390 - Structures & Improvements | 830,914     | 22,365        | 96,123          | (73,758)    | -8.88%      | -10.22%           | -10.22%           | -10.98%           | -10.79%           | -10.79%           | -12.04%           |                   |                   |                    |
| 1988             | Account 390 - Structures & Improvements | 36,365      | -             | 1,327           | (1,327)     | -3.65%      | -8.66%            | -9.98%            | -9.98%            | -10.73%           | -10.56%           | -10.56%           | -11.80%           |                   |                    |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                             | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|---|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1989             | Account 390 - Structures & Improvements | 241,423     | 5,735         | 8,506           | (2,771)     | -1.15%      | -1.48%            | -7.02%            | -8.27%            | -8.27%            | -8.97%            | -8.85%            | -8.85%            | -10.06%           |                    |
| 1990             | Account 390 - Structures & Improvements | 83,793      | 6,900         | 233             | 6,667       | 7.96%       | 1.20%             | 0.71%             | -5.97%            | -7.25%            | -7.25%            | -7.95%            | -7.86%            | -7.86%            | -9.09%             |
| 1991             | Account 390 - Structures & Improvements | 277,474     | 23            | 2,165           | (2,142)     | -0.77%      | 1.25%             | 0.29%             | 0.07%             | -4.99%            | -6.13%            | -6.13%            | -6.76%            | -6.70%            | -6.70%             |
| 1992             | Account 390 - Structures & Improvements | 234,464     | 73,332        | 15,109          | 58,223      | 24.83%      | 10.95%            | 10.53%            | 7.16%             | 6.71%             | -0.89%            | -2.18%            | -2.18%            | -2.88%            | -2.86%             |
| 1993             | Account 390 - Structures & Improvements | 16,974      | -             | 4,283           | (4,283)     | -25.23%     | 21.45%            | 9.79%             | 9.54%             | 6.52%             | 6.11%             | -1.13%            | -2.40%            | -2.40%            | -3.08%             |
| 1994             | Account 390 - Structures & Improvements | 1,690       | -             | 5,397           | (5,397)     | -319.27%    | -51.86%           | 19.18%            | 8.74%             | 8.64%             | 5.88%             | 5.49%             | -1.44%            | -2.68%            | -2.68%             |
| 1995             | Account 390 - Structures & Improvements | 168,287     | 39,838        | 11,121          | 28,717      | 17.06%      | 13.72%            | 10.18%            | 18.33%            | 10.75%            | 10.45%            | 7.72%             | 7.33%             | 0.21%             | -1.04%             |
| 1996             | Account 390 - Structures & Improvements | 310,396     | 54,469        | 2,462           | 52,007      | 16.75%      | 16.86%            | 15.68%            | 14.28%            | 17.66%            | 12.60%            | 12.24%            | 9.82%             | 9.46%             | 2.54%              |
| 1997             | Account 390 - Structures & Improvements | 236,660     | -             | 48,595          | (48,595)    | -20.53%     | 0.62%             | 4.49%             | 3.73%             | 3.06%             | 8.33%             | 6.30%             | 6.41%             | 5.25%             | 5.04%              |
| 1998             | Account 390 - Structures & Improvements | 265,895     | -             | 142,491         | (142,491)   | -53.59%     | -38.02%           | -17.11%           | -11.25%           | -11.78%           | -12.01%           | -5.01%            | -4.23%            | -3.59%            | -3.27%             |
| 1999             | Account 390 - Structures & Improvements | 610,967     | -             | 22,579          | (22,579)    | -3.70%      | -18.83%           | -19.19%           | -11.35%           | -8.35%            | -8.68%            | -8.85%            | -4.57%            | -4.08%            | -3.62%             |
| 2000             | Account 390 - Structures & Improvements | 126,909     | -             | 4,598           | (4,598)     | -3.62%      | -3.68%            | -16.90%           | -17.60%           | -10.72%           | -8.00%            | -8.31%            | -8.47%            | -4.51%            | -4.05%             |
| 2001             | Account 390 - Structures & Improvements | 183,538     | -             | 14,035          | (14,035)    | -7.65%      | -6.00%            | -4.47%            | -15.47%           | -16.31%           | -10.40%           | -7.97%            | -8.24%            | -8.39%            | -4.78%             |
| 2002             | Account 390 - Structures & Improvements | 554,790     | 1,864         | 101,208         | (99,345)    | -17.91%     | -15.36%           | -13.64%           | -9.52%            | -16.25%           | -16.76%           | -12.22%           | -10.21%           | -10.42%           | -10.52%            |
| 2003             | Account 390 - Structures & Improvements | 301,326     | 1,000         | 72,194          | (71,194)    | -23.63%     | -19.92%           | -17.75%           | -16.22%           | -11.91%           | -17.34%           | -17.67%           | -13.54%           | -11.68%           | -11.86%            |
| 2004             | Account 390 - Structures & Improvements | 209,263     | -             | 109,233         | (109,233)   | -52.20%     | -35.34%           | -26.26%           | -23.52%           | -21.69%           | -16.16%           | -20.57%           | -20.57%           | -16.43%           | -14.53%            |
| 2005             | Account 390 - Structures & Improvements | 74,931      | -             | 54,578          | (54,578)    | -72.84%     | -57.64%           | -40.14%           | -29.32%           | -26.32%           | -24.33%           | -18.22%           | -22.26%           | -22.10%           | -17.90%            |
| 2006             | Account 390 - Structures & Improvements | 263,031     | 76,862        | 42,439          | 34,423      | 13.09%      | -5.96%            | -23.64%           | -23.64%           | -21.37%           | -19.78%           | -18.59%           | -14.67%           | -18.67%           | -18.82%            |
| 2007             | Account 390 - Structures & Improvements | 225,781     | -             | 169,141         | (169,141)   | -74.91%     | -27.56%           | -33.58%           | -38.62%           | -34.41%           | -28.79%           | -26.65%           | -25.14%           | -20.01%           | -23.18%            |
| 2008             | Account 390 - Structures & Improvements | 5,822,914   | -             | 115,609         | (115,609)   | -1.99%      | -4.71%            | -3.97%            | -4.77%            | -6.28%            | -7.04%            | -7.85%            | -7.84%            | -7.77%            | -7.47%             |
| 2009             | Account 390 - Structures & Improvements | 324,975     | -             | 60,719          | (60,719)    | -18.68%     | -2.87%            | -5.42%            | -4.69%            | -5.45%            | -6.86%            | -7.56%            | -8.30%            | -8.28%            | -8.21%             |
| 2010             | Account 390 - Structures & Improvements | 83,198      | -             | 15,561          | (15,561)    | -18.70%     | -18.69%           | -3.08%            | -5.59%            | -4.86%            | -5.61%            | -7.00%            | -7.69%            | -8.41%            | -8.39%             |
| 2011             | Account 390 - Structures & Improvements | 78,277      | 5,580         | 143,043         | (137,463)   | -175.61%    | -94.77%           | -43.94%           | -5.22%            | -7.63%            | -6.83%            | -7.55%            | -8.87%            | -9.47%            | -10.06%            |
| 2012             | Account 390 - Structures & Improvements | 852,561     | -             | 46,745          | (46,745)    | -5.48%      | -19.79%           | -19.70%           | -19.45%           | -5.25%            | -7.38%            | -6.68%            | -7.32%            | -8.50%            | -9.06%             |
| 2013             | Account 390 - Structures & Improvements | 236,169     | -             | 13,408          | (13,408)    | -5.68%      | -5.53%            | -16.93%           | -17.05%           | -17.39%           | -5.26%            | -7.33%            | -6.65%            | -7.27%            | -8.42%             |
| 2014             | Account 390 - Structures & Improvements | 250,129     | -             | 56,770          | (56,770)    | -22.70%     | -14.43%           | -8.73%            | -17.95%           | -17.99%           | -18.12%           | -5.84%            | -7.82%            | -7.14%            | -7.74%             |
| 1981             | 392.2 - Light Trucks                    | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 392.2 - Light Trucks                    | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 392.2 - Light Trucks                    | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 392.2 - Light Trucks                    | 77,903      | 17,275        | -               | 17,275      | 22.17%      | 22.17%            | 22.17%            | 22.17%            |                   |                   |                   |                   |                   |                    |
| 1985             | 392.2 - Light Trucks                    | 229,981     | 35,828        | -               | 35,828      | 15.58%      | 17.25%            | 17.25%            | 17.25%            | 17.25%            |                   |                   |                   |                   |                    |
| 1986             | 392.2 - Light Trucks                    | 228,104     | 54,800        | -               | 54,800      | 24.02%      | 19.78%            | 20.13%            | 20.13%            | 20.13%            | 20.13%            |                   |                   |                   |                    |
| 1987             | 392.2 - Light Trucks                    | 87,840      | 13,644        | -               | 13,644      | 15.53%      | 21.66%            | 19.10%            | 19.48%            | 19.48%            | 19.48%            | 19.48%            |                   |                   |                    |
| 1988             | 392.2 - Light Trucks                    | 305,428     | 59,909        | -               | 59,909      | 19.61%      | 18.70%            | 20.66%            | 19.28%            | 19.53%            | 19.53%            | 19.53%            | 19.53%            |                   |                    |
| 1989             | 392.2 - Light Trucks                    | 160,752     | 10,544        | -               | 10,544      | 6.56%       | 15.11%            | 15.18%            | 17.76%            | 17.26%            | 17.61%            | 17.61%            | 17.61%            | 17.61%            |                    |
| 1990             | 392.2 - Light Trucks                    | 516,101     | 109,653       | -               | 109,653     | 21.25%      | 17.76%            | 18.34%            | 18.11%            | 19.15%            | 18.61%            | 18.78%            | 18.78%            | 18.78%            | 18.78%             |
| 1991             | 392.2 - Light Trucks                    | 440,223     | 76,495        | -               | 76,495      | 17.38%      | 19.46%            | 17.61%            | 18.04%            | 17.89%            | 18.70%            | 18.33%            | 18.48%            | 18.48%            | 18.48%             |
| 1992             | 392.2 - Light Trucks                    | 186,796     | 32,995        | -               | 32,995      | 17.66%      | 17.46%            | 19.17%            | 17.62%            | 18.00%            | 17.87%            | 18.60%            | 18.28%            | 18.41%            | 18.41%             |
| 1993             | 392.2 - Light Trucks                    | 203,508     | 44,565        | -               | 44,565      | 21.90%      | 19.87%            | 18.55%            | 19.58%            | 18.19%            | 18.43%            | 18.30%            | 18.91%            | 18.59%            | 18.70%             |
| 1994             | 392.2 - Light Trucks                    | 108,196     | 27,467        | -               | 27,467      | 25.39%      | 23.11%            | 21.07%            | 19.34%            | 20.01%            | 18.68%            | 18.82%            | 18.68%            | 19.23%            | 18.89%             |
| 1995             | 392.2 - Light Trucks                    | 251,529     | 87,546        | -               | 87,546      | 34.81%      | 31.97%            | 28.33%            | 25.68%            | 22.61%            | 22.19%            | 20.85%            | 20.68%            | 20.48%            | 20.80%             |
| 1996             | 392.2 - Light Trucks                    | 603,822     | 78,431        | -               | 78,431      | 12.99%      | 19.40%            | 20.08%            | 20.39%            | 20.02%            | 19.37%            | 19.79%            | 18.93%            | 19.00%            | 18.90%             |
| 1997             | 392.2 - Light Trucks                    | 460,888     | 101,172       | -               | 101,172     | 21.95%      | 16.87%            | 20.30%            | 20.68%            | 20.83%            | 20.51%            | 19.90%            | 20.15%            | 19.40%            | 19.42%             |
| 1998             | 392.2 - Light Trucks                    | 316,061     | 60,072        | -               | 60,072      | 19.01%      | 20.75%            | 17.36%            | 20.05%            | 20.38%            | 20.54%            | 20.29%            | 19.79%            | 20.03%            | 19.36%             |
| 1999             | 392.2 - Light Trucks                    | 722,153     | 67,658        | -               | 67,658      | 9.37%       | 12.30%            | 15.27%            | 14.61%            | 16.77%            | 17.15%            | 17.51%            | 17.52%            | 17.50%            | 18.01%             |
| 2000             | 392.2 - Light Trucks                    | 186,606     | 20,740        | -               | 20,740      | 11.11%      | 9.73%             | 12.12%            | 14.81%            | 14.33%            | 16.36%            | 16.72%            | 17.09%            | 17.13%            | 17.16%             |
| 2001             | 392.2 - Light Trucks                    | 274,993     | 48,791        | -               | 48,791      | 17.74%      | 15.06%            | 11.59%            | 13.15%            | 15.22%            | 14.70%            | 16.49%            | 16.82%            | 17.15%            | 17.18%             |
| 2002             | 392.2 - Light Trucks                    | 332,535     | 42,234        | -               | 42,234      | 12.70%      | 14.98%            | 14.07%            | 11.83%            | 13.07%            | 14.86%            | 14.47%            | 16.09%            | 16.40%            | 16.72%             |
| 2003             | 392.2 - Light Trucks                    | 137,514     | 13,451        | -               | 13,451      | 9.78%       | 11.85%            | 14.02%            | 13.44%            | 11.66%            | 12.84%            | 14.57%            | 14.25%            | 15.83%            | 16.13%             |
| 2004             | 392.2 - Light Trucks                    | 292,104     | 20,910        | -               | 20,910      | 7.16%       | 8.00%             | 10.05%            | 12.09%            | 11.94%            | 10.99%            | 12.11%            | 13.77%            | 13.63%            | 15.12%             |
| 2005             | 392.2 - Light Trucks                    | 309,599     | 42,684        | -               | 42,684      | 13.79%      | 10.57%            | 10.42%            | 11.13%            | 12.48%            | 12.31%            | 11.37%            | 12.31%            | 13.77%            | 13.64%             |
| 2006             | 392.2 - Light Trucks                    | 158,573     | 7,636         | -               | 7,636       | 4.82%       | 10.75%            | 9.37%             | 9.43%             | 10.32%            | 11.67%            | 11.61%            | 10.94%            | 11.87%            | 13.33%             |
| 2007             | 392.2 - Light Trucks                    | 666,102     | 76,291        | -               | 76,291      | 11.45%      | 10.18%            | 11.16%            | 10.34%            | 10.29%            | 10.72%            | 11.61%            | 11.57%            | 11.05%            | 11.79%             |
| 2008             | 392.2 - Light Trucks                    | 709,273     | 49,083        | -               | 49,083      | 6.92%       | 9.12%             | 8.67%             | 9.53%             | 9.21%             | 9.24%             | 9.68%             | 10.45%            | 10.49%            | 10.28%             |
| 2009             | 392.2 - Light Trucks                    | 293,362     | 21,377        | -               | 21,377      | 7.29%       | 7.03%             | 8.79%             | 8.45%             | 9.22%             | 8.97%             | 9.02%             | 9.44%             | 10.16%            | 10.21%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description          | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|----------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 2010             | 392.2 - Light Trucks | 29,037      | -             | -               | -           | 0.00%       | 6.63%             | 6.83%             | 8.64%             | 8.32%             | 9.10%             | 8.87%             | 8.92%             | 9.35%             | 10.07%             |
| 2011             | 392.2 - Light Trucks | 694,883     | -             | -               | -           | 0.00%       | 0.00%             | 2.10%             | 4.08%             | 6.13%             | 6.05%             | 6.89%             | 6.91%             | 7.03%             | 7.55%              |
| 2012             | 392.2 - Light Trucks | 696,122     | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 1.25%             | 2.91%             | 4.75%             | 4.75%             | 5.54%             | 5.66%             | 5.81%              |
| 2013             | 392.2 - Light Trucks | 499,155     | 60,250        | -               | 60,250      | 12.07%      | 5.04%             | 3.19%             | 3.14%             | 3.69%             | 4.47%             | 5.77%             | 5.73%             | 6.34%             | 6.40%              |
| 2014             | 392.2 - Light Trucks | 464,516     | 60,011        | -               | 60,011      | 12.92%      | 12.48%            | 7.25%             | 5.11%             | 5.05%             | 5.29%             | 5.63%             | 6.59%             | 6.52%             | 7.02%              |
| 1981             | 392.3 - Heavy Trucks | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 392.3 - Heavy Trucks | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 392.3 - Heavy Trucks | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 392.3 - Heavy Trucks | 445,650     | 28,539        | -               | 28,539      | 6.40%       | 6.40%             | 6.40%             | 6.40%             |                   |                   |                   |                   |                   |                    |
| 1985             | 392.3 - Heavy Trucks | 99,782      | 2,995         | -               | 2,995       | 3.00%       | 5.78%             | 5.78%             | 5.78%             | 5.78%             |                   |                   |                   |                   |                    |
| 1986             | 392.3 - Heavy Trucks | 989,593     | 414,541       | -               | 414,541     | 41.89%      | 38.33%            | 29.06%            | 29.06%            | 29.06%            | 29.06%            |                   |                   |                   |                    |
| 1987             | 392.3 - Heavy Trucks | 255,345     | 82,877        | -               | 82,877      | 32.46%      | 39.96%            | 37.21%            | 29.54%            | 29.54%            | 29.54%            | 29.54%            |                   |                   |                    |
| 1988             | 392.3 - Heavy Trucks | 61,215      | 24,641        | -               | 24,641      | 40.25%      | 33.96%            | 39.97%            | 37.35%            | 29.90%            | 29.90%            | 29.90%            | 29.90%            |                   |                    |
| 1989             | 392.3 - Heavy Trucks | 586,652     | 88,459        | -               | 88,459      | 15.08%      | 17.46%            | 21.70%            | 32.25%            | 30.79%            | 26.33%            | 26.33%            | 26.33%            | 26.33%            |                    |
| 1990             | 392.3 - Heavy Trucks | 379,400     | 2,526         | -               | 2,526       | 3.18%       | 13.66%            | 15.90%            | 20.20%            | 31.08%            | 29.73%            | 25.60%            | 25.60%            | 25.60%            | 25.60%             |
| 1991             | 392.3 - Heavy Trucks | 678,965     | 46,987        | -               | 46,987      | 6.92%       | 6.53%             | 10.26%            | 11.56%            | 14.77%            | 24.90%            | 24.10%            | 21.63%            | 21.63%            | 21.63%             |
| 1992             | 392.3 - Heavy Trucks | 1,043,543   | 190,387       | -               | 190,387     | 18.24%      | 13.78%            | 13.31%            | 13.75%            | 14.41%            | 16.11%            | 23.02%            | 22.49%            | 20.80%            | 20.80%             |
| 1993             | 392.3 - Heavy Trucks | 637,533     | 146,546       | -               | 146,546     | 22.99%      | 20.04%            | 16.27%            | 15.84%            | 15.69%            | 16.18%            | 17.42%            | 23.01%            | 22.56%            | 21.09%             |
| 1994             | 392.3 - Heavy Trucks | 1,686,569   | 395,055       | -               | 395,055     | 23.42%      | 23.30%            | 21.74%            | 19.25%            | 18.94%            | 18.46%            | 18.74%            | 19.44%            | 23.13%            | 22.80%             |
| 1995             | 392.3 - Heavy Trucks | 697,372     | 164,620       | -               | 164,620     | 23.61%      | 23.48%            | 23.37%            | 22.06%            | 19.89%            | 19.62%            | 19.12%            | 19.36%            | 19.94%            | 23.18%             |
| 1996             | 392.3 - Heavy Trucks | 1,261,198   | 267,893       | -               | 267,893     | 21.24%      | 22.08%            | 22.70%            | 22.75%            | 21.86%            | 20.17%            | 19.95%            | 19.52%            | 19.71%            | 20.18%             |
| 1997             | 392.3 - Heavy Trucks | 1,499,306   | 245,574       | -               | 245,574     | 16.38%      | 18.60%            | 19.61%            | 20.86%            | 21.09%            | 20.66%            | 19.42%            | 19.25%            | 18.95%            | 19.11%             |
| 1998             | 392.3 - Heavy Trucks | 917,266     | 276,228       | -               | 276,228     | 30.11%      | 21.59%            | 21.47%            | 21.81%            | 22.26%            | 22.33%            | 21.78%            | 20.58%            | 20.42%            | 20.07%             |
| 1999             | 392.3 - Heavy Trucks | 1,891,208   | 352,268       | -               | 352,268     | 18.63%      | 22.38%            | 20.29%            | 20.51%            | 20.85%            | 21.40%            | 21.51%            | 21.16%            | 20.22%            | 20.09%             |
| 2000             | 392.3 - Heavy Trucks | 427,841     | 123,399       | -               | 123,399     | 28.84%      | 20.51%            | 23.23%            | 21.06%            | 21.10%            | 21.36%            | 21.78%            | 21.86%            | 21.49%            | 20.57%             |
| 2001             | 392.3 - Heavy Trucks | 183,813     | 101,760       | -               | 101,760     | 55.36%      | 36.81%            | 23.07%            | 24.96%            | 22.34%            | 22.12%            | 22.27%            | 22.50%            | 22.53%            | 22.09%             |
| 2002             | 392.3 - Heavy Trucks | 1,511,132   | 223,142       | -               | 223,142     | 14.77%      | 19.17%            | 21.12%            | 19.94%            | 21.84%            | 20.56%            | 20.67%            | 20.92%            | 21.34%            | 21.44%             |
| 2003             | 392.3 - Heavy Trucks | 148,316     | 20,958        | -               | 20,958      | 14.13%      | 14.71%            | 18.76%            | 20.66%            | 19.74%            | 21.61%            | 20.42%            | 20.55%            | 20.80%            | 21.23%             |
| 2004             | 392.3 - Heavy Trucks | 3,455,161   | 441,424       | -               | 441,424     | 12.78%      | 12.83%            | 13.40%            | 14.86%            | 15.90%            | 16.58%            | 18.03%            | 17.79%            | 18.17%            | 18.49%             |
| 2005             | 392.3 - Heavy Trucks | 409,337     | 85,677        | -               | 85,677      | 20.93%      | 13.64%            | 13.66%            | 13.96%            | 15.29%            | 16.24%            | 16.80%            | 18.17%            | 17.91%            | 18.27%             |
| 2006             | 392.3 - Heavy Trucks | 3,410,160   | 391,635       | -               | 391,635     | 11.48%      | 12.50%            | 12.63%            | 12.66%            | 13.02%            | 13.87%            | 14.54%            | 15.22%            | 16.32%            | 16.33%             |
| 2007             | 392.3 - Heavy Trucks | 2,036,871   | 290,551       | -               | 290,551     | 14.26%      | 12.52%            | 13.11%            | 12.99%            | 13.00%            | 13.25%            | 13.94%            | 14.49%            | 15.07%            | 16.03%             |
| 2008             | 392.3 - Heavy Trucks | 1,638,026   | 202,040       | -               | 202,040     | 12.33%      | 13.40%            | 12.48%            | 12.94%            | 12.89%            | 12.91%            | 13.13%            | 13.74%            | 14.22%            | 14.78%             |
| 2009             | 392.3 - Heavy Trucks | 453,682     | 39,642        | -               | 39,642      | 8.74%       | 11.55%            | 12.89%            | 12.25%            | 12.70%            | 12.72%            | 12.74%            | 12.98%            | 13.56%            | 14.04%             |
| 2010             | 392.3 - Heavy Trucks | 1,322,078   | 118,319       | -               | 118,319     | 8.95%       | 8.90%             | 10.55%            | 11.94%            | 11.76%            | 12.17%            | 12.33%            | 12.35%            | 12.61%            | 13.15%             |
| 2011             | 392.3 - Heavy Trucks | 208,510     | 65,705        | -               | 65,705      | 31.51%      | 12.02%            | 11.27%            | 11.75%            | 12.66%            | 12.22%            | 12.59%            | 12.64%            | 12.66%            | 12.88%             |
| 2012             | 392.3 - Heavy Trucks | 294,039     | 103,723       | -               | 103,723     | 35.28%      | 33.71%            | 15.77%            | 14.37%            | 13.52%            | 13.77%            | 12.94%            | 13.27%            | 13.14%            | 13.16%             |
| 2013             | 392.3 - Heavy Trucks | 1,249,888   | 246,655       | -               | 246,655     | 19.73%      | 22.69%            | 23.74%            | 17.38%            | 16.27%            | 15.02%            | 14.81%            | 13.74%            | 14.01%            | 13.71%             |
| 2014             | 392.3 - Heavy Trucks | 906,988     | 112,169       | -               | 112,169     | 12.37%      | 16.64%            | 18.87%            | 19.86%            | 16.24%            | 15.47%            | 14.63%            | 14.54%            | 13.63%            | 13.88%             |
| 1981             | 392.4 - Trailers     | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 392.4 - Trailers     | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 392.4 - Trailers     | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 392.4 - Trailers     | 17,658      | 4,962         | -               | 4,962       | 28.10%      | 28.10%            | 28.10%            | 28.10%            |                   |                   |                   |                   |                   |                    |
| 1985             | 392.4 - Trailers     | -           | -             | -               | -           | NA          | 28.10%            | 28.10%            | 28.10%            | 28.10%            |                   |                   |                   |                   |                    |
| 1986             | 392.4 - Trailers     | 1,398       | 1,500         | -               | 1,500       | 107.26%     | 107.26%           | 33.91%            | 33.91%            | 33.91%            | 33.91%            |                   |                   |                   |                    |
| 1987             | 392.4 - Trailers     | -           | -             | -               | -           | NA          | 107.26%           | 107.26%           | 33.91%            | 33.91%            | 33.91%            | 33.91%            |                   |                   |                    |
| 1988             | 392.4 - Trailers     | -           | -             | -               | -           | NA          | NA                | 107.26%           | 107.26%           | 33.91%            | 33.91%            | 33.91%            | 33.91%            |                   |                    |
| 1989             | 392.4 - Trailers     | 20,547      | 1,803         | -               | 1,803       | 8.77%       | 8.77%             | 8.77%             | 15.05%            | 15.05%            | 20.87%            | 20.87%            | 20.87%            | 20.87%            |                    |
| 1990             | 392.4 - Trailers     | 10,461      | 380           | -               | 380         | 3.63%       | 7.04%             | 7.04%             | 7.04%             | 11.36%            | 11.36%            | 17.27%            | 17.27%            | 17.27%            | 17.27%             |
| 1991             | 392.4 - Trailers     | 24,155      | 2,690         | -               | 2,690       | 11.14%      | 8.87%             | 8.83%             | 8.83%             | 8.83%             | 11.27%            | 11.27%            | 15.27%            | 15.27%            | 15.27%             |
| 1992             | 392.4 - Trailers     | 7,678       | 4,649         | -               | 4,649       | 60.55%      | 23.05%            | 18.25%            | 15.15%            | 15.15%            | 17.16%            | 17.16%            | 19.52%            | 19.52%            | 19.52%             |
| 1993             | 392.4 - Trailers     | 68,640      | 4,129         | -               | 4,129       | 6.02%       | 11.50%            | 11.41%            | 10.68%            | 10.38%            | 10.38%            | 10.38%            | 11.40%            | 11.40%            | 13.36%             |
| 1994             | 392.4 - Trailers     | 38,150      | 4,985         | -               | 4,985       | 13.07%      | 8.53%             | 12.02%            | 11.87%            | 11.29%            | 10.99%            | 10.99%            | 10.99%            | 11.77%            | 11.77%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                    | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|--------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1995             | 392.4 - Trailers               | 31,259      | 3,530         | -               | 3,530       | 11.29%      | 12.27%            | 9.16%             | 11.87%            | 11.76%            | 11.29%            | 11.03%            | 11.03%            | 11.03%            | 11.70%             |
| 1996             | 392.4 - Trailers               | 38,244      | 5,921         | -               | 5,921       | 15.48%      | 13.60%            | 13.41%            | 10.53%            | 12.62%            | 12.45%            | 12.02%            | 11.75%            | 11.75%            | 11.75%             |
| 1997             | 392.4 - Trailers               | 6,814       | 445           | -               | 445         | 6.53%       | 14.13%            | 12.97%            | 13.00%            | 10.38%            | 12.40%            | 12.26%            | 11.86%            | 11.60%            | 11.60%             |
| 1998             | 392.4 - Trailers               | 62,208      | 41,231        | -               | 41,231      | 66.28%      | 60.38%            | 44.37%            | 36.91%            | 31.76%            | 24.56%            | 25.65%            | 24.38%            | 23.63%            | 22.64%             |
| 1999             | 392.4 - Trailers               | 210,006     | 20,157        | -               | 20,157      | 9.60%       | 22.55%            | 22.16%            | 21.36%            | 20.45%            | 19.72%            | 17.66%            | 18.37%            | 18.01%            | 17.71%             |
| 2000             | 392.4 - Trailers               | (7,631)     | 2,688         | -               | 2,688       | -35.22%     | 11.29%            | 24.22%            | 23.77%            | 22.75%            | 21.70%            | 20.83%            | 18.56%            | 19.27%            | 18.86%             |
| 2001             | 392.4 - Trailers               | 21,392      | 5,400         | -               | 5,400       | 25.24%      | 58.78%            | 12.62%            | 24.29%            | 23.88%            | 22.91%            | 21.91%            | 21.07%            | 18.86%            | 19.54%             |
| 2002             | 392.4 - Trailers               | 6,707       | 1,375         | -               | 1,375       | 20.50%      | 24.11%            | 46.23%            | 12.85%            | 24.21%            | 23.81%            | 22.86%            | 21.88%            | 21.06%            | 18.89%             |
| 2003             | 392.4 - Trailers               | 7,067       | 886           | -               | 886         | 12.53%      | 16.41%            | 21.78%            | 37.58%            | 12.84%            | 23.93%            | 23.55%            | 22.65%            | 21.71%            | 20.91%             |
| 2004             | 392.4 - Trailers               | 121,474     | -             | -               | -           | 0.00%       | 0.69%             | 1.67%             | 4.89%             | 6.95%             | 8.50%             | 17.03%            | 16.86%            | 16.75%            | 16.41%             |
| 2005             | 392.4 - Trailers               | -           | 6,090         | -               | 6,090       | NA          | 5.01%             | 5.43%             | 6.17%             | 8.78%             | 11.03%            | 10.19%            | 18.48%            | 18.29%            | 18.06%             |
| 2006             | 392.4 - Trailers               | 68,337      | 8,436         | -               | 8,436       | 12.34%      | 21.26%            | 7.65%             | 7.83%             | 8.25%             | 9.86%             | 11.44%            | 10.54%            | 17.62%            | 17.47%             |
| 2007             | 392.4 - Trailers               | 2,585       | 4,760         | -               | 4,760       | 184.14%     | 18.61%            | 27.19%            | 10.02%            | 10.11%            | 10.45%            | 11.84%            | 13.47%            | 11.58%            | 18.50%             |
| 2008             | 392.4 - Trailers               | 51,539      | -             | -               | -           | 0.00%       | 8.79%             | 10.78%            | 15.75%            | 7.91%             | 8.04%             | 8.36%             | 9.65%             | 10.92%            | 10.34%             |
| 2009             | 392.4 - Trailers               | 41,516      | -             | -               | -           | 0.00%       | 0.00%             | 4.98%             | 8.05%             | 11.76%            | 6.76%             | 6.90%             | 7.20%             | 8.40%             | 9.47%              |
| 2010             | 392.4 - Trailers               | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 4.98%             | 8.05%             | 11.76%            | 6.76%             | 6.90%             | 7.20%             | 8.40%              |
| 2011             | 392.4 - Trailers               | 7,612       | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 4.61%             | 7.69%             | 11.24%            | 6.58%             | 6.72%             | 7.02%              |
| 2012             | 392.4 - Trailers               | 85,900      | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 2.52%             | 5.12%             | 7.49%             | 5.09%             | 5.23%              |
| 2013             | 392.4 - Trailers               | 106,311     | 8,075         | -               | 8,075       | 7.60%       | 4.20%             | 4.04%             | 4.04%             | 3.35%             | 2.76%             | 4.34%             | 5.85%             | 7.52%             | 5.64%              |
| 2014             | 392.4 - Trailers               | 6,608       | 2,280         | -               | 2,280       | 34.50%      | 9.17%             | 5.21%             | 5.02%             | 5.02%             | 4.18%             | 3.46%             | 5.00%             | 6.36%             | 8.00%              |
| 1981             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                |                   |                   |                   |                   |                   |                    |
| 1985             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                |                   |                   |                   |                   |                    |
| 1986             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                |                   |                   |                   |                    |
| 1987             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                |                   |                   |                    |
| 1988             | 396 - Power Operated Equipment | 815         | -             | -               | -           | 0.00%       | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                    |
| 1989             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |                    |
| 1990             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1991             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1992             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1993             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%              |
| 1994             | 396 - Power Operated Equipment | 19,446      | 2,500         | -               | 2,500       | 12.86%      | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.34%            | 12.34%            | 12.34%            | 12.34%             |
| 1995             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.34%            | 12.34%            | 12.34%             |
| 1996             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.34%            | 12.34%             |
| 1997             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.34%             |
| 1998             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%            | 12.86%             |
| 1999             | 396 - Power Operated Equipment | 290,788     | 92,383        | -               | 92,383      | 31.77%      | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 30.58%            | 30.58%            | 30.58%            | 30.58%            | 30.58%             |
| 2000             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 30.58%            | 30.58%            | 30.58%            | 30.58%             |
| 2001             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 30.58%            | 30.58%            | 30.58%             |
| 2002             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 30.58%            | 30.58%            | 30.58%             |
| 2003             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 30.58%            | 30.58%             |
| 2004             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | 31.77%            | 31.77%            | 31.77%            | 31.77%            | 31.77%             |
| 2005             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | 31.77%            | 31.77%            | 31.77%            | 31.77%             |
| 2006             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | 31.77%            | 31.77%            | 31.77%             |
| 2007             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | 31.77%            | 31.77%             |
| 2008             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | 31.77%             |
| 2009             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2010             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2011             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2012             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2013             | 396 - Power Operated Equipment | -           | -             | -               | -           | NA          | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                | NA                 |
| 2014             | 396 - Power Operated Equipment | 110,357     | 52,250        | -               | 52,250      | 47.35%      | 47.35%            | 47.35%            | 47.35%            | 47.35%            | 47.35%            | 47.35%            | 47.35%            | 47.35%            | 47.35%             |

**GULF POWER**  
**Retirements, Gross Salvage, and Cost of Removal Net Salvage Analysis**  
**As Adjusted December 31, 2014**

| Transaction Year | Description                    | Retirements | Gross Salvage | Cost of Removal | Net Salvage | Net Salv. % | 2- yr Net Salv. % | 3- yr Net Salv. % | 4- yr Net Salv. % | 5- yr Net Salv. % | 6- yr Net Salv. % | 7- yr Net Salv. % | 8- yr Net Salv. % | 9- yr Net Salv. % | 10- yr Net Salv. % |
|------------------|--------------------------------|-------------|---------------|-----------------|-------------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 1981             | 397 - Communications Equipment | 19,189      | 130           | 167             | (37)        | -0.19%      |                   |                   |                   |                   |                   |                   |                   |                   |                    |
| 1982             | 397 - Communications Equipment | 8,371       | -             | 83              | (83)        | -0.99%      | -0.43%            |                   |                   |                   |                   |                   |                   |                   |                    |
| 1983             | 397 - Communications Equipment | 10,058      | 25            | 2,002           | (1,977)     | -19.66%     | -11.18%           | -5.57%            |                   |                   |                   |                   |                   |                   |                    |
| 1984             | 397 - Communications Equipment | 3,638       | -             | 449             | (449)       | -12.33%     | -17.71%           | -11.37%           | -6.17%            |                   |                   |                   |                   |                   |                    |
| 1985             | 397 - Communications Equipment | 7,333       | -             | 2,567           | (2,567)     | -35.00%     | -27.49%           | -23.74%           | -17.26%           | -10.52%           |                   |                   |                   |                   |                    |
| 1986             | 397 - Communications Equipment | 49,092      | -             | 3,493           | (3,493)     | -7.11%      | -10.74%           | -10.84%           | -12.10%           | -10.92%           | -8.81%            |                   |                   |                   |                    |
| 1987             | 397 - Communications Equipment | 54,550      | -             | 3,310           | (3,310)     | -6.07%      | -6.56%            | -8.44%            | -8.57%            | -9.46%            | -8.93%            | -7.83%            |                   |                   |                    |
| 1988             | 397 - Communications Equipment | 3,640       | -             | 1,729           | (1,729)     | -47.48%     | -8.66%            | -7.95%            | -9.68%            | -9.76%            | -10.54%           | -9.95%            | -8.75%            |                   |                    |
| 1989             | 397 - Communications Equipment | 157,545     | 2,050         | 1,727           | 323         | 0.21%       | -0.87%            | -2.19%            | -3.10%            | -3.96%            | -4.07%            | -4.62%            | -4.51%            | -4.25%            |                    |
| 1990             | 397 - Communications Equipment | 383,983     | (950)         | 1,614           | (2,564)     | -0.67%      | -0.41%            | -0.73%            | -1.21%            | -1.66%            | -2.03%            | -2.09%            | -2.35%            | -2.34%            | -2.28%             |
| 1991             | 397 - Communications Equipment | 35,982      | -             | 5,504           | (5,504)     | -15.30%     | -1.92%            | -1.34%            | -1.63%            | -2.01%            | -2.38%            | -2.72%            | -2.77%            | -3.01%            | -2.99%             |
| 1992             | 397 - Communications Equipment | 7,924       | 679           | 6,693           | (6,014)     | -75.90%     | -26.23%           | -3.29%            | -2.35%            | -2.63%            | -2.92%            | -3.22%            | -3.55%            | -3.60%            | -3.82%             |
| 1993             | 397 - Communications Equipment | 53,165      | -             | (2,262)         | 2,262       | 4.25%       | -6.14%            | -9.54%            | -2.46%            | -1.80%            | -2.06%            | -2.37%            | -2.69%            | -3.00%            | -3.04%             |
| 1994             | 397 - Communications Equipment | 216,135     | 1,550         | 297             | 1,253       | 0.58%       | 1.31%             | -0.90%            | -2.56%            | -1.52%            | -1.20%            | -1.39%            | -1.67%            | -1.95%            | -2.20%             |
| 1995             | 397 - Communications Equipment | 42,306      | -             | 658             | (658)       | -1.56%      | 0.23%             | 0.92%             | -0.99%            | -2.44%            | -1.52%            | -1.22%            | -1.40%            | -1.67%            | -1.93%             |
| 1996             | 397 - Communications Equipment | 40,503      | 1,425         | 2,173           | (748)       | -1.85%      | -1.70%            | -0.05%            | 0.60%             | -1.08%            | -2.38%            | -1.54%            | -1.24%            | -1.42%            | -1.68%             |
| 1997             | 397 - Communications Equipment | 2,989,998   | 54,605        | 30,787          | 23,818      | 0.80%       | 0.76%             | 0.73%             | 0.72%             | 0.78%             | 0.59%             | 0.43%             | 0.31%             | 0.31%             | 0.27%              |
| 1998             | 397 - Communications Equipment | 301,604     | 43,837        | 294             | 43,543      | 14.44%      | 2.05%             | 2.00%             | 1.95%             | 1.87%             | 1.91%             | 1.74%             | 1.57%             | 1.36%             | 1.32%              |
| 1999             | 397 - Communications Equipment | 647,304     | (75,616)      | 854             | (76,470)    | -11.81%     | -3.47%            | -0.23%            | -0.25%            | -0.26%            | -0.22%            | -0.16%            | -0.30%            | -0.43%            | -0.45%             |
| 2000             | 397 - Communications Equipment | -           | -             | 277             | (277)       | NA          | -11.86%           | -3.50%            | -0.24%            | -0.25%            | -0.27%            | -0.23%            | -0.17%            | -0.31%            | -0.43%             |
| 2001             | 397 - Communications Equipment | 76,424      | 49,329        | 1,842           | 47,487      | 62.14%      | 61.77%            | -4.04%            | 1.39%             | 0.95%             | 0.92%             | 0.90%             | 0.88%             | 0.92%             | 0.78%              |
| 2002             | 397 - Communications Equipment | 669,896     | 22,246        | 21,817          | 429         | 0.06%       | 6.42%             | 6.38%             | -2.07%            | 0.87%             | 0.82%             | 0.80%             | 0.78%             | 0.77%             | 0.81%              |
| 2003             | 397 - Communications Equipment | 391,687     | 29,158        | 7,429           | 21,729      | 5.55%       | 2.09%             | 6.12%             | 6.10%             | -0.40%            | 1.75%             | 1.19%             | 1.16%             | 1.14%             | 1.12%              |
| 2004             | 397 - Communications Equipment | 159,969     | -             | 17,904          | (17,904)    | -11.19%     | 0.69%             | 0.35%             | 3.99%             | 3.96%             | -1.29%            | 0.82%             | 0.81%             | 0.79%             | 0.77%              |
| 2005             | 397 - Communications Equipment | 302,748     | 26,587        | 14,698          | 11,889      | 3.93%       | -1.30%            | 1.84%             | 1.06%             | 3.98%             | 3.96%             | -0.58%            | 1.19%             | 0.98%             | 0.96%              |
| 2006             | 397 - Communications Equipment | 421,147     | 67,758        | 37,428          | 30,330      | 7.20%       | 5.83%             | 2.75%             | 3.61%             | 2.39%             | 4.65%             | 4.63%             | 0.64%             | 2.05%             | 1.42%              |
| 2007             | 397 - Communications Equipment | 731,377     | 70            | 29,006          | (28,936)    | -3.96%      | 0.12%             | 0.91%             | -0.29%            | 0.85%             | 0.66%             | 2.36%             | 2.35%             | -0.34%            | 0.86%              |
| 2008             | 397 - Communications Equipment | 1,036,081   | (7,719)       | 29,941          | (37,660)    | -3.63%      | -3.77%            | -1.66%            | -0.98%            | -1.59%            | -0.68%            | -0.54%            | 0.72%             | 0.71%             | -1.11%             |
| 2009             | 397 - Communications Equipment | 1,799,225   | 8,648         | 130,704         | (122,056)   | -6.78%      | -5.63%            | -5.29%            | -3.97%            | -3.41%            | -3.69%            | -2.95%            | -2.58%            | -1.69%            | -1.70%             |
| 2010             | 397 - Communications Equipment | 125,508     | 78,681        | 62,975          | 15,706      | 12.51%      | -5.53%            | -4.86%            | -4.68%            | -3.47%            | -2.96%            | -3.25%            | -2.55%            | -2.24%            | -1.38%             |
| 2011             | 397 - Communications Equipment | 558,739     | 1,086         | 6,131           | (5,045)     | -0.90%      | 1.56%             | -4.49%            | -4.24%            | -4.19%            | -3.16%            | -2.73%            | -2.99%            | -2.39%            | -2.12%             |
| 2012             | 397 - Communications Equipment | 5,076,185   | (957)         | 24,896          | (25,853)    | -0.51%      | -0.55%            | -0.26%            | -1.82%            | -2.03%            | -2.19%            | -1.78%            | -1.61%            | -1.76%            | -1.49%             |
| 2013             | 397 - Communications Equipment | 439,786     | 592           | 17,290          | (16,697)    | -3.80%      | -0.77%            | -0.78%            | -0.51%            | -1.92%            | -2.12%            | -2.26%            | -1.87%            | -1.70%            | -1.84%             |
| 2014             | 397 - Communications Equipment | 39,379      | 13,418        | 25,626          | (12,207)    | -31.00%     | -6.03%            | -0.99%            | -0.98%            | -0.71%            | -2.07%            | -2.25%            | -2.37%            | -1.98%            | -1.81%             |

**APPENDIX F - Total Company Reserve and RL versus WL Rates**

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                           | Acct | Description                  | Plant Balance        | Book Reserve       | Theoretical Reserve | Proposed                    |                         |
|--------------------------------|------|------------------------------|----------------------|--------------------|---------------------|-----------------------------|-------------------------|
|                                |      |                              |                      |                    |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b><u>STEAM PRODUCTION</u></b> |      |                              |                      |                    |                     |                             |                         |
| <b><u>CRIST PLANT</u></b>      |      |                              |                      |                    |                     |                             |                         |
| 4                              | 312  | Boiler Plant Equipment       | \$ 34,765,256        | \$ 21,085,292      | \$ 25,835,007       | 5.2%                        | 3.5%                    |
| 4                              | 314  | Turbogenerator Equipment     | 10,894,270           | 5,520,254          | 7,873,471           | 6.7%                        | 3.9%                    |
| 4                              | 315  | Accessory Electric Equipment | 3,808,075            | 1,826,136          | 2,805,298           | 6.7%                        | 3.4%                    |
| 5                              | 312  | Boiler Plant Equipment       | 35,572,540           | 20,126,719         | 24,716,663          | 4.7%                        | 3.3%                    |
| 5                              | 314  | Turbogenerator Equipment     | 13,297,373           | 2,004,435          | 6,900,724           | 9.2%                        | 5.3%                    |
| 5                              | 315  | Accessory Electric Equipment | 4,147,091            | 2,016,301          | 2,593,326           | 5.3%                        | 3.9%                    |
| 6                              | 312  | Boiler Plant Equipment       | 265,342,980          | 35,174,223         | 80,665,533          | 5.1%                        | 4.1%                    |
| 6                              | 314  | Turbogenerator Equipment     | 47,744,495           | 13,118,901         | 19,644,133          | 4.5%                        | 3.7%                    |
| 6                              | 315  | Accessory Electric Equipment | 34,168,446           | 8,742,892          | 7,746,289           | 4.2%                        | 4.3%                    |
| 7                              | 312  | Boiler Plant Equipment       | 218,187,178          | 45,405,542         | 89,561,462          | 5.2%                        | 3.1%                    |
| 7                              | 314  | Turbogenerator Equipment     | 100,410,669          | 21,716,000         | 33,162,598          | 6.7%                        | 3.7%                    |
| 7                              | 315  | Accessory Electric Equipment | 27,095,838           | 14,105,733         | 12,313,341          | 6.7%                        | 2.7%                    |
| Common                         | 311  | Structures and Improvement   | 127,423,259          | 73,610,728         | 60,689,611          | 2.0%                        | 2.5%                    |
| Common                         | 312  | Boiler Plant Equipment       | 490,157,683          | 129,493,866        | 151,740,463         | 3.8%                        | 3.6%                    |
| Common                         | 314  | Turbogenerator Equipment     | 26,780,017           | 14,449,285         | 14,833,052          | 2.6%                        | 2.6%                    |
| Common                         | 315  | Accessory Electric Equipment | 101,348,754          | 29,330,511         | 32,007,447          | 3.5%                        | 3.3%                    |
| Common                         | 316  | Misc. Power Plant Equipment  | 10,786,966           | 2,006,363          | 2,760,932           | 4.0%                        | 3.6%                    |
| <b>Total Crist Plant</b>       |      |                              | <b>1,551,930,888</b> | <b>439,733,184</b> | <b>575,849,350</b>  | <b>4.0%</b>                 | <b>3.5%</b>             |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                      | Acct  | Description                  | Plant Balance      | Book Reserve       | Theoretical Reserve | Proposed                    |                         |
|---------------------------|-------|------------------------------|--------------------|--------------------|---------------------|-----------------------------|-------------------------|
|                           |       |                              |                    |                    |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b>DANIEL PLANT</b>       |       |                              |                    |                    |                     |                             |                         |
| Rail Cars                 | 311   | Structures and Improvements  | <b>2,828,013</b>   | <b>1,508,465</b>   | <b>1,590,770</b>    | <b>1.6%</b>                 | <b>1.5%</b>             |
| Easements                 | 310.1 | Land Rights                  | <b>77,160</b>      | <b>44,753</b>      | <b>43,854</b>       | <b>1.4%</b>                 | <b>1.4%</b>             |
| 1                         | 311   | Structures and Improvement   | 8,887,842          | 8,072,879          | 5,338,966           | 0.4%                        | 1.6%                    |
| 1                         | 312   | Boiler Plant Equipment       | 146,254,617        | 32,853,792         | 44,375,418          | 3.5%                        | 3.1%                    |
| 1                         | 314   | Turbogenerator Equipment     | 27,688,825         | 10,860,080         | 12,573,970          | 3.0%                        | 2.7%                    |
| 1                         | 315   | Accessory Electric Equipment | 13,972,309         | 8,431,568          | 7,021,824           | 1.7%                        | 2.1%                    |
| 1                         | 316   | Misc. Power Plant Equipment  | 133,722            | (3,252)            | 16,305              | 4.3%                        | 3.7%                    |
| 2                         | 311   | Structures and Improvement   | 9,337,214          | 8,581,737          | 5,074,048           | 0.3%                        | 1.6%                    |
| 2                         | 312   | Boiler Plant Equipment       | 152,274,745        | 29,842,725         | 45,587,249          | 3.2%                        | 2.8%                    |
| 2                         | 314   | Turbogenerator Equipment     | 26,717,999         | 13,212,346         | 12,936,459          | 2.3%                        | 3.2%                    |
| 2                         | 315   | Accessory Electric Equipment | 12,977,551         | 8,986,521          | 6,145,877           | 1.2%                        | 1.9%                    |
| 2                         | 316   | Misc. Power Plant Equipment  | 190,580            | 37,369             | 41,923              | 2.9%                        | 2.8%                    |
| Common                    | 311   | Structures and Improvement   | 38,605,472         | 14,868,760         | 12,168,411          | 2.1%                        | 2.4%                    |
| Common                    | 312   | Boiler Plant Equipment       | 182,680,844        | 25,298,652         | 38,194,915          | 3.4%                        | 3.1%                    |
| Common                    | 314   | Turbogenerator Equipment     | 3,483,091          | 2,486,963          | 1,998,247           | 1.4%                        | 2.0%                    |
| Common                    | 315   | Accessory Electric Equipment | 17,552,673         | 1,358,605          | 1,648,653           | 3.4%                        | 3.3%                    |
| Common                    | 316   | Misc. Power Plant Equipment  | 4,684,486          | 1,566,417          | 1,752,429           | 2.4%                        | 2.3%                    |
| <b>Total Daniel Plant</b> |       |                              | <b>645,441,969</b> | <b>166,455,162</b> | <b>194,874,693</b>  | <b>3.0%</b>                 | <b>2.9%</b>             |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                    | Acct | Description                  | Plant Balance      | Book Reserve       | Theoretical Reserve | Proposed                    |                         |
|-------------------------|------|------------------------------|--------------------|--------------------|---------------------|-----------------------------|-------------------------|
|                         |      |                              |                    |                    |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b>SCHERER PLANT</b>    |      |                              |                    |                    |                     |                             |                         |
|                         | 311  | Structures and Improvement   | 37,765,761         | 21,648,703         | 18,819,636          | 1.2%                        | 1.7%                    |
|                         | 312  | Boiler Plant Equipment       | 282,887,490        | 79,700,704         | 108,108,113         | 2.5%                        | 2.4%                    |
|                         | 314  | Turbogenerator Equipment     | 38,601,240         | 23,275,983         | 22,419,801          | 1.6%                        | 1.9%                    |
|                         | 315  | Accessory Electric Equipment | 16,036,614         | 6,121,133          | 6,920,342           | 1.9%                        | 2.0%                    |
|                         | 316  | Misc. Power Plant Equipment  | 5,908,516          | 3,485,687          | 3,128,630           | 1.3%                        | 1.7%                    |
|                         |      | <b>Total Scherer Plant</b>   | <b>381,199,620</b> | <b>134,232,210</b> | <b>159,396,522</b>  | <b>2.2%</b>                 | <b>2.2%</b>             |
| <b>SCHOLZ PLANT</b>     |      |                              |                    |                    |                     |                             |                         |
|                         | 311  | Structures and Improvement   | 4,386,828          | 4,792,336          | 3,952,184           | 0.0%                        | 0.0%                    |
|                         | 312  | Boiler Plant Equipment       | 1,033,193          | 1,415,336          | 343,388             | 0.0%                        | 0.0%                    |
|                         | 314  | Turbogenerator Equipment     | 1,377,880          | 2,082,312          | 1,264,978           | 0.0%                        | 0.0%                    |
|                         | 315  | Accessory Electric Equipment | 1,682,895          | 2,116,319          | 1,486,569           | 0.0%                        | 0.0%                    |
|                         | 316  | Misc. Power Plant Equipment  | 414,408            | 269,610            | 336,871             | 0.0%                        | 0.0%                    |
|                         |      | <b>Total Scholz Plant</b>    | <b>8,895,204</b>   | <b>10,675,914</b>  | <b>7,383,989</b>    | <b>0.0%</b>                 | <b>0.0%</b>             |
| <b>OTHER PRODUCTION</b> |      |                              |                    |                    |                     |                             |                         |
| <b>PACE PLANT</b>       |      |                              |                    |                    |                     |                             |                         |
|                         | 343  | Prime Movers                 | 7,332,158          | 5,851,056          | 6,507,581           | 10.1%                       | 5.6%                    |
|                         | 344  | Generators                   | 3,484,216          | 2,551,490          | 3,062,436           | 13.4%                       | 6.1%                    |
|                         | 345  | Accessory Electric Equipment | 679,779            | 453,186            | 591,058             | 16.7%                       | 6.5%                    |
|                         |      | <b>Total Pace Plant</b>      | <b>11,496,153</b>  | <b>8,855,731</b>   | <b>10,161,075</b>   | <b>11.5%</b>                | <b>5.8%</b>             |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                    | Acct | Description                   | Plant Balance      | Book Reserve        | Theoretical Reserve | Proposed                    |                         |
|-------------------------|------|-------------------------------|--------------------|---------------------|---------------------|-----------------------------|-------------------------|
|                         |      |                               |                    |                     |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b>PERDIDO LANDFILL</b> |      |                               |                    |                     |                     |                             |                         |
|                         | 341  | Structures and Improvements   | 2,221,640          | 280,795             | 474,078             | 7.8%                        | 7.0%                    |
|                         | 342  | Fuel Holders                  | 797,165            | 162,851             | 230,991             | 6.7%                        | 6.0%                    |
|                         | 343  | Prime Movers                  | 3,993,649          | 776,143             | 1,210,543           | 7.6%                        | 6.6%                    |
|                         | 345  | Accessory Electric Equipment  | 1,056,282          | 224,856             | 317,573             | 6.7%                        | 6.0%                    |
|                         | 346  | Misc Power Plant Equipment    | 170,350            | 184,540             | 26,286              | 0.0%                        | 7.3%                    |
|                         |      | <b>Total Perdido Landfill</b> | <b>8,239,086</b>   | <b>1,629,185</b>    | <b>2,259,471</b>    | <b>7.3%</b>                 | <b>6.6%</b>             |
| <b>SMITH CT</b>         |      |                               |                    |                     |                     |                             |                         |
|                         | 341  | Structures and Improvements   | 1,369,495          | 228,002             | 510,086             | 8.6%                        | 6.5%                    |
|                         | 342  | Fuel Holders                  | 946,035            | 20,635              | 243,113             | 9.5%                        | 7.3%                    |
|                         | 343  | Prime Movers                  | 2,608,493          | 294,983             | 1,008,112           | 9.5%                        | 6.6%                    |
|                         | 344  | Generators                    | 3,856,145          | 3,001,457           | 2,843,378           | 2.0%                        | 2.4%                    |
|                         | 345  | Accessory Electric Equipment  | 3,305,588          | 955,780             | 1,919,810           | 7.0%                        | 4.2%                    |
|                         | 346  | Misc Power Plant Equipment    | 50,915             | (10,911)            | 14,451              | 12.2%                       | 7.2%                    |
|                         |      | <b>Total Smith CT</b>         | <b>12,136,671</b>  | <b>4,489,946</b>    | <b>6,538,949</b>    | <b>6.3%</b>                 | <b>4.7%</b>             |
| <b>SMITH CC</b>         |      |                               |                    |                     |                     |                             |                         |
|                         | 341  | Structures and Improvements   | 28,036,877         | 892,173             | 510,086             | 5.0%                        | 3.7%                    |
|                         | 342  | Fuel Holders                  | 4,698,022          | (569,072)           | 243,113             | 5.1%                        | 3.9%                    |
|                         | 343  | Prime Movers                  | 158,457,670        | (49,617,562)        | 1,008,112           | 7.5%                        | 3.9%                    |
|                         | 344  | Generators                    | 84,589,044         | 22,744,248          | 2,843,378           | 2.9%                        | 2.7%                    |
|                         | 345  | Accessory Electric Equipment  | 14,007,856         | 649,704             | 1,919,810           | 4.5%                        | 3.4%                    |
|                         | 346  | Misc Power Plant Equipment    | 2,640,194          | (1,397,440)         | 14,451              | 7.4%                        | 4.6%                    |
|                         |      | <b>Total Smith CC</b>         | <b>292,429,663</b> | <b>(27,297,948)</b> | <b>6,538,949</b>    | <b>5.7%</b>                 | <b>3.5%</b>             |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                       | Acct  | Description                     | Plant Balance        | Book Reserve       | Theoretical Reserve | Proposed                    |                         |
|----------------------------|-------|---------------------------------|----------------------|--------------------|---------------------|-----------------------------|-------------------------|
|                            |       |                                 |                      |                    |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b><u>TRANSMISSION</u></b> |       |                                 |                      |                    |                     |                             |                         |
|                            | 350.1 | Easements                       | 12,654,559           | 7,310,897          | 7,270,108           | 1.5%                        | 1.5%                    |
|                            | 352   | Structures and Improvements     | 24,391,124           | 4,557,952          | 3,879,607           | 1.9%                        | 1.9%                    |
|                            | 353   | Station Equipment               | 250,073,126          | 33,409,988         | 44,761,649          | 2.9%                        | 2.8%                    |
|                            | 354   | Towers and Fixtures             | 42,290,155           | 24,879,312         | 23,268,888          | 2.1%                        | 2.3%                    |
|                            | 355   | Poles and Fixtures              | 230,339,009          | 28,946,820         | 47,321,011          | 4.6%                        | 4.4%                    |
|                            | 356   | Overhead Conductors & Devices   | 123,801,393          | 27,851,093         | 25,293,966          | 2.6%                        | 2.6%                    |
|                            | 358   | Underground Conductors          | 14,402,363           | 8,392,435          | 7,442,406           | 1.7%                        | 2.0%                    |
|                            | 359   | Roads and Trails                | 235,918              | 51,951             | 55,781              | 1.9%                        | 1.8%                    |
|                            |       | <b>Total Transmission Plant</b> | <b>698,187,647</b>   | <b>135,400,449</b> | <b>159,293,417</b>  | <b>3.3%</b>                 | <b>3.2%</b>             |
| <b><u>DISTRIBUTION</u></b> |       |                                 |                      |                    |                     |                             |                         |
|                            | 360.1 | Easements                       | 204,176              | 38,383             | 38,979              | 1.8%                        | 1.8%                    |
|                            | 361   | Structures and Improvements     | 26,412,569           | 8,307,855          | 7,179,948           | 2.0%                        | 2.1%                    |
|                            | 362   | Station Equipment               | 213,071,996          | 48,190,373         | 61,464,238          | 3.1%                        | 2.9%                    |
|                            | 364   | Poles, Towers, and Fixtures     | 140,464,604          | 79,425,237         | 67,451,759          | 4.9%                        | 5.3%                    |
|                            | 365   | Overhead Conductors & Devices   | 153,061,774          | 52,068,507         | 63,664,644          | 3.6%                        | 3.3%                    |
|                            | 366   | Underground Conduit             | 1,159,696            | 802,585            | 686,392             | 1.1%                        | 1.5%                    |
|                            | 367   | Underground Conductors          | 158,145,619          | 63,904,565         | 46,476,590          | 2.4%                        | 2.8%                    |
|                            | 368   | Line Transformers               | 282,436,706          | 104,889,760        | 83,899,805          | 3.4%                        | 3.7%                    |
|                            | 369.1 | Overhead Services               | 61,968,191           | 38,141,620         | 32,389,783          | 3.9%                        | 4.2%                    |
|                            | 369.2 | Underground Services            | 57,120,322           | 20,106,639         | 18,472,024          | 2.6%                        | 2.7%                    |
|                            | 370   | Meters                          | 36,567,578           | (288,419)          | 9,339,691           | 7.9%                        | 5.6%                    |
|                            | 370   | Meters - AMI Equipment          | 41,794,941           | 18,329,633         | 8,864,118           | 4.8%                        | 6.7%                    |
|                            | 373   | Street Lighting                 | 75,546,351           | 41,162,451         | 28,184,724          | 4.1%                        | 5.2%                    |
|                            |       | <b>Total Distribution Plant</b> | <b>1,247,954,522</b> | <b>475,079,189</b> | <b>428,112,693</b>  | <b>3.6%</b>                 | <b>3.8%</b>             |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit | Acct | Description | Plant Balance | Book Reserve | Theoretical Reserve | Proposed                    |                         |
|------|------|-------------|---------------|--------------|---------------------|-----------------------------|-------------------------|
|      |      |             |               |              |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |

**GULF POWER**  
**Comparison of Book vs Theoretical Reserve and Accrual Rate RL vs WL**  
**Total Company Summary**  
**As of December 31, 2016**

| Unit                        | Acct | Description                     | Plant Balance      | Book Reserve      | Theoretical Reserve | Proposed                    |                         |
|-----------------------------|------|---------------------------------|--------------------|-------------------|---------------------|-----------------------------|-------------------------|
|                             |      |                                 |                    |                   |                     | Remaining Life Accrual Rate | Whole Life Accrual Rate |
| <b><u>GENERAL PLANT</u></b> |      |                                 |                    |                   |                     |                             |                         |
|                             |      | 390 Structures and Improvements | 84,247,313         | 31,641,511        | 28,098,547          | 2.2%                        | 2.3%                    |
|                             |      | 396 Power Operated Equipment    | 931,916            | 671,383           | 532,879             | 1.7%                        | 5.0%                    |
|                             |      | 397 Communications Equipment    | 24,528,470         | 9,823,909         | 8,266,595           | 5.7%                        | 6.3%                    |
|                             |      | <b>Total General Plant</b>      | <b>109,707,699</b> | <b>42,136,803</b> | <b>36,898,021</b>   | <b>3.0%</b>                 | <b>3.2%</b>             |
| <b>Transportation</b>       |      |                                 |                    |                   |                     |                             |                         |
|                             |      | 392.1 Automobiles               | 29,848             | 16,553            | 12,359              | 8.2%                        | 12.1%                   |
|                             |      | 392.2 Light Trucks              | 7,519,254          | 4,220,267         | 5,826,541           | 17.6%                       | 7.9%                    |
|                             |      | 392.3 Heavy Trucks              | 24,527,733         | 13,863,301        | 15,745,694          | 9.0%                        | 6.5%                    |
|                             |      | 392.4 Trailers                  | 1,320,796          | 709,817           | 648,487             | 3.7%                        | 4.2%                    |
|                             |      | <b>Total Transportation</b>     | <b>33,397,631</b>  | <b>18,809,939</b> | <b>22,233,081</b>   | <b>10.7%</b>                | <b>6.8%</b>             |

**APPENDIX G - Summary of Plant-in-Service and Accumulated Depreciation**

**APPENDIX G-1 - Summary of Plant-in-Service 2009 – 2016**

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
BUDGET: DECEMBER, 2016

|                                | Balance<br>First of Year | Additions         | Retirements          | Adjustments    | Transfers | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|----------------------|----------------|-----------|------------------------|
| <b>INTANGIBLE:</b>             |                          |                   |                      |                |           |                        |
| Organization                   | 301 7,417                | 0                 | 0                    | 0              | 0         | 7,417                  |
| Franchises and Consents        | 302 594                  | 0                 | 0                    | 0              | 0         | 594                    |
| Intangible Software            | 303 17,447,793           | 247,324           | 0                    | 0              | 0         | 17,695,117             |
| <b>TOTAL INTANGIBLE:</b>       | <b>17,455,804</b>        | <b>247,324</b>    | <b>0</b>             | <b>0</b>       | <b>0</b>  | <b>17,703,128</b>      |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                      |                |           |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                      |                |           |                        |
| Plant                          | 633,085,698              | 12,381,097        | (24,826)             | 0              | 0         | 645,441,969            |
| Land                           | 4,135,018                | 0                 | 0                    | 0              | 0         | 4,135,018              |
| Easements                      | 77,160                   | 0                 | 0                    | 0              | 0         | 77,160                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                    | 0              | 0         | 8,954,192              |
| Rail Track System              | 2,741,618                | 86,568            | (174)                | 0              | 0         | 2,828,012              |
| Asset Retirement Obligation    | 11,814,603               | 0                 | 0                    | 0              | 0         | 11,814,603             |
| <b>TOTAL DANIEL PLANT:</b>     | <b>660,808,289</b>       | <b>12,467,665</b> | <b>(25,000)</b>      | <b>0</b>       | <b>0</b>  | <b>673,250,954</b>     |
| <b>CRIST PLANT:</b>            |                          |                   |                      |                |           |                        |
| Plant                          | 1,523,827,701            | 34,934,635        | (6,831,448)          | 0              | 0         | 1,551,930,888          |
| Land                           | 6,023,266                | 0                 | 0                    | 0              | 0         | 6,023,266              |
| Easements                      | 0                        | 0                 | 0                    | 0              | 0         | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                    | 0              | 0         | 141,840                |
| - 5 Year                       | 65,066                   | 2,130             | 0                    | 0              | 0         | 67,196                 |
| - 7 Year                       | 6,470,232                | 34,369            | (930,621)            | 0              | 0         | 5,573,980              |
| Asset Retirement Obligation    | 17,563,182               | 0                 | 0                    | 0              | 0         | 17,563,182             |
| <b>TOTAL CRIST PLANT:</b>      | <b>1,554,091,287</b>     | <b>34,971,134</b> | <b>(7,762,069)</b>   | <b>0</b>       | <b>0</b>  | <b>1,581,300,352</b>   |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                      |                |           |                        |
| Plant                          | 8,895,204                | 0                 | 0                    | 0              | 0         | 8,895,204              |
| Land                           | 44,579                   | 0                 | 0                    | 0              | 0         | 44,579                 |
| Base Coal, 5 Year              | 0                        | 0                 | 0                    | 0              | 0         | 0                      |
| - 5 Year                       | 8,730                    | 0                 | 0                    | (8,730)        | 0         | 0                      |
| - 7 Year                       | 52,650                   | 0                 | 0                    | 0              | 0         | 52,650                 |
| Asset Retirement Obligation    | 263,712                  | 0                 | 0                    | 0              | 0         | 263,712                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>9,264,875</b>         | <b>0</b>          | <b>0</b>             | <b>(8,730)</b> | <b>0</b>  | <b>9,256,145</b>       |
| <b>SMITH PLANT:</b>            |                          |                   |                      |                |           |                        |
| Plant                          | 176,578,873              | 5,525,000         | (129,248,590)        | 0              | 0         | 52,855,283             |
| Land                           | 2,074,892                | 0                 | 0                    | 0              | 0         | 2,074,892              |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                    | 0              | 0         | 108,300                |
| - 5 Year                       | 24,236                   | 0                 | (21,994)             | 0              | 0         | 2,242                  |
| - 7 Year                       | 907,174                  | 0                 | 0                    | 0              | 0         | 907,174                |
| Asset Retirement Obligation    | 49,204,262               | 0                 | 0                    | 0              | 0         | 49,204,262             |
| <b>TOTAL SMITH PLANT:</b>      | <b>228,897,737</b>       | <b>5,525,000</b>  | <b>(129,270,584)</b> | <b>0</b>       | <b>0</b>  | <b>105,152,153</b>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                      |                |           |                        |
| Plant                          | 379,410,405              | 2,158,323         | (369,108)            | 0              | 0         | 381,199,620            |
| Land                           | 909,045                  | 0                 | 0                    | 0              | 0         | 909,045                |
| - 7 Year                       | 205,735                  | 0                 | (13,716)             | 0              | 0         | 192,019                |
| Asset Retirement Obligation    | 7,152,626                | 0                 | 0                    | 0              | 0         | 7,152,626              |
| <b>TOTAL SCHERER PLANT:</b>    | <b>387,677,811</b>       | <b>2,158,323</b>  | <b>(382,824)</b>     | <b>0</b>       | <b>0</b>  | <b>389,453,310</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>2,840,739,999</b>     | <b>55,122,122</b> | <b>(137,440,477)</b> | <b>(8,730)</b> | <b>0</b>  | <b>2,758,412,914</b>   |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
BUDGET: DECEMBER, 2016

|   |       | Balance<br>End of Year | Additions          | Retirements          | Adjustments    | Transfers | Balance<br>End of Year |
|---|-------|------------------------|--------------------|----------------------|----------------|-----------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                    |                      |                |           |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                        |                    |                      |                |           |                        |
| Land - Non-Depreciable                          | 340   | 337,696                | 0                  | 0                    | 0              | 0         | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>         | <b>0</b>           | <b>0</b>             | <b>0</b>       | <b>0</b>  | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                        |                    |                      |                |           |                        |
| Structures and Improvements                     | 341   | 1,310,239              | 121,050            | (61,794)             | 0              | 0         | 1,369,495              |
| Fuel Holders and Accessories                    | 342   | 697,862                | 506,973            | (258,801)            | 0              | 0         | 946,034                |
| Prime Movers                                    | 343   | 2,601,866              | 13,540             | (6,912)              | 0              | 0         | 2,608,494              |
| Generators                                      | 344   | 3,438,921              | 852,318            | (435,094)            | 0              | 0         | 3,856,145              |
| Accessory Electric Equipment                    | 345   | 3,284,902              | 42,259             | (21,573)             | 0              | 0         | 3,305,588              |
| Miscellaneous Equipment                         | 346   | 43,147                 | 15,868             | (8,101)              | 0              | 0         | 50,914                 |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>11,376,937</b>      | <b>1,552,008</b>   | <b>(792,275)</b>     | <b>0</b>       | <b>0</b>  | <b>12,136,670</b>      |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                    |                      |                |           |                        |
| Structures and Improvements                     | 341   | 15,746,741             | 1,850,335          | (944,565)            | 0              | 0         | 16,652,511             |
| Fuel Holders and Accessories                    | 342   | 3,257,398              | 2,942,951          | (1,502,327)          | 0              | 0         | 4,698,022              |
| Prime Movers                                    | 343   | 120,116,905            | 18,593,984         | (9,491,915)          | 0              | 0         | 129,218,974            |
| Generators                                      | 344   | 67,727,642             | 16,612,877         | (8,480,593)          | 0              | 0         | 75,859,926             |
| Accessory Electric Equipment                    | 345   | 9,200,370              | 3,705,034          | (1,891,357)          | 0              | 0         | 11,014,047             |
| Miscellaneous Equipment                         | 346   | 1,173,640              | 1,955,516          | (998,258)            | 0              | 0         | 2,130,898              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>217,222,696</b>     | <b>45,660,697</b>  | <b>(23,309,015)</b>  | <b>0</b>       | <b>0</b>  | <b>239,574,378</b>     |
| <b>PACE PLANT:</b>                              |       |                        |                    |                      |                |           |                        |
| Prime Movers                                    | 343   | 6,790,595              | 1,106,321          | (564,758)            | 0              | 0         | 7,332,158              |
| Generators                                      | 344   | 3,107,233              | 770,111            | (393,129)            | 0              | 0         | 3,484,215              |
| Accessory Electric Equipment                    | 345   | 584,090                | 195,476            | (99,787)             | 0              | 0         | 679,779                |
| Asset Retirement Obligation                     | 347   | 397,194                | 0                  | 0                    | 0              | 0         | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>      | <b>2,071,908</b>   | <b>(1,057,674)</b>   | <b>0</b>       | <b>0</b>  | <b>11,893,346</b>      |
| <b>PERDIDO PLANT:</b>                           |       |                        |                    |                      |                |           |                        |
| Structures and Improvements                     | 341   | 942,440                | 1,279,200          | 0                    | 0              | 0         | 2,221,640              |
| Fuel Holders and Accessories                    | 342   | 578,765                | 218,400            | 0                    | 0              | 0         | 797,165                |
| Prime Movers                                    | 343   | 2,745,649              | 1,248,000          | 0                    | 0              | 0         | 3,993,649              |
| Accessory Electric Equipment                    | 345   | 806,682                | 249,600            | 0                    | 0              | 0         | 1,056,282              |
| Miscellaneous Equipment                         | 346   | 45,550                 | 124,800            | 0                    | 0              | 0         | 170,350                |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>5,119,086</b>       | <b>3,120,000</b>   | <b>0</b>             | <b>0</b>       | <b>0</b>  | <b>8,239,086</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>244,935,527</b>     | <b>52,404,613</b>  | <b>(25,158,964)</b>  | <b>0</b>       | <b>0</b>  | <b>272,181,176</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>3,085,675,526</b>   | <b>107,526,735</b> | <b>(162,599,441)</b> | <b>(8,730)</b> | <b>0</b>  | <b>3,030,594,090</b>   |
| <b>TRANSMISSION:</b>                            |       |                        |                    |                      |                |           |                        |
| Land  | 350.0 | 8,652,641              | 1,772              | 0                    | 0              | 0         | 8,654,413              |
| Easements                                       | 350.2 | 12,654,558             | 0                  | 0                    | 0              | 0         | 12,654,558             |
| Structures and Improvements                     | 352   | 24,391,123             | 0                  | 0                    | 0              | 0         | 24,391,123             |
| Station Equipment                               | 353   | 244,031,227            | 8,115,772          | (2,073,873)          | 0              | 0         | 250,073,126            |
| Towers and Fixtures                             | 354   | 42,290,154             | 0                  | 0                    | 0              | 0         | 42,290,154             |
| Poles and Fixtures                              | 355   | 223,603,160            | 6,735,849          | 0                    | 0              | 0         | 230,339,009            |
| Overhead Conductors & Devices                   | 356   | 122,823,628            | 977,765            | 0                    | 0              | 0         | 123,801,393            |
| Underground Conductors & Devices                | 358   | 14,402,363             | 0                  | 0                    | 0              | 0         | 14,402,363             |
| Roads and Trails                                | 359   | 235,918                | 0                  | 0                    | 0              | 0         | 235,918                |
| Asset Retirement Obligation                     | 359.1 | 7,232                  | 0                  | 0                    | 0              | 0         | 7,232                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>693,092,004</b>     | <b>15,831,158</b>  | <b>(2,073,873)</b>   | <b>0</b>       | <b>0</b>  | <b>706,849,289</b>     |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
BUDGET: DECEMBER, 2016

|   |       | Balance<br>End of Year | Additions          | Retirements          | Adjustments    | Transfers | Balance<br>End of Year |
|---|-------|------------------------|--------------------|----------------------|----------------|-----------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                        |                    |                      |                |           |                        |
| Land                                    | 360.0 | 2,932,977              | 0                  | 0                    | 0              | 0         | 2,932,977              |
| Land Rights                             | 360.1 | 204,176                | 0                  | 0                    | 0              | 0         | 204,176                |
| Structures and Improvements             | 361   | 26,412,571             | 0                  | 0                    | 0              | 0         | 26,412,571             |
| Station Equipment                       | 362   | 206,538,967            | 6,543,029          | (10,000)             | 0              | 0         | 213,071,996            |
| Poles, Towers & Fixtures                | 364   | 136,074,763            | 5,149,741          | (759,900)            | 0              | 0         | 140,464,604            |
| Overhead Conductors & Devices           | 365   | 144,748,037            | 9,856,187          | (1,542,450)          | 0              | 0         | 153,061,774            |
| Underground Conduit                     | 366   | 1,159,696              | 0                  | 0                    | 0              | 0         | 1,159,696              |
| Underground Conductors & Devices        | 367   | 152,475,206            | 6,473,863          | (803,450)            | 0              | 0         | 158,145,619            |
| Line Transformers                       | 368   | 266,882,868            | 18,791,738         | (3,237,900)          | 0              | 0         | 282,436,706            |
| Services:                               |       |                        |                    |                      |                |           |                        |
| - Overhead                              | 369.1 | 60,280,990             | 1,747,201          | (60,000)             | 0              | 0         | 61,968,191             |
| - Underground                           | 369.2 | 53,496,441             | 3,753,881          | (130,000)            | 0              | 0         | 57,120,322             |
| Meters                                  | 370   | 33,464,587             | 3,302,991          | (200,000)            | 0              | 0         | 36,567,578             |
| Meters - AMI Equipment                  | 370   | 41,794,941             | 0                  | 0                    | 0              | 0         | 41,794,941             |
| Meters - FPSC Segregated                | 370   | 0                      | 0                  | 0                    | 0              | 0         | 0                      |
| Meters - Non FPSC Segregated            | 370   | 502,150                | 0                  | 0                    | 0              | 0         | 502,150                |
| Street Lighting & Signal Systems        | 373   | 68,072,486             | 8,479,165          | (1,005,300)          | 0              | 0         | 75,546,351             |
| Asset Retirement Obligation             | 374   | 41,613                 | 0                  | 0                    | 0              | 0         | 41,613                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>1,195,082,469</u>   | <u>64,097,796</u>  | <u>(7,749,000)</u>   | <u>0</u>       | <u>0</u>  | <u>1,251,431,265</u>   |
| <b>GENERAL PLANT:</b>                   |       |                        |                    |                      |                |           |                        |
| Land                                    | 389.0 | 7,600,960              | 4,000,000          | 0                    | 0              | 0         | 11,600,960             |
| Structures and Improvements             | 390   | 79,970,460             | 4,517,074          | (240,221)            | 0              | 0         | 84,247,313             |
| Office Furniture & Equipment            |       |                        |                    |                      |                |           |                        |
| - Computer, 5 Year                      | 391   | 3,926,141              | 144,480            | (192,270)            | 0              | 0         | 3,878,351              |
| - Non-Computer, 7 Year                  | 391   | 3,193,089              | 524,840            | 0                    | 0              | 0         | 3,717,929              |
| Transportation Equipment                |       |                        |                    |                      |                |           |                        |
| - Automobiles                           | 392.1 | 29,848                 | 0                  | 0                    | 0              | 0         | 29,848                 |
| - Light Trucks                          | 392.2 | 7,259,541              | 851,724            | (592,011)            | 0              | 0         | 7,519,254              |
| - Heavy Trucks                          | 392.3 | 23,820,392             | 2,319,717          | (1,612,376)          | 0              | 0         | 24,527,733             |
| - Trailers                              | 392.4 | 1,278,851              | 137,558            | (95,613)             | 0              | 0         | 1,320,796              |
| - Marine, 5 Year                        | 392   | 28,475                 | 0                  | 0                    | 0              | 0         | 28,475                 |
| Stores Equipment - 7 Year               | 393   | 1,465,691              | 166,934            | (190,336)            | 0              | 0         | 1,442,289              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 3,644,841              | 485,305            | 0                    | 0              | 0         | 4,130,146              |
| Laboratory Equipment - 7 Year           | 395   | 2,496,408              | 1,069,217          | 0                    | 0              | 0         | 3,565,625              |
| Power Operated Equipment                | 396   | 931,916                | 0                  | 0                    | 0              | 0         | 931,916                |
| Communication Equipment                 |       |                        |                    |                      |                |           |                        |
| - Other                                 | 397   | 20,424,471             | 4,128,999          | (25,000)             | 0              | 0         | 24,528,470             |
| - 7 Year                                | 397   | 5,624,182              | 0                  | 0                    | 0              | 0         | 5,624,182              |
| Miscellaneous Equipment - 7 year        | 398   | 3,128,275              | 548,156            | 0                    | 0              | 0         | 3,676,431              |
| Asset Retirement Obligation             | 399.1 | 195,426                | 0                  | 0                    | 0              | 0         | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>165,018,967</u>     | <u>18,894,004</u>  | <u>(2,947,827)</u>   | <u>0</u>       | <u>0</u>  | <u>180,965,144</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>5,156,324,770</u>   | <u>206,597,017</u> | <u>(175,370,141)</u> | <u>(8,730)</u> | <u>0</u>  | <u>5,187,542,916</u>   |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2015

|                                |     | Balance<br>First of Year | Additions          | Retirements         | Adjustments     | Transfers | Balance<br>End of Year |
|--------------------------------|-----|--------------------------|--------------------|---------------------|-----------------|-----------|------------------------|
| <b>INTANGIBLE:</b>             |     |                          |                    |                     |                 |           |                        |
| Organization                   | 301 | 7,417                    | 0                  | 0                   | 0               | 0         | 7,417                  |
| Franchises and Consents        | 302 | 594                      | 0                  | 0                   | 0               | 0         | 594                    |
| Intangible Software            | 303 | 17,334,783               | 113,010            | 0                   | 0               | 0         | 17,447,793             |
| <b>TOTAL INTANGIBLE:</b>       |     | <b>17,342,794</b>        | <b>113,010</b>     | <b>0</b>            | <b>0</b>        | <b>0</b>  | <b>17,455,804</b>      |
| <b>STEAM PRODUCTION:</b>       |     |                          |                    |                     |                 |           |                        |
| <b>DANIEL PLANT:</b>           |     |                          |                    |                     |                 |           |                        |
| Plant                          |     | 261,270,272              | 373,965,500        | (2,170,699)         | 0               | 20,625    | 633,085,698            |
| Land                           |     | 4,174,393                | 0                  | 0                   | (18,750)        | (20,625)  | 4,135,018              |
| Easements                      |     | 77,160                   | 0                  | 0                   | 0               | 0         | 77,160                 |
| Cooling Lake, 23 Year          |     | 8,954,192                | 0                  | 0                   | 0               | 0         | 8,954,192              |
| Rail Track System              |     | 2,741,618                | 0                  | 0                   | 0               | 0         | 2,741,618              |
| Asset Retirement Obligation    |     | 306,163                  | 11,508,440         | 0                   | 0               | 0         | 11,814,603             |
| <b>TOTAL DANIEL PLANT:</b>     |     | <b>277,523,798</b>       | <b>385,473,940</b> | <b>(2,170,699)</b>  | <b>(18,750)</b> | <b>0</b>  | <b>660,808,289</b>     |
| <b>CRIST PLANT:</b>            |     |                          |                    |                     |                 |           |                        |
| Plant                          |     | 1,499,464,171            | 31,585,988         | (7,222,458)         | 0               | 0         | 1,523,827,701          |
| Land                           |     | 6,023,266                | 0                  | 0                   | 0               | 0         | 6,023,266              |
| Easements                      |     | 0                        | 0                  | 0                   | 0               | 0         | 0                      |
| Base Coal, 5 Year              |     | 141,840                  | 0                  | 0                   | 0               | 0         | 141,840                |
| - 5 Year                       |     | 122,346                  | 0                  | (57,280)            | 0               | 0         | 65,066                 |
| - 7 Year                       |     | 5,257,975                | 1,212,257          | 0                   | 0               | 0         | 6,470,232              |
| Asset Retirement Obligation    |     | 1,445,503                | 16,117,679         | 0                   | 0               | 0         | 17,563,182             |
| <b>TOTAL CRIST PLANT:</b>      |     | <b>1,512,455,101</b>     | <b>48,915,924</b>  | <b>(7,279,738)</b>  | <b>0</b>        | <b>0</b>  | <b>1,554,091,287</b>   |
| <b>SCHOLZ PLANT:</b>           |     |                          |                    |                     |                 |           |                        |
| Plant                          |     | 30,829,699               | 7,101              | (21,941,596)        | 0               | 0         | 8,895,204              |
| Land                           |     | 44,579                   | 0                  | 0                   | 0               | 0         | 44,579                 |
| Base Coal, 5 Year              |     | 71,300                   | 0                  | (71,300)            | 0               | 0         | 0                      |
| - 5 Year                       |     | 8,730                    | 0                  | 0                   | 0               | 0         | 8,730                  |
| - 7 Year                       |     | 105,303                  | 0                  | (52,653)            | 0               | 0         | 52,650                 |
| Asset Retirement Obligation    |     | 263,712                  | 0                  | 0                   | 0               | 0         | 263,712                |
| <b>TOTAL SCHOLZ PLANT:</b>     |     | <b>31,323,323</b>        | <b>7,101</b>       | <b>(22,065,549)</b> | <b>0</b>        | <b>0</b>  | <b>9,264,875</b>       |
| <b>SMITH PLANT:</b>            |     |                          |                    |                     |                 |           |                        |
| Plant                          |     | 176,520,811              | 127,027            | (68,965)            | 0               | 0         | 176,578,873            |
| Land                           |     | 1,363,924                | 0                  | 0                   | 710,968         | 0         | 2,074,892              |
| Base Coal, 5 Year              |     | 108,300                  | 0                  | 0                   | 0               | 0         | 108,300                |
| - 5 Year                       |     | 24,236                   | 0                  | 0                   | 0               | 0         | 24,236                 |
| - 7 Year                       |     | 1,121,748                | 85,918             | (300,492)           | 0               | 0         | 907,174                |
| Asset Retirement Obligation    |     | 471,938                  | 48,865,056         | (132,732)           | 0               | 0         | 49,204,262             |
| <b>TOTAL SMITH PLANT:</b>      |     | <b>179,610,957</b>       | <b>49,078,001</b>  | <b>(502,189)</b>    | <b>710,968</b>  | <b>0</b>  | <b>228,897,737</b>     |
| <b>SCHERER PLANT:</b>          |     |                          |                    |                     |                 |           |                        |
| Plant                          |     | 373,377,966              | 7,773,154          | (1,740,715)         | 0               | 0         | 379,410,405            |
| Land                           |     | 912,457                  | 0                  | 0                   | (3,412)         | 0         | 909,045                |
| - 7 Year                       |     | 221,761                  | (3,697)            | (12,329)            | 0               | 0         | 205,735                |
| Asset Retirement Obligation    |     | 5,237,406                | 1,915,596          | (376)               | 0               | 0         | 7,152,626              |
| <b>TOTAL SCHERER PLANT:</b>    |     | <b>379,749,590</b>       | <b>9,685,053</b>   | <b>(1,753,420)</b>  | <b>(3,412)</b>  | <b>0</b>  | <b>387,677,811</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> |     | <b>2,380,662,769</b>     | <b>493,160,019</b> | <b>(33,771,595)</b> | <b>688,806</b>  | <b>0</b>  | <b>2,840,739,999</b>   |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2015

|   |       | Balance<br>End of Year | Additions          | Retirements         | Adjustments    | Transfers        | Balance<br>End of Year |
|---|-------|------------------------|--------------------|---------------------|----------------|------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                    |                     |                |                  |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                        |                    |                     |                |                  |                        |
| Land - Non-Depreciable                          | 340   | <u>337,696</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>337,696</u>         |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <u>337,696</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>337,696</u>         |
| <b>SMITH PLANT CT:</b>                          |       |                        |                    |                     |                |                  |                        |
| Structures and Improvements                     | 341   | 1,310,239              | 0                  | 0                   | 0              | 0                | 1,310,239              |
| Fuel Holders and Accessories                    | 342   | 697,862                | 0                  | 0                   | 0              | 0                | 697,862                |
| Prime Movers                                    | 343   | 2,579,358              | 22,508             | 0                   | 0              | 0                | 2,601,866              |
| Generators                                      | 344   | 3,438,921              | 0                  | 0                   | 0              | 0                | 3,438,921              |
| Accessory Electric Equipment                    | 345   | 3,302,405              | 21,387             | (38,890)            | 0              | 0                | 3,284,902              |
| Miscellaneous Equipment                         | 346   | <u>43,147</u>          | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>43,147</u>          |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <u>11,371,932</u>      | <u>43,895</u>      | <u>(38,890)</u>     | <u>0</u>       | <u>0</u>         | <u>11,376,937</u>      |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                    |                     |                |                  |                        |
| Structures and Improvements                     | 341   | 13,996,126             | 1,750,615          | 0                   | 0              | 0                | 15,746,741             |
| Fuel Holders and Accessories                    | 342   | 3,228,076              | 76,222             | (46,900)            | 0              | 0                | 3,257,398              |
| Prime Movers                                    | 343   | 119,363,404            | 1,010,693          | (257,192)           | 0              | 0                | 120,116,905            |
| Generators                                      | 344   | 67,392,749             | 372,264            | (37,371)            | 0              | 0                | 67,727,642             |
| Accessory Electric Equipment                    | 345   | 9,074,732              | 238,015            | (112,377)           | 0              | 0                | 9,200,370              |
| Miscellaneous Equipment                         | 346   | <u>1,169,828</u>       | <u>3,812</u>       | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>1,173,640</u>       |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <u>214,224,915</u>     | <u>3,451,621</u>   | <u>(453,840)</u>    | <u>0</u>       | <u>0</u>         | <u>217,222,696</u>     |
| <b>PACE PLANT:</b>                              |       |                        |                    |                     |                |                  |                        |
| Prime Movers                                    | 343   | 6,790,595              | 0                  | 0                   | 0              | 0                | 6,790,595              |
| Generators                                      | 344   | 3,107,233              | 0                  | 0                   | 0              | 0                | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                | 0                  | 0                   | 0              | 0                | 584,090                |
| Asset Retirement Obligation                     | 347   | <u>397,194</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>397,194</u>         |
| <b>TOTAL PACE PLANT:</b>                        |       | <u>10,879,112</u>      | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>10,879,112</u>      |
| <b>PERDIDO PLANT:</b>                           |       |                        |                    |                     |                |                  |                        |
| Structures and Improvements                     | 341   | 942,440                | 0                  | 0                   | 0              | 0                | 942,440                |
| Fuel Holders and Accessories                    | 342   | 578,765                | 0                  | 0                   | 0              | 0                | 578,765                |
| Prime Movers                                    | 343   | 2,745,649              | 0                  | 0                   | 0              | 0                | 2,745,649              |
| Accessory Electric Equipment                    | 345   | 806,682                | 0                  | 0                   | 0              | 0                | 806,682                |
| Miscellaneous Equipment                         | 346   | <u>45,550</u>          | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>45,550</u>          |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <u>5,119,086</u>       | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>5,119,086</u>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <u>241,932,741</u>     | <u>3,495,516</u>   | <u>(492,730)</u>    | <u>0</u>       | <u>0</u>         | <u>244,935,527</u>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <u>2,622,595,510</u>   | <u>496,655,535</u> | <u>(34,264,325)</u> | <u>688,806</u> | <u>0</u>         | <u>3,085,675,526</u>   |
| <b>TRANSMISSION:</b>                            |       |                        |                    |                     |                |                  |                        |
| Land  | 350.0 | 7,385,618              | 144,537            | 0                   | 0              | 1,122,486        | 8,652,641              |
| Easements                                       | 350.2 | 12,666,130             | 29,708             | 0                   | 0              | (41,280)         | 12,654,558             |
| Structures and Improvements                     | 352   | 15,947,037             | 7,929,495          | (86,215)            | 0              | 600,806          | 24,391,123             |
| Station Equipment                               | 353   | 181,683,482            | 64,028,412         | (3,258,957)         | 0              | 1,578,290        | 244,031,227            |
| Towers and Fixtures                             | 354   | 43,842,364             | 676,230            | (2,228,440)         | 0              | 0                | 42,290,154             |
| Poles and Fixtures                              | 355   | 141,909,396            | 83,602,864         | (1,909,100)         | 0              | 0                | 223,603,160            |
| Overhead Conductors & Devices                   | 356   | 97,387,869             | 28,366,312         | (2,930,553)         | 0              | 0                | 122,823,628            |
| Underground Conductors & Devices                | 358   | 14,589,628             | (168,097)          | (19,168)            | 0              | 0                | 14,402,363             |
| Roads and Trails                                | 359   | 235,918                | 0                  | 0                   | 0              | 0                | 235,918                |
| Asset Retirement Obligation                     | 359.1 | <u>7,232</u>           | <u>0</u>           | <u>0</u>            | <u>0</u>       | <u>0</u>         | <u>7,232</u>           |
| <b>TOTAL TRANSMISSION:</b>                      |       | <u>515,654,674</u>     | <u>184,609,461</u> | <u>(10,432,433)</u> | <u>0</u>       | <u>3,260,302</u> | <u>693,092,004</u>     |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2015

|   |       | Balance<br>End of Year | Additions          | Retirements         | Adjustments    | Transfers          | Balance<br>End of Year |
|---|-------|------------------------|--------------------|---------------------|----------------|--------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                        |                    |                     |                |                    |                        |
| Land                                    | 360.0 | 3,928,296              | (5,140)            | 0                   | (1,550)        | (988,629)          | 2,932,977              |
| Land Rights                             | 360.1 | 204,176                | 0                  | 0                   | 0              | 0                  | 204,176                |
| Structures and Improvements             | 361   | 25,899,675             | 1,262,962          | (149,260)           | 0              | (600,806)          | 26,412,571             |
| Station Equipment                       | 362   | 203,830,057            | 7,823,321          | (3,494,225)         | 0              | (1,620,186)        | 206,538,967            |
| Poles, Towers & Fixtures                | 364   | 132,684,129            | 4,773,584          | (1,382,892)         | (58)           | 0                  | 136,074,763            |
| Overhead Conductors & Devices           | 365   | 141,411,300            | 5,166,615          | (797,114)           | 0              | (1,032,764)        | 144,748,037            |
| Underground Conduit                     | 366   | 1,161,760              | 8,610              | (10,674)            | 0              | 0                  | 1,159,696              |
| Underground Conductors & Devices        | 367   | 143,633,002            | 8,528,842          | (719,402)           | 0              | 1,032,764          | 152,475,206            |
| Line Transformers                       | 368   | 257,460,199            | 13,634,759         | (4,212,075)         | 0              | (15)               | 266,882,868            |
| Services:                               |       |                        |                    |                     |                |                    |                        |
| - Overhead                              | 369.1 | 57,418,873             | 3,033,063          | (170,946)           | 0              | 0                  | 60,280,990             |
| - Underground                           | 369.2 | 50,300,841             | 3,329,489          | (133,889)           | 0              | 0                  | 53,496,441             |
| Meters                                  | 370   | 30,240,925             | 4,149,331          | (925,546)           | 0              | (123)              | 33,464,587             |
| Meters - AMI Equipment                  | 370   | 41,573,506             | 383,244            | (161,809)           | 0              | 0                  | 41,794,941             |
| Meters - FPSC Segregated                | 370   | 0                      | 0                  | 0                   | 0              | 0                  | 0                      |
| Meters - Non FPSC Segregated            | 370   | 506,979                | 0                  | (4,829)             | 0              | 0                  | 502,150                |
| Street Lighting & Signal Systems        | 373   | 66,440,505             | 3,477,848          | (1,845,867)         | 0              | 0                  | 68,072,486             |
| Asset Retirement Obligation             | 374   | 41,613                 | 0                  | 0                   | 0              | 0                  | 41,613                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>1,156,735,836</u>   | <u>55,566,528</u>  | <u>(14,008,528)</u> | <u>(1,608)</u> | <u>(3,209,759)</u> | <u>1,195,082,469</u>   |
| <b>GENERAL PLANT:</b>                   |       |                        |                    |                     |                |                    |                        |
| Land                                    | 389.0 | 7,112,488              | 488,472            | 0                   | 0              | 0                  | 7,600,960              |
| Structures and Improvements             | 390   | 79,298,945             | 1,139,687          | (468,172)           | 0              | 0                  | 79,970,460             |
| Office Furniture & Equipment            |       |                        |                    |                     |                |                    |                        |
| - Computer, 5 Year                      | 391   | 4,473,860              | 283,909            | (831,628)           | 0              | 0                  | 3,926,141              |
| - Non-Computer, 7 Year                  | 391   | 2,920,503              | 272,586            | 0                   | 0              | 0                  | 3,193,089              |
| Transportation Equipment                |       |                        |                    |                     |                |                    |                        |
| - Automobiles                           | 392.1 | 29,848                 | 0                  | 0                   | 0              | 0                  | 29,848                 |
| - Light Trucks                          | 392.2 | 7,251,889              | 374,497            | (366,845)           | 0              | 0                  | 7,259,541              |
| - Heavy Trucks                          | 392.3 | 23,744,166             | 2,741,030          | (2,664,804)         | 0              | 0                  | 23,820,392             |
| - Trailers                              | 392.4 | 1,279,321              | 21,709             | (22,179)            | 0              | 0                  | 1,278,851              |
| - Marine, 5 Year                        | 392   | 28,476                 | (1)                | 0                   | 0              | 0                  | 28,475                 |
| Stores Equipment - 7 Year               | 393   | 1,337,166              | 129,424            | (899)               | 0              | 0                  | 1,465,691              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 3,989,622              | 166,572            | (511,353)           | 0              | 0                  | 3,644,841              |
| Laboratory Equipment - 7 Year           | 395   | 2,688,076              | 268,433            | (460,101)           | 0              | 0                  | 2,496,408              |
| Power Operated Equipment                | 396   | 931,916                | 0                  | 0                   | 0              | 0                  | 931,916                |
| Communication Equipment                 |       |                        |                    |                     |                |                    |                        |
| - Other                                 | 397   | 19,202,414             | 1,352,555          | (172,532)           | 0              | 42,034             | 20,424,471             |
| - 7 Year                                | 397   | 6,342,058              | 217,880            | (935,756)           | 0              | 0                  | 5,624,182              |
| Miscellaneous Equipment - 7 year        | 398   | 4,565,022              | 417,071            | (1,853,818)         | 0              | 0                  | 3,128,275              |
| Asset Retirement Obligation             | 399.1 | 195,426                | 0                  | 0                   | 0              | 0                  | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>165,391,196</u>     | <u>7,873,824</u>   | <u>(8,288,087)</u>  | <u>0</u>       | <u>42,034</u>      | <u>165,018,967</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>4,477,720,010</u>   | <u>744,818,358</u> | <u>(66,993,373)</u> | <u>687,198</u> | <u>92,577</u>      | <u>5,156,324,770</u>   |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2014

|                                |     | Balance<br>First of Year | Additions         | Retirements         | Adjustments      | Transfers    | Balance<br>End of Year |
|--------------------------------|-----|--------------------------|-------------------|---------------------|------------------|--------------|------------------------|
| <b>INTANGIBLE:</b>             |     |                          |                   |                     |                  |              |                        |
| Organization                   | 301 | 7,417                    | 0                 | 0                   | 0                | 0            | 7,417                  |
| Franchises and Consents        | 302 | 594                      | 0                 | 0                   | 0                | 0            | 594                    |
| Intangible Software            | 303 | 15,701,991               | 1,632,792         | 0                   | 0                | 0            | 17,334,783             |
| <b>TOTAL INTANGIBLE:</b>       |     | <u>15,710,002</u>        | <u>1,632,792</u>  | <u>0</u>            | <u>0</u>         | <u>0</u>     | <u>17,342,794</u>      |
| <b>STEAM PRODUCTION:</b>       |     |                          |                   |                     |                  |              |                        |
| <b>DANIEL PLANT:</b>           |     |                          |                   |                     |                  |              |                        |
| Plant                          |     | 260,749,631              | 3,213,726         | (2,693,608)         | 523              | 0            | 261,270,272            |
| Land                           |     | 1,159,555                | 0                 | 0                   | 3,014,838        | 0            | 4,174,393              |
| Easements                      |     | 77,160                   | 0                 | 0                   | 0                | 0            | 77,160                 |
| Cooling Lake, 23 Year          |     | 8,954,192                | 0                 | 0                   | 0                | 0            | 8,954,192              |
| Rail Track System              |     | 2,741,618                | 0                 | 0                   | 0                | 0            | 2,741,618              |
| Asset Retirement Obligation    |     | 306,163                  | 0                 | 0                   | 0                | 0            | 306,163                |
| <b>TOTAL DANIEL PLANT:</b>     |     | <u>273,988,319</u>       | <u>3,213,726</u>  | <u>(2,693,608)</u>  | <u>3,015,361</u> | <u>0</u>     | <u>277,523,798</u>     |
| <b>CRIST PLANT:</b>            |     |                          |                   |                     |                  |              |                        |
| Plant                          |     | 1,476,004,434            | 29,326,818        | (5,867,081)         | 0                | 0            | 1,499,464,171          |
| Land                           |     | 6,023,266                | 0                 | 0                   | 0                | 0            | 6,023,266              |
| Easements                      |     | 0                        | 0                 | 0                   | 0                | 0            | 0                      |
| Base Coal, 5 Year              |     | 141,840                  | 0                 | 0                   | 0                | 0            | 141,840                |
| - 5 Year                       |     | 154,002                  | 18,600            | (50,256)            | 0                | 0            | 122,346                |
| - 7 Year                       |     | 3,763,686                | 1,949,334         | (455,045)           | 0                | 0            | 5,257,975              |
| Asset Retirement Obligation    |     | 1,703,993                | 0                 | (258,490)           | 0                | 0            | 1,445,503              |
| <b>TOTAL CRIST PLANT:</b>      |     | <u>1,487,791,221</u>     | <u>31,294,752</u> | <u>(6,630,872)</u>  | <u>0</u>         | <u>0</u>     | <u>1,512,455,101</u>   |
| <b>SCHOLZ PLANT:</b>           |     |                          |                   |                     |                  |              |                        |
| Plant                          |     | 30,715,453               | 129,141           | (14,895)            | 0                | 0            | 30,829,699             |
| Land                           |     | 44,579                   | 0                 | 0                   | 0                | 0            | 44,579                 |
| Base Coal, 5 Year              |     | 71,300                   | 0                 | 0                   | 0                | 0            | 71,300                 |
| - 5 Year                       |     | 0                        | 8,730             | 0                   | 0                | 0            | 8,730                  |
| - 7 Year                       |     | 136,775                  | 661               | (32,133)            | 0                | 0            | 105,303                |
| Asset Retirement Obligation    |     | 323,418                  | (59,706)          | 0                   | 0                | 0            | 263,712                |
| <b>TOTAL SCHOLZ PLANT:</b>     |     | <u>31,300,255</u>        | <u>70,096</u>     | <u>(47,028)</u>     | <u>0</u>         | <u>0</u>     | <u>31,323,323</u>      |
| <b>SMITH PLANT:</b>            |     |                          |                   |                     |                  |              |                        |
| Plant                          |     | 175,753,920              | 950,267           | (183,376)           | 0                | 0            | 176,520,811            |
| Land                           |     | 1,363,924                | 0                 | 0                   | 0                | 0            | 1,363,924              |
| Base Coal, 5 Year              |     | 108,300                  | 0                 | 0                   | 0                | 0            | 108,300                |
| - 5 Year                       |     | 27,303                   | 0                 | (3,067)             | 0                | 0            | 24,236                 |
| - 7 Year                       |     | 1,356,335                | 12,108            | (246,695)           | 0                | 0            | 1,121,748              |
| Asset Retirement Obligation    |     | 471,938                  | 0                 | 0                   | 0                | 0            | 471,938                |
| <b>TOTAL SMITH PLANT:</b>      |     | <u>179,081,720</u>       | <u>962,375</u>    | <u>(433,138)</u>    | <u>0</u>         | <u>0</u>     | <u>179,610,957</u>     |
| <b>SCHERER PLANT:</b>          |     |                          |                   |                     |                  |              |                        |
| Plant                          |     | 368,256,390              | 6,765,709         | (1,644,133)         | 0                | 0            | 373,377,966            |
| Land                           |     | 914,020                  | 0                 | 0                   | (1,563)          | 0            | 912,457                |
| - 7 Year                       |     | 209,056                  | 4,118             | 0                   | 0                | 8,587        | 221,761                |
| Asset Retirement Obligation    |     | 5,239,995                | 0                 | (2,589)             | 0                | 0            | 5,237,406              |
| <b>TOTAL SCHERER PLANT:</b>    |     | <u>374,619,461</u>       | <u>6,769,827</u>  | <u>(1,646,722)</u>  | <u>(1,563)</u>   | <u>8,587</u> | <u>379,749,590</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> |     | <u>2,346,780,976</u>     | <u>42,310,776</u> | <u>(11,451,368)</u> | <u>3,013,798</u> | <u>8,587</u> | <u>2,380,662,769</u>   |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2014

|   |       | Balance<br>End of Year | Additions          | Retirements         | Adjustments      | Transfers          | Balance<br>End of Year |
|---|-------|------------------------|--------------------|---------------------|------------------|--------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                    |                     |                  |                    |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                        |                    |                     |                  |                    |                        |
| Land - Non-Depreciable                          | 340   | <u>337,696</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>337,696</u>         |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <u>337,696</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>337,696</u>         |
| <b>SMITH PLANT CT:</b>                          |       |                        |                    |                     |                  |                    |                        |
| Structures and Improvements                     | 341   | 1,310,239              | 0                  | 0                   | 0                | 0                  | 1,310,239              |
| Fuel Holders and Accessories                    | 342   | 697,862                | 0                  | 0                   | 0                | 0                  | 697,862                |
| Prime Movers                                    | 343   | 2,443,215              | 377,121            | (240,978)           | 0                | 0                  | 2,579,358              |
| Generators                                      | 344   | 3,438,921              | 0                  | 0                   | 0                | 0                  | 3,438,921              |
| Accessory Electric Equipment                    | 345   | 48,476                 | 80,719             | 0                   | 0                | 3,173,210          | 3,302,405              |
| Miscellaneous Equipment                         | 346   | <u>43,147</u>          | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>43,147</u>          |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <u>7,981,860</u>       | <u>457,840</u>     | <u>(240,978)</u>    | <u>0</u>         | <u>3,173,210</u>   | <u>11,371,932</u>      |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                    |                     |                  |                    |                        |
| Structures and Improvements                     | 341   | 21,156,946             | (7,142,275)        | (18,545)            | 0                | 0                  | 13,996,126             |
| Fuel Holders and Accessories                    | 342   | 3,167,723              | 344,929            | (284,576)           | 0                | 0                  | 3,228,076              |
| Prime Movers                                    | 343   | 119,728,752            | 310,084            | (675,432)           | 0                | 0                  | 119,363,404            |
| Generators                                      | 344   | 67,334,724             | 201,981            | (143,956)           | 0                | 0                  | 67,392,749             |
| Accessory Electric Equipment                    | 345   | 12,089,080             | 243,114            | (84,252)            | 0                | (3,173,210)        | 9,074,732              |
| Miscellaneous Equipment                         | 346   | <u>1,169,288</u>       | <u>4,348</u>       | <u>(3,808)</u>      | <u>0</u>         | <u>0</u>           | <u>1,169,828</u>       |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <u>224,646,513</u>     | <u>(6,037,819)</u> | <u>(1,210,569)</u>  | <u>0</u>         | <u>(3,173,210)</u> | <u>214,224,915</u>     |
| <b>PACE PLANT:</b>                              |       |                        |                    |                     |                  |                    |                        |
| Prime Movers                                    | 343   | 6,790,595              | 0                  | 0                   | 0                | 0                  | 6,790,595              |
| Generators                                      | 344   | 3,107,233              | 0                  | 0                   | 0                | 0                  | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                | 0                  | 0                   | 0                | 0                  | 584,090                |
| Asset Retirement Obligation                     | 347   | <u>397,194</u>         | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>397,194</u>         |
| <b>TOTAL PACE PLANT:</b>                        |       | <u>10,879,112</u>      | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>10,879,112</u>      |
| <b>PERDIDO PLANT:</b>                           |       |                        |                    |                     |                  |                    |                        |
| Structures and Improvements                     | 341   | 942,440                | 0                  | 0                   | 0                | 0                  | 942,440                |
| Fuel Holders and Accessories                    | 342   | 578,765                | 0                  | 0                   | 0                | 0                  | 578,765                |
| Prime Movers                                    | 343   | 2,745,649              | 0                  | 0                   | 0                | 0                  | 2,745,649              |
| Accessory Electric Equipment                    | 345   | 806,682                | 0                  | 0                   | 0                | 0                  | 806,682                |
| Miscellaneous Equipment                         | 346   | <u>45,550</u>          | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>45,550</u>          |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <u>5,119,086</u>       | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>5,119,086</u>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <u>248,964,267</u>     | <u>(5,579,979)</u> | <u>(1,451,547)</u>  | <u>0</u>         | <u>0</u>           | <u>241,932,741</u>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <u>2,595,745,243</u>   | <u>36,730,797</u>  | <u>(12,902,915)</u> | <u>3,013,798</u> | <u>8,587</u>       | <u>2,622,595,510</u>   |
| <b>TRANSMISSION:</b>                            |       |                        |                    |                     |                  |                    |                        |
| Land  | 350.0 | 7,177,881              | 207,737            | 0                   | 0                | 0                  | 7,385,618              |
| Easements                                       | 350.2 | 12,666,130             | 0                  | 0                   | 0                | 0                  | 12,666,130             |
| Structures and Improvements                     | 352   | 14,039,278             | 2,020,452          | (112,693)           | 0                | 0                  | 15,947,037             |
| Station Equipment                               | 353   | 173,369,566            | 9,903,600          | (1,356,297)         | 0                | (233,387)          | 181,683,482            |
| Towers and Fixtures                             | 354   | 43,303,059             | 680,683            | (141,378)           | 0                | 0                  | 43,842,364             |
| Poles and Fixtures                              | 355   | 125,165,461            | 19,846,648         | (3,102,713)         | 0                | 0                  | 141,909,396            |
| Overhead Conductors & Devices                   | 356   | 82,907,352             | 15,691,749         | (1,211,232)         | 0                | 0                  | 97,387,869             |
| Underground Conductors & Devices                | 358   | 14,094,502             | 495,126            | 0                   | 0                | 0                  | 14,589,628             |
| Roads and Trails                                | 359   | 235,918                | 0                  | 0                   | 0                | 0                  | 235,918                |
| Asset Retirement Obligation                     | 359.1 | <u>7,232</u>           | <u>0</u>           | <u>0</u>            | <u>0</u>         | <u>0</u>           | <u>7,232</u>           |
| <b>TOTAL TRANSMISSION:</b>                      |       | <u>472,966,379</u>     | <u>48,845,995</u>  | <u>(5,924,313)</u>  | <u>0</u>         | <u>(233,387)</u>   | <u>515,654,674</u>     |

GULF POWER COMPANY  
ELECTRIC PLANT IN SERVICE  
ACTUAL: DECEMBER, 2014

|   |       | Balance<br>End of Year | Additions          | Retirements         | Adjustments      | Transfers       | Balance<br>End of Year |
|---|-------|------------------------|--------------------|---------------------|------------------|-----------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                        |                    |                     |                  |                 |                        |
| Land                                    | 360.0 | 3,928,296              | 0                  | 0                   | 0                | 0               | 3,928,296              |
| Land Rights                             | 360.1 | 204,176                | 0                  | 0                   | 0                | 0               | 204,176                |
| Structures and Improvements             | 361   | 24,245,231             | 1,927,633          | (273,189)           | 0                | 0               | 25,899,675             |
| Station Equipment                       | 362   | 201,080,368            | 12,506,790         | (10,130,061)        | 0                | 372,960         | 203,830,057            |
| Poles, Towers & Fixtures                | 364   | 129,209,152            | 5,146,393          | (1,669,816)         | (1,600)          | 0               | 132,684,129            |
| Overhead Conductors & Devices           | 365   | 136,905,623            | 7,373,333          | (1,637,216)         | 0                | (1,230,440)     | 141,411,300            |
| Underground Conduit                     | 366   | 1,160,686              | 16,707             | (15,633)            | 0                | 0               | 1,161,760              |
| Underground Conductors & Devices        | 367   | 136,448,460            | 6,628,548          | (674,446)           | 0                | 1,230,440       | 143,633,002            |
| Line Transformers                       | 368   | 245,858,131            | 16,172,617         | (4,488,551)         | 0                | (81,998)        | 257,460,199            |
| Services:                               |       |                        |                    |                     |                  |                 |                        |
| - Overhead                              | 369.1 | 54,712,791             | 3,148,051          | (441,969)           | 0                | 0               | 57,418,873             |
| - Underground                           | 369.2 | 47,684,292             | 2,737,717          | (121,168)           | 0                | 0               | 50,300,841             |
| Meters                                  | 370   | 28,847,610             | 3,073,541          | (1,674,214)         | 0                | (6,012)         | 30,240,925             |
| Meters - AMI                            | 370   | 41,788,873             | (39)               | (215,328)           | 0                | 0               | 41,573,506             |
| Meters - FPSC Segregated                | 370   | 0                      | 0                  | 0                   | 0                | 0               | 0                      |
| Meters - Non FPSC Segregated            | 370   | 529,743                | 0                  | (28,776)            | 0                | 6,012           | 506,979                |
| Street Lighting & Signal Systems        | 373   | 64,209,201             | 2,605,159          | (373,855)           | 0                | 0               | 66,440,505             |
| Asset Retirement Obligation             | 374   | 41,613                 | 0                  | 0                   | 0                | 0               | 41,613                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>1,116,854,246</u>   | <u>61,336,450</u>  | <u>(21,744,222)</u> | <u>(1,600)</u>   | <u>290,962</u>  | <u>1,156,735,836</u>   |
| <b>GENERAL PLANT:</b>                   |       |                        |                    |                     |                  |                 |                        |
| Land                                    | 389.0 | 7,112,488              | 0                  | 0                   | 0                | 0               | 7,112,488              |
| Structures and Improvements             | 390   | 69,753,457             | 9,795,617          | (250,129)           | 0                | 0               | 79,298,945             |
| Office Furniture & Equipment            |       |                        |                    |                     |                  |                 |                        |
| - Computer, 5 Year                      | 391   | 2,637,707              | 3,097,726          | (1,261,573)         | 0                | 0               | 4,473,860              |
| - Non-Computer, 7 Year                  | 391   | 2,554,771              | 568,163            | (201,994)           | 0                | (437)           | 2,920,503              |
| Transportation Equipment                |       |                        |                    |                     |                  |                 |                        |
| - Automobiles                           | 392.1 | 29,848                 | 0                  | 0                   | 0                | 0               | 29,848                 |
| - Light Trucks                          | 392.2 | 6,880,577              | 835,828            | (464,516)           | 0                | 0               | 7,251,889              |
| - Heavy Trucks                          | 392.3 | 22,389,066             | 2,262,088          | (906,988)           | 0                | 0               | 23,744,166             |
| - Trailers                              | 392.4 | 1,281,082              | 4,847              | (6,608)             | 0                | 0               | 1,279,321              |
| - Marine, 5 Year                        | 392   | 213,558                | 28,512             | (39,748)            | 0                | (173,846)       | 28,476                 |
| Stores Equipment - 7 Year               | 393   | 1,072,023              | 293,127            | (27,984)            | 0                | 0               | 1,337,166              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 3,886,137              | 112,303            | (8,023)             | 0                | (795)           | 3,989,622              |
| Laboratory Equipment - 7 Year           | 395   | 2,583,928              | 222,348            | (114,021)           | 0                | (4,179)         | 2,688,076              |
| Power Operated Equipment                | 396   | 868,427                | 0                  | (110,357)           | 0                | 173,846         | 931,916                |
| Communication Equipment                 |       |                        |                    |                     |                  |                 |                        |
| - Other                                 | 397   | 16,717,052             | 2,582,317          | (39,379)            | 0                | (57,576)        | 19,202,414             |
| - 7 Year                                | 397   | 5,842,174              | 677,710            | (177,826)           | 0                | 0               | 6,342,058              |
| Miscellaneous Equipment - 7 year        | 398   | 4,316,270              | 564,916            | (312,989)           | 0                | (3,175)         | 4,565,022              |
| Asset Retirement Obligation             | 399.1 | 195,426                | 0                  | 0                   | 0                | 0               | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>148,333,991</u>     | <u>21,045,502</u>  | <u>(3,922,135)</u>  | <u>0</u>         | <u>(66,162)</u> | <u>165,391,196</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>4,349,609,861</u>   | <u>169,591,536</u> | <u>(44,493,585)</u> | <u>3,012,198</u> | <u>0</u>        | <u>4,477,720,010</u>   |

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

|                                | Balance<br>First of Year | Additions         | Retirements         | Adjustments    | Transfers | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|----------------|-----------|------------------------|
| <b>INTANGIBLE:</b>             |                          |                   |                     |                |           |                        |
| Organization                   | 301 7,417                | 0                 | 0                   | 0              | 0         | 7,417                  |
| Franchises and Consents        | 302 594                  | 0                 | 0                   | 0              | 0         | 594                    |
| Intangible Software            | 303 15,643,499           | 58,492            | 0                   | 0              | 0         | 15,701,991             |
| <b>TOTAL INTANGIBLE:</b>       | <b>15,651,510</b>        | <b>58,492</b>     | <b>0</b>            | <b>0</b>       | <b>0</b>  | <b>15,710,002</b>      |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                |           |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                |           |                        |
| Plant                          | 256,090,550              | 5,540,319         | (881,238)           | 0              | 0         | 260,749,631            |
| Land                           | 1,028,762                | 130,793           | 0                   | 0              | 0         | 1,159,555              |
| Easements                      | 77,160                   | 0                 | 0                   | 0              | 0         | 77,160                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0              | 0         | 8,954,192              |
| Rail Track System              | 2,741,618                | 0                 | 0                   | 0              | 0         | 2,741,618              |
| Asset Retirement Obligation    | 391,149                  | (84,986)          | 0                   | 0              | 0         | 306,163                |
| <b>TOTAL DANIEL PLANT:</b>     | <b>269,283,431</b>       | <b>5,586,126</b>  | <b>(881,238)</b>    | <b>0</b>       | <b>0</b>  | <b>273,988,319</b>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                |           |                        |
| Plant                          | 1,487,072,493            | 6,212,841         | (17,280,900)        | 0              | 0         | 1,476,004,434          |
| Land                           | 6,023,266                | 0                 | 0                   | 0              | 0         | 6,023,266              |
| Easements                      | 0                        | 0                 | 0                   | 0              | 0         | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0              | 0         | 141,840                |
| - 5 Year                       | 137,572                  | 16,430            | 0                   | 0              | 0         | 154,002                |
| - 7 Year                       | 5,422,257                | 507,672           | (2,166,243)         | 0              | 0         | 3,763,686              |
| Asset Retirement Obligation    | 1,132,431                | 1,187,162         | (615,600)           | 0              | 0         | 1,703,993              |
| <b>TOTAL CRIST PLANT:</b>      | <b>1,499,929,859</b>     | <b>7,924,105</b>  | <b>(20,062,743)</b> | <b>0</b>       | <b>0</b>  | <b>1,487,791,221</b>   |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                |           |                        |
| Plant                          | 30,695,410               | 20,252            | (209)               | 0              | 0         | 30,715,453             |
| Land                           | 44,579                   | 0                 | 0                   | 0              | 0         | 44,579                 |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0              | 0         | 71,300                 |
| - 5 Year                       | 8,730                    | 0                 | 0                   | 0              | 0         | 8,730                  |
| - 7 Year                       | 116,561                  | 19,674            | 540                 | 0              | 0         | 136,775                |
| Asset Retirement Obligation    | 241,640                  | 82,807            | (1,029)             | 0              | 0         | 323,418                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>31,178,220</b>        | <b>122,733</b>    | <b>(698)</b>        | <b>0</b>       | <b>0</b>  | <b>31,300,255</b>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                |           |                        |
| Plant                          | 175,411,052              | 454,183           | (111,315)           | 0              | 0         | 175,753,920            |
| Land                           | 1,363,924                | 0                 | 0                   | 0              | 0         | 1,363,924              |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0              | 0         | 108,300                |
| - 5 Year                       | 31,793                   | (25)              | (4,465)             | 0              | 0         | 27,303                 |
| - 7 Year                       | 1,602,231                | 165,403           | (411,299)           | 0              | 0         | 1,356,335              |
| Asset Retirement Obligation    | 471,938                  | 0                 | 0                   | 0              | 0         | 471,938                |
| <b>TOTAL SMITH PLANT:</b>      | <b>178,989,238</b>       | <b>619,561</b>    | <b>(527,079)</b>    | <b>0</b>       | <b>0</b>  | <b>179,081,720</b>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                |           |                        |
| Plant                          | 359,352,385              | 9,347,363         | (443,358)           | 0              | 0         | 368,256,390            |
| Land                           | 915,932                  | 0                 | 0                   | (1,912)        | 0         | 914,020                |
| - 7 Year                       | 195,441                  | 47,085            | (33,470)            | 0              | 0         | 209,056                |
| Asset Retirement Obligation    | 5,156,238                | 105,544           | (21,787)            | 0              | 0         | 5,239,995              |
| <b>TOTAL SCHERER PLANT:</b>    | <b>365,619,996</b>       | <b>9,499,992</b>  | <b>(498,615)</b>    | <b>(1,912)</b> | <b>0</b>  | <b>374,619,461</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>2,345,000,744</b>     | <b>23,752,517</b> | <b>(21,970,373)</b> | <b>(1,912)</b> | <b>0</b>  | <b>2,346,780,976</b>   |

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

|   |       | Balance<br>End of Year | Additions         | Retirements         | Adjustments     | Transfers      | Balance<br>End of Year |
|---|-------|------------------------|-------------------|---------------------|-----------------|----------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                   |                     |                 |                |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                        |                   |                     |                 |                |                        |
| Land - Non-Depreciable                          | 340   | 337,696                | 0                 | 0                   | 0               | 0              | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>         | <b>0</b>          | <b>0</b>            | <b>0</b>        | <b>0</b>       | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                        |                   |                     |                 |                |                        |
| Structures and Improvements                     | 341   | 1,310,239              | 0                 | 0                   | 0               | 0              | 1,310,239              |
| Fuel Holders and Accessories                    | 342   | 697,862                | 0                 | 0                   | 0               | 0              | 697,862                |
| Prime Movers                                    | 343   | 2,405,738              | 37,477            | 0                   | 0               | 0              | 2,443,215              |
| Generators                                      | 344   | 3,438,921              | 0                 | 0                   | 0               | 0              | 3,438,921              |
| Accessory Electric Equipment                    | 345   | 48,476                 | 0                 | 0                   | 0               | 0              | 48,476                 |
| Miscellaneous Equipment                         | 346   | 43,147                 | 0                 | 0                   | 0               | 0              | 43,147                 |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>7,944,383</b>       | <b>37,477</b>     | <b>0</b>            | <b>0</b>        | <b>0</b>       | <b>7,981,860</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                   |                     |                 |                |                        |
| Structures and Improvements                     | 341   | 13,578,006             | 7,879,745         | (300,805)           | 0               | 0              | 21,156,946             |
| Fuel Holders and Accessories                    | 342   | 3,044,302              | 123,421           | 0                   | 0               | 0              | 3,167,723              |
| Prime Movers                                    | 343   | 113,930,969            | 25,457,920        | (19,660,137)        | 0               | 0              | 119,728,752            |
| Generators                                      | 344   | 67,250,935             | 164,973           | (81,184)            | 0               | 0              | 67,334,724             |
| Accessory Electric Equipment                    | 345   | 12,081,947             | 685,401           | (678,268)           | 0               | 0              | 12,089,080             |
| Miscellaneous Equipment                         | 346   | 1,124,187              | 45,101            | 0                   | 0               | 0              | 1,169,288              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>211,010,346</b>     | <b>34,356,561</b> | <b>(20,720,394)</b> | <b>0</b>        | <b>0</b>       | <b>224,646,513</b>     |
| <b>PACE PLANT:</b>                              |       |                        |                   |                     |                 |                |                        |
| Prime Movers                                    | 343   | 6,790,595              | 0                 | 0                   | 0               | 0              | 6,790,595              |
| Generators                                      | 344   | 3,107,233              | 0                 | 0                   | 0               | 0              | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                | 0                 | 0                   | 0               | 0              | 584,090                |
| Asset Retirement Obligation                     | 347   | 397,194                | 0                 | 0                   | 0               | 0              | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>      | <b>0</b>          | <b>0</b>            | <b>0</b>        | <b>0</b>       | <b>10,879,112</b>      |
| <b>PERDIDO PLANT:</b>                           |       |                        |                   |                     |                 |                |                        |
| Structures and Improvements                     | 341   | 942,440                | 0                 | 0                   | 0               | 0              | 942,440                |
| Fuel Holders and Accessories                    | 342   | 578,765                | 0                 | 0                   | 0               | 0              | 578,765                |
| Prime Movers                                    | 343   | 2,745,649              | 0                 | 0                   | 0               | 0              | 2,745,649              |
| Accessory Electric Equipment                    | 345   | 806,682                | 0                 | 0                   | 0               | 0              | 806,682                |
| Miscellaneous Equipment                         | 346   | 45,550                 | 0                 | 0                   | 0               | 0              | 45,550                 |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>5,119,086</b>       | <b>0</b>          | <b>0</b>            | <b>0</b>        | <b>0</b>       | <b>5,119,086</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>235,290,623</b>     | <b>34,394,038</b> | <b>(20,720,394)</b> | <b>0</b>        | <b>0</b>       | <b>248,964,267</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>2,580,291,367</b>   | <b>58,146,555</b> | <b>(42,690,767)</b> | <b>(1,912)</b>  | <b>0</b>       | <b>2,595,745,243</b>   |
| <b>TRANSMISSION:</b>                            |       |                        |                   |                     |                 |                |                        |
| Land  | 350.0 | 7,148,133              | 44,248            | 0                   | (14,500)        | 0              | 7,177,881              |
| Easements                                       | 350.2 | 12,666,130             | 0                 | 0                   | 0               | 0              | 12,666,130             |
| Structures and Improvements                     | 352   | 11,168,790             | 3,073,689         | (214,184)           | 0               | 10,983         | 14,039,278             |
| Station Equipment                               | 353   | 150,351,861            | 27,366,762        | (4,455,426)         | 0               | 106,369        | 173,369,566            |
| Towers and Fixtures                             | 354   | 43,368,771             | 209,666           | (275,378)           | 0               | 0              | 43,303,059             |
| Poles and Fixtures                              | 355   | 112,633,773            | 13,587,458        | (1,048,660)         | 0               | (7,110)        | 125,165,461            |
| Overhead Conductors & Devices                   | 356   | 77,416,136             | 5,976,336         | (503,506)           | 0               | 18,386         | 82,907,352             |
| Underground Conductors & Devices                | 358   | 14,094,502             | 0                 | 0                   | 0               | 0              | 14,094,502             |
| Roads and Trails                                | 359   | 235,918                | 0                 | 0                   | 0               | 0              | 235,918                |
| Asset Retirement Obligation                     | 359.1 | 7,861                  | 0                 | (629)               | 0               | 0              | 7,232                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>429,091,875</b>     | <b>50,258,159</b> | <b>(6,497,783)</b>  | <b>(14,500)</b> | <b>128,628</b> | <b>472,966,379</b>     |

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

|   |       | Balance<br>End of Year | Additions          | Retirements         | Adjustments     | Transfers        | Balance<br>End of Year |
|---|-------|------------------------|--------------------|---------------------|-----------------|------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                        |                    |                     |                 |                  |                        |
| Land                                    | 360.0 | 3,928,297              | 3,314              | 0                   | (3,315)         | 0                | 3,928,296              |
| Land Rights                             | 360.1 | 204,176                | 0                  | 0                   | 0               | 0                | 204,176                |
| Structures and Improvements             | 361   | 23,226,892             | 1,408,718          | (379,396)           | 0               | (10,983)         | 24,245,231             |
| Station Equipment                       | 362   | 184,730,643            | 24,223,072         | (7,785,861)         | 0               | (87,486)         | 201,080,368            |
| Poles, Towers & Fixtures                | 364   | 123,363,928            | 6,823,450          | (955,059)           | 0               | (23,167)         | 129,209,152            |
| Overhead Conductors & Devices           | 365   | 131,065,268            | 9,291,988          | (2,103,230)         | 0               | (1,348,403)      | 136,905,623            |
| Underground Conduit                     | 366   | 1,160,686              | 0                  | 0                   | 0               | 0                | 1,160,686              |
| Underground Conductors & Devices        | 367   | 132,897,470            | 5,864,900          | (941,532)           | 0               | (1,372,378)      | 136,448,460            |
| Line Transformers                       | 368   | 233,121,664            | 15,872,379         | (4,190,230)         | 0               | 1,054,318        | 245,858,131            |
| Services:                               |       |                        |                    |                     |                 |                  |                        |
| - Overhead                              | 369.1 | 53,007,639             | 1,906,930          | (201,778)           | 0               | 0                | 54,712,791             |
| - Underground                           | 369.2 | 44,910,088             | 2,404,696          | (112,851)           | 0               | 482,359          | 47,684,292             |
| Meters                                  | 370   | 28,388,387             | 3,912,910          | (2,066,560)         | 0               | (1,387,127)      | 28,847,610             |
| Meters - AMI Equipment                  | 370   | 40,391,581             | 215,929            | (205,764)           | 0               | 1,387,127        | 41,788,873             |
| Meters - FPSC Segregated                | 370   | 1,769,590              | 0                  | (1,769,590)         | 0               | 0                | 0                      |
| Meters - Non FPSC Segregated            | 370   | 3,209,455              | 0                  | (2,679,712)         | 0               | 0                | 529,743                |
| Street Lighting & Signal Systems        | 373   | 61,650,828             | 1,745,994          | (247,823)           | 0               | 1,060,202        | 64,209,201             |
| Asset Retirement Obligation             | 374   | 43,465                 | 0                  | (1,852)             | 0               | 0                | 41,613                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>1,067,070,057</u>   | <u>73,674,280</u>  | <u>(23,641,238)</u> | <u>(3,315)</u>  | <u>(245,538)</u> | <u>1,116,854,246</u>   |
| <b>GENERAL PLANT:</b>                   |       |                        |                    |                     |                 |                  |                        |
| Land                                    | 389.0 | 7,112,488              | 0                  | 0                   | 0               | 0                | 7,112,488              |
| Structures and Improvements             | 390   | 69,535,072             | 352,500            | (236,169)           | (10,506)        | 112,560          | 69,753,457             |
| Office Furniture & Equipment            |       |                        |                    |                     |                 |                  |                        |
| - Computer, 5 Year                      | 391   | 3,732,665              | 219,171            | (1,314,129)         | 0               | 0                | 2,637,707              |
| - Non-Computer, 7 Year                  | 391   | 2,445,329              | 821,132            | (711,690)           | 0               | 0                | 2,554,771              |
| Transportation Equipment                |       |                        |                    |                     |                 |                  |                        |
| - Automobiles                           | 392.1 | 0                      | 29,848             | 0                   | 0               | 0                | 29,848                 |
| - Light Trucks                          | 392.2 | 6,793,807              | 585,925            | (499,155)           | 0               | 0                | 6,880,577              |
| - Heavy Trucks                          | 392.3 | 21,541,869             | 2,097,085          | (1,249,888)         | 0               | 0                | 22,389,066             |
| - Trailers                              | 392.4 | 1,209,613              | 177,780            | (106,311)           | 0               | 0                | 1,281,082              |
| - Marine, 5 Year                        | 392   | 213,589                | (31)               | 0                   | 0               | 0                | 213,558                |
| Stores Equipment - 7 Year               | 393   | 1,325,114              | 231,680            | (484,771)           | 0               | 0                | 1,072,023              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 3,912,415              | 154,154            | (180,432)           | 0               | 0                | 3,886,137              |
| Laboratory Equipment - 7 Year           | 395   | 2,494,422              | 422,511            | (333,005)           | 0               | 0                | 2,583,928              |
| Power Operated Equipment                | 396   | 864,640                | 3,787              | 0                   | 0               | 0                | 868,427                |
| Communication Equipment                 |       |                        |                    |                     |                 |                  |                        |
| - Other                                 | 397   | 15,903,318             | 1,249,170          | (439,786)           | 0               | 4,350            | 16,717,052             |
| - 7 Year                                | 397   | 4,847,974              | 1,246,083          | (251,883)           | 0               | 0                | 5,842,174              |
| Miscellaneous Equipment - 7 year        | 398   | 3,546,305              | 769,965            | 0                   | 0               | 0                | 4,316,270              |
| Asset Retirement Obligation             | 399.1 | 195,426                | 0                  | 0                   | 0               | 0                | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>145,674,046</u>     | <u>8,360,760</u>   | <u>(5,807,219)</u>  | <u>(10,506)</u> | <u>116,910</u>   | <u>148,333,991</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>4,237,778,855</u>   | <u>190,498,246</u> | <u>(78,637,007)</u> | <u>(30,233)</u> | <u>0</u>         | <u>4,349,609,861</u>   |

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

|                                | Balance<br>First of Year | Additions          | Retirements         | Adjustments | Transfers        | Balance<br>End of Year |
|--------------------------------|--------------------------|--------------------|---------------------|-------------|------------------|------------------------|
| <b>INTANGIBLE:</b>             |                          |                    |                     |             |                  |                        |
| Organization                   | 301 7,417                | 0                  | 0                   | 0           | 0                | 7,417                  |
| Franchises and Consents        | 302 594                  | 0                  | 0                   | 0           | 0                | 594                    |
| Intangible Software            | 303 14,680,360           | 963,139            | 0                   | 0           | 0                | 15,643,499             |
| <b>TOTAL INTANGIBLE:</b>       | <b>14,688,371</b>        | <b>963,139</b>     | <b>0</b>            | <b>0</b>    | <b>0</b>         | <b>15,651,510</b>      |
| <b>STEAM PRODUCTION:</b>       |                          |                    |                     |             |                  |                        |
| <b>DANIEL PLANT:</b>           |                          |                    |                     |             |                  |                        |
| Plant                          | 253,058,388              | 3,405,590          | (373,428)           | 0           | 0                | 256,090,550            |
| Land                           | 1,028,762                | 0                  | 0                   | 0           | 0                | 1,028,762              |
| Easements                      | 77,160                   | 0                  | 0                   | 0           | 0                | 77,160                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                  | 0                   | 0           | 0                | 8,954,192              |
| Rail Track System              | 2,741,618                | 0                  | 0                   | 0           | 0                | 2,741,618              |
| Asset Retirement Obligation    | 391,149                  | 0                  | 0                   | 0           | 0                | 391,149                |
| <b>TOTAL DANIEL PLANT:</b>     | <b>266,251,269</b>       | <b>3,405,590</b>   | <b>(373,428)</b>    | <b>0</b>    | <b>0</b>         | <b>269,283,431</b>     |
| <b>CRIST PLANT:</b>            |                          |                    |                     |             |                  |                        |
| Plant                          | 1,196,885,458            | 310,007,812        | (20,188,802)        | 0           | 368,025          | 1,487,072,493          |
| Land                           | 6,027,470                | (4,204)            | 0                   | 0           | 0                | 6,023,266              |
| Easements                      | 5,103                    | (5,103)            | 0                   | 0           | 0                | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                  | 0                   | 0           | 0                | 141,840                |
| - 5 Year                       | 161,226                  | 0                  | (23,654)            | 0           | 0                | 137,572                |
| - 7 Year                       | 4,890,421                | 531,836            | 0                   | 0           | 0                | 5,422,257              |
| Asset Retirement Obligation    | 1,132,431                | 0                  | 0                   | 0           | 0                | 1,132,431              |
| <b>TOTAL CRIST PLANT:</b>      | <b>1,209,243,949</b>     | <b>310,530,341</b> | <b>(20,212,456)</b> | <b>0</b>    | <b>368,025</b>   | <b>1,499,929,859</b>   |
| <b>SCHOLZ PLANT:</b>           |                          |                    |                     |             |                  |                        |
| Plant                          | 31,290,784               | 241,970            | (469,319)           | 0           | (368,025)        | 30,695,410             |
| Land                           | 44,579                   | 0                  | 0                   | 0           | 0                | 44,579                 |
| Base Coal, 5 Year              | 71,300                   | 0                  | 0                   | 0           | 0                | 71,300                 |
| - 5 Year                       | 8,730                    | 0                  | 0                   | 0           | 0                | 8,730                  |
| - 7 Year                       | 213,933                  | 13,211             | (110,583)           | 0           | 0                | 116,561                |
| Asset Retirement Obligation    | 254,654                  | 0                  | (13,014)            | 0           | 0                | 241,640                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>31,883,980</b>        | <b>255,181</b>     | <b>(592,916)</b>    | <b>0</b>    | <b>(368,025)</b> | <b>31,178,220</b>      |
| <b>SMITH PLANT:</b>            |                          |                    |                     |             |                  |                        |
| Plant                          | 173,958,502              | 1,556,290          | (103,740)           | 0           | 0                | 175,411,052            |
| Land                           | 1,363,924                | 0                  | 0                   | 0           | 0                | 1,363,924              |
| Base Coal, 5 Year              | 108,300                  | 0                  | 0                   | 0           | 0                | 108,300                |
| - 5 Year                       | 29,526                   | 2,267              | 0                   | 0           | 0                | 31,793                 |
| - 7 Year                       | 1,576,886                | 25,345             | 0                   | 0           | 0                | 1,602,231              |
| Asset Retirement Obligation    | 471,960                  | 0                  | (22)                | 0           | 0                | 471,938                |
| <b>TOTAL SMITH PLANT:</b>      | <b>177,509,098</b>       | <b>1,583,902</b>   | <b>(103,762)</b>    | <b>0</b>    | <b>0</b>         | <b>178,989,238</b>     |
| <b>SCHERER PLANT:</b>          |                          |                    |                     |             |                  |                        |
| Plant                          | 357,421,184              | 2,419,966          | (488,765)           | 0           | 0                | 359,352,385            |
| Land                           | 912,049                  | 3,946              | 0                   | (63)        | 0                | 915,932                |
| - 7 Year                       | 204,492                  | (27)               | (9,024)             | 0           | 0                | 195,441                |
| Asset Retirement Obligation    | 230,322                  | 4,925,916          | 0                   | 0           | 0                | 5,156,238              |
| <b>TOTAL SCHERER PLANT:</b>    | <b>358,768,047</b>       | <b>7,349,801</b>   | <b>(497,789)</b>    | <b>(63)</b> | <b>0</b>         | <b>365,619,996</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>2,043,656,343</b>     | <b>323,124,815</b> | <b>(21,780,351)</b> | <b>(63)</b> | <b>0</b>         | <b>2,345,000,744</b>   |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments     | Transfers       | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|-----------------|-----------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                    |                     |                 |                 |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                          |                    |                     |                 |                 |                        |
| Land - Non-Depreciable                          | 340   | 337,696                  | 0                  | 0                   | 0               | 0               | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>        | <b>0</b>        | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                          |                    |                     |                 |                 |                        |
| Structures and Improvements                     | 341   | 1,293,927                | 16,312             | 0                   | 0               | 0               | 1,310,239              |
| Fuel Holders and Accessories                    | 342   | 726,111                  | (4,805)            | (23,444)            | 0               | 0               | 697,862                |
| Prime Movers                                    | 343   | 2,405,830                | (92)               | 0                   | 0               | 0               | 2,405,738              |
| Generators                                      | 344   | 3,438,921                | 0                  | 0                   | 0               | 0               | 3,438,921              |
| Accessory Electric Equipment                    | 345   | 48,476                   | 0                  | 0                   | 0               | 0               | 48,476                 |
| Miscellaneous Equipment                         | 346   | 53,925                   | (10,778)           | 0                   | 0               | 0               | 43,147                 |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>7,967,190</b>         | <b>637</b>         | <b>(23,444)</b>     | <b>0</b>        | <b>0</b>        | <b>7,944,383</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                    |                     |                 |                 |                        |
| Structures and Improvements                     | 341   | 12,954,680               | 1,645,389          | (1,022,063)         | 0               | 0               | 13,578,006             |
| Fuel Holders and Accessories                    | 342   | 3,038,953                | 5,349              | 0                   | 0               | 0               | 3,044,302              |
| Prime Movers                                    | 343   | 113,697,164              | 482,899            | (249,094)           | 0               | 0               | 113,930,969            |
| Generators                                      | 344   | 67,249,648               | 8,749              | (7,462)             | 0               | 0               | 67,250,935             |
| Accessory Electric Equipment                    | 345   | 12,063,368               | 18,579             | 0                   | 0               | 0               | 12,081,947             |
| Miscellaneous Equipment                         | 346   | 1,113,927                | 46,057             | (35,797)            | 0               | 0               | 1,124,187              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>210,117,740</b>       | <b>2,207,022</b>   | <b>(1,314,416)</b>  | <b>0</b>        | <b>0</b>        | <b>211,010,346</b>     |
| <b>PACE PLANT:</b>                              |       |                          |                    |                     |                 |                 |                        |
| Prime Movers                                    | 343   | 6,790,595                | 0                  | 0                   | 0               | 0               | 6,790,595              |
| Generators                                      | 344   | 3,107,233                | 0                  | 0                   | 0               | 0               | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                  | 0                  | 0                   | 0               | 0               | 584,090                |
| Asset Retirement Obligation                     | 347   | 397,194                  | 0                  | 0                   | 0               | 0               | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>        | <b>0</b>           | <b>0</b>            | <b>0</b>        | <b>0</b>        | <b>10,879,112</b>      |
| <b>PERDIDO PLANT:</b>                           |       |                          |                    |                     |                 |                 |                        |
| Structures and Improvements                     | 341   | 942,440                  | 0                  | 0                   | 0               | 0               | 942,440                |
| Fuel Holders and Accessories                    | 342   | 578,765                  | 0                  | 0                   | 0               | 0               | 578,765                |
| Prime Movers                                    | 343   | 2,745,649                | 0                  | 0                   | 0               | 0               | 2,745,649              |
| Accessory Electric Equipment                    | 345   | 788,715                  | 17,967             | 0                   | 0               | 0               | 806,682                |
| Miscellaneous Equipment                         | 346   | 45,550                   | 0                  | 0                   | 0               | 0               | 45,550                 |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>5,101,119</b>         | <b>17,967</b>      | <b>0</b>            | <b>0</b>        | <b>0</b>        | <b>5,119,086</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>234,402,857</b>       | <b>2,225,626</b>   | <b>(1,337,860)</b>  | <b>0</b>        | <b>0</b>        | <b>235,290,623</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>2,278,059,200</b>     | <b>325,350,441</b> | <b>(23,118,211)</b> | <b>(63)</b>     | <b>0</b>        | <b>2,580,291,367</b>   |
| <b>TRANSMISSION:</b>                            |       |                          |                    |                     |                 |                 |                        |
| Land  | 350.0 | 3,453,755                | 3,761,170          | 0                   | (34,622)        | (32,170)        | 7,148,133              |
| Easements                                       | 350.2 | 12,633,960               | 0                  | 0                   | 0               | 32,170          | 12,666,130             |
| Structures and Improvements                     | 352   | 10,978,788               | 207,059            | (17,057)            | 0               | 0               | 11,168,790             |
| Station Equipment                               | 353   | 124,993,222              | 28,034,998         | (2,574,917)         | 0               | (101,442)       | 150,351,861            |
| Towers and Fixtures                             | 354   | 41,223,038               | 3,316,103          | (1,174,359)         | 0               | 3,989           | 43,368,771             |
| Poles and Fixtures                              | 355   | 88,692,650               | 27,519,172         | (3,579,967)         | 0               | 1,918           | 112,633,773            |
| Overhead Conductors & Devices                   | 356   | 72,412,743               | 7,439,639          | (2,447,789)         | 0               | 11,543          | 77,416,136             |
| Underground Conductors & Devices                | 358   | 14,094,502               | 0                  | 0                   | 0               | 0               | 14,094,502             |
| Roads and Trails                                | 359   | 45,800                   | 190,118            | 0                   | 0               | 0               | 235,918                |
| Asset Retirement Obligation                     | 359.1 | 7,861                    | 0                  | 0                   | 0               | 0               | 7,861                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>368,536,319</b>       | <b>70,468,259</b>  | <b>(9,794,089)</b>  | <b>(34,622)</b> | <b>(83,992)</b> | <b>429,091,875</b>     |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments     | Transfers     | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|-----------------|---------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                          |                    |                     |                 |               |                        |
| Land                                    | 360.0 | 3,408,450                | 525,038            | 0                   | (5,191)         | 0             | 3,928,297              |
| Land Rights                             | 360.1 | 204,176                  | 0                  | 0                   | 0               | 0             | 204,176                |
| Structures and Improvements             | 361   | 19,568,845               | 3,738,605          | (80,558)            | 0               | 0             | 23,226,892             |
| Station Equipment                       | 362   | 172,254,474              | 14,480,053         | (2,093,739)         | 0               | 89,855        | 184,730,643            |
| Poles, Towers & Fixtures                | 364   | 130,678,945              | 5,314,764          | (12,625,534)        | 0               | (4,247)       | 123,363,928            |
| Overhead Conductors & Devices           | 365   | 126,166,783              | 6,056,014          | (1,926,632)         | 0               | 769,103       | 131,065,268            |
| Underground Conduit                     | 366   | 1,217,455                | 0                  | (56,769)            | 0               | 0             | 1,160,686              |
| Underground Conductors & Devices        | 367   | 124,193,018              | 8,444,502          | (755,578)           | 0               | 1,015,528     | 132,897,470            |
| Line Transformers                       | 368   | 229,026,046              | 14,372,935         | (8,488,741)         | 0               | (1,788,576)   | 233,121,664            |
| Services:                               |       |                          |                    |                     |                 |               |                        |
| - Overhead                              | 369.1 | 51,743,562               | 1,479,151          | (215,074)           | 0               | 0             | 53,007,639             |
| - Underground                           | 369.2 | 43,927,818               | 1,077,539          | (95,269)            | 0               | 0             | 44,910,088             |
| Meters                                  | 370   | 53,839,750               | 10,228,962         | (1,381,325)         | 0               | (34,299,000)  | 28,388,387             |
| Meters - AMI Equipment                  | 370   | 0                        | 6,176,056          | (83,475)            | 0               | 34,299,000    | 40,391,581             |
| Meters - FPSC Segregated                | 370   | 5,826,983                | 0                  | (4,057,393)         | 0               | 0             | 1,769,590              |
| Meters - Non FPSC Segregated            | 370   | 7,790,030                | 0                  | (4,580,575)         | 0               | 0             | 3,209,455              |
| Street Lighting & Signal Systems        | 373   | 60,488,452               | 1,410,175          | (247,799)           | 0               | 0             | 61,650,828             |
| Asset Retirement Obligation             | 374   | 43,465                   | 0                  | 0                   | 0               | 0             | 43,465                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>1,030,378,252</u>     | <u>73,303,794</u>  | <u>(36,688,461)</u> | <u>(5,191)</u>  | <u>81,663</u> | <u>1,067,070,057</u>   |
| <b>GENERAL PLANT:</b>                   |       |                          |                    |                     |                 |               |                        |
| Land                                    | 389.0 | 6,936,456                | 176,032            | 0                   | 0               | 0             | 7,112,488              |
| Structures and Improvements             | 390   | 69,926,724               | 460,909            | (852,561)           | 0               | 0             | 69,535,072             |
| Office Furniture & Equipment            |       |                          |                    |                     |                 |               |                        |
| - Computer, 5 Year                      | 391   | 4,651,411                | 133,441            | (1,052,187)         | 0               | 0             | 3,732,665              |
| - Non-Computer, 7 Year                  | 391   | 2,560,882                | 118,716            | (234,269)           | 0               | 0             | 2,445,329              |
| Transportation Equipment                |       |                          |                    |                     |                 |               |                        |
| - Light Trucks                          | 392.2 | 7,173,020                | 316,909            | (696,122)           | 0               | 0             | 6,793,807              |
| - Heavy Trucks                          | 392.3 | 19,536,130               | 2,299,778          | (294,039)           | 0               | 0             | 21,541,869             |
| - Trailers                              | 392.4 | 1,158,484                | 137,029            | (85,900)            | 0               | 0             | 1,209,613              |
| - Marine, 5 Year                        | 392   | 213,594                  | (5)                | 0                   | 0               | 0             | 213,589                |
| Stores Equipment - 7 Year               | 393   | 1,176,467                | 148,647            | 0                   | 0               | 0             | 1,325,114              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 2,507,089                | 1,556,448          | (151,122)           | 0               | 0             | 3,912,415              |
| Laboratory Equipment - 7 Year           | 395   | 2,753,789                | 220,134            | (479,501)           | 0               | 0             | 2,494,422              |
| Power Operated Equipment                | 396   | 837,382                  | 27,258             | 0                   | 0               | 0             | 864,640                |
| Communication Equipment                 |       |                          |                    |                     |                 |               |                        |
| - Other                                 | 397   | 19,134,175               | 1,842,999          | (5,076,185)         | 0               | 2,329         | 15,903,318             |
| - 7 Year                                | 397   | 4,428,562                | 1,227,867          | (808,455)           | 0               | 0             | 4,847,974              |
| Miscellaneous Equipment - 7 year        | 398   | 3,488,619                | 193,456            | (135,770)           | 0               | 0             | 3,546,305              |
| Asset Retirement Obligation             | 399.1 | 195,426                  | 0                  | 0                   | 0               | 0             | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>146,678,210</u>       | <u>8,859,618</u>   | <u>(9,866,111)</u>  | <u>0</u>        | <u>2,329</u>  | <u>145,674,046</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>3,838,340,352</u>     | <u>478,945,251</u> | <u>(79,466,872)</u> | <u>(39,876)</u> | <u>0</u>      | <u>4,237,778,855</u>   |

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

|                                | Balance<br>First of Year | Additions         | Retirements         | Adjustments  | Transfers | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------|-----------|------------------------|
| <b>INTANGIBLE:</b>             |                          |                   |                     |              |           |                        |
| Organization                   | 301 7,418                | 0                 | 0                   | 0            | 0         | 7,418                  |
| Franchises and Consents        | 302 594                  | 0                 | 0                   | 0            | 0         | 594                    |
| Intangible Software            | 303 12,848,863           | 1,831,497         | 0                   | 0            | 0         | 14,680,360             |
| <b>TOTAL INTANGIBLE:</b>       | <b>12,856,875</b>        | <b>1,831,497</b>  | <b>0</b>            | <b>0</b>     | <b>0</b>  | <b>14,688,372</b>      |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |              |           |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |              |           |                        |
| Plant                          | 249,358,068              | 7,853,288         | (4,152,969)         | 0            | 0         | 253,058,387            |
| Land                           | 967,300                  | 61,461            | 0                   | 0            | 0         | 1,028,761              |
| Easements                      | 77,160                   | 0                 | 0                   | 0            | 0         | 77,160                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0            | 0         | 8,954,192              |
| Rail Track System              | 2,741,618                | 0                 | 0                   | 0            | 0         | 2,741,618              |
| Asset Retirement Obligation    | 989,615                  | 0                 | (598,465)           | 0            | 0         | 391,150                |
| <b>TOTAL DANIEL PLANT:</b>     | <b>263,087,953</b>       | <b>7,914,749</b>  | <b>(4,751,434)</b>  | <b>0</b>     | <b>0</b>  | <b>266,251,268</b>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |              |           |                        |
| Plant                          | 1,162,438,337            | 50,121,197        | (15,674,076)        | 0            | 0         | 1,196,885,458          |
| Land                           | 6,027,470                | 0                 | 0                   | 0            | 0         | 6,027,470              |
| Easements                      | 5,103                    | 0                 | 0                   | 0            | 0         | 5,103                  |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0            | 0         | 141,840                |
| - 5 Year                       | 131,332                  | 30,036            | (142)               | 0            | 0         | 161,226                |
| - 7 Year                       | 4,917,350                | 442,864           | (469,794)           | 0            | 0         | 4,890,420              |
| Asset Retirement Obligation    | 1,373,417                | (235,246)         | (5,740)             | 0            | 0         | 1,132,431              |
| <b>TOTAL CRIST PLANT:</b>      | <b>1,175,034,849</b>     | <b>50,358,851</b> | <b>(16,149,752)</b> | <b>0</b>     | <b>0</b>  | <b>1,209,243,948</b>   |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |              |           |                        |
| Plant                          | 31,082,548               | 245,753           | (37,517)            | 0            | 0         | 31,290,784             |
| Land                           | 44,579                   | 0                 | 0                   | 0            | 0         | 44,579                 |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0            | 0         | 71,300                 |
| - 5 Year                       | 5,717                    | 3,014             | 0                   | 0            | 0         | 8,731                  |
| - 7 Year                       | 174,495                  | 39,437            | 0                   | 0            | 0         | 213,932                |
| Asset Retirement Obligation    | 347,535                  | (92,881)          | 0                   | 0            | 0         | 254,654                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>31,726,174</b>        | <b>195,323</b>    | <b>(37,517)</b>     | <b>0</b>     | <b>0</b>  | <b>31,883,980</b>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |              |           |                        |
| Plant                          | 170,872,163              | 3,769,258         | (682,918)           | 0            | 0         | 173,958,503            |
| Land                           | 1,363,924                | 0                 | 0                   | 0            | 0         | 1,363,924              |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0            | 0         | 108,300                |
| - 5 Year                       | 7,532                    | 21,994            | 0                   | 0            | 0         | 29,526                 |
| - 7 Year                       | 1,120,532                | 456,355           | 0                   | 0            | 0         | 1,576,887              |
| Asset Retirement Obligation    | 471,972                  | 0                 | (12)                | 0            | 0         | 471,960                |
| <b>TOTAL SMITH PLANT:</b>      | <b>173,944,423</b>       | <b>4,247,607</b>  | <b>(682,930)</b>    | <b>0</b>     | <b>0</b>  | <b>177,509,100</b>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |              |           |                        |
| Plant                          | 325,733,620              | 32,350,988        | (663,423)           | 0            | 0         | 357,421,185            |
| Land                           | 861,987                  | 50,227            | 0                   | (165)        | 0         | 912,049                |
| - 7 Year                       | 183,664                  | 20,828            | 0                   | 0            | 0         | 204,492                |
| Asset Retirement Obligation    | 122,717                  | 107,605           | 0                   | 0            | 0         | 230,322                |
| <b>TOTAL SCHERER PLANT:</b>    | <b>326,901,988</b>       | <b>32,529,648</b> | <b>(663,423)</b>    | <b>(165)</b> | <b>0</b>  | <b>358,768,048</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>1,970,695,387</b>     | <b>95,246,178</b> | <b>(22,285,056)</b> | <b>(165)</b> | <b>0</b>  | <b>2,043,656,344</b>   |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments  | Transfers       | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|--------------|-----------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                    |                     |              |                 |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                          |                    |                     |              |                 |                        |
| Land - Non-Depreciable                          | 340   | 337,696                  | 0                  | 0                   | 0            | 0               | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>     | <b>0</b>        | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                          |                    |                     |              |                 |                        |
| Structures and Improvements                     | 341   | 793,362                  | 1,153,735          | (653,170)           | 0            | 0               | 1,293,927              |
| Fuel Holders and Accessories                    | 342   | 513,015                  | 297,667            | (84,571)            | 0            | 0               | 726,111                |
| Prime Movers                                    | 343   | 83,106                   | 2,322,723          | 0                   | 0            | 0               | 2,405,829              |
| Generators                                      | 344   | 3,438,922                | 0                  | 0                   | 0            | 0               | 3,438,922              |
| Accessory Electric Equipment                    | 345   | 126,273                  | 0                  | (85,758)            | 0            | 7,960           | 48,475                 |
| Miscellaneous Equipment                         | 346   | 8,803                    | 47,424             | (2,302)             | 0            | 0               | 53,925                 |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>4,963,481</b>         | <b>3,821,549</b>   | <b>(825,801)</b>    | <b>0</b>     | <b>7,960</b>    | <b>7,967,189</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                    |                     |              |                 |                        |
| Structures and Improvements                     | 341   | 12,127,157               | 1,472,007          | (644,484)           | 0            | 0               | 12,954,680             |
| Fuel Holders and Accessories                    | 342   | 2,978,029                | 183,198            | (122,275)           | 0            | 0               | 3,038,952              |
| Prime Movers                                    | 343   | 114,129,869              | 336,336            | (769,041)           | 0            | 0               | 113,697,164            |
| Generators                                      | 344   | 67,029,417               | 249,579            | (29,346)            | 0            | 0               | 67,249,650             |
| Accessory Electric Equipment                    | 345   | 11,070,806               | 1,032,765          | (32,243)            | 0            | (7,960)         | 12,063,368             |
| Miscellaneous Equipment                         | 346   | 1,084,763                | 29,163             | 0                   | 0            | 0               | 1,113,926              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>208,420,041</b>       | <b>3,303,048</b>   | <b>(1,597,389)</b>  | <b>0</b>     | <b>(7,960)</b>  | <b>210,117,740</b>     |
| <b>PACE PLANT:</b>                              |       |                          |                    |                     |              |                 |                        |
| Prime Movers                                    | 343   | 6,790,595                | 0                  | 0                   | 0            | 0               | 6,790,595              |
| Generators                                      | 344   | 3,107,233                | 0                  | 0                   | 0            | 0               | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                  | 0                  | 0                   | 0            | 0               | 584,090                |
| Asset Retirement Obligation                     | 347   | 397,194                  | 0                  | 0                   | 0            | 0               | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>        | <b>0</b>           | <b>0</b>            | <b>0</b>     | <b>0</b>        | <b>10,879,112</b>      |
| <b>PERDIDO PLANT:</b>                           |       |                          |                    |                     |              |                 |                        |
| Structures and Improvements                     | 341   | 0                        | 942,440            | 0                   | 0            | 0               | 942,440                |
| Fuel Holders and Accessories                    | 342   | 0                        | 578,765            | 0                   | 0            | 0               | 578,765                |
| Prime Movers                                    | 343   | 0                        | 2,745,649          | 0                   | 0            | 0               | 2,745,649              |
| Accessory Electric Equipment                    | 345   | 0                        | 788,715            | 0                   | 0            | 0               | 788,715                |
| Miscellaneous Equipment                         | 346   | 5,101,729                | (5,056,179)        | 0                   | 0            | 0               | 45,550                 |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>5,101,729</b>         | <b>(610)</b>       | <b>0</b>            | <b>0</b>     | <b>0</b>        | <b>5,101,119</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>229,702,059</b>       | <b>7,123,987</b>   | <b>(2,423,190)</b>  | <b>0</b>     | <b>0</b>        | <b>234,402,856</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>2,200,397,446</b>     | <b>102,370,165</b> | <b>(24,708,246)</b> | <b>(165)</b> | <b>0</b>        | <b>2,278,059,200</b>   |
| <b>TRANSMISSION:</b>                            |       |                          |                    |                     |              |                 |                        |
| Land  | 350.0 | 2,697,249                | 756,505            | 0                   | 0            | 0               | 3,453,754              |
| Easements                                       | 350.2 | 12,266,905               | 367,056            | 0                   | 0            | 0               | 12,633,961             |
| Structures and Improvements                     | 352   | 9,290,925                | 1,687,863          | 0                   | 0            | 0               | 10,978,788             |
| Station Equipment                               | 353   | 108,836,464              | 17,696,477         | (1,478,877)         | 0            | (60,843)        | 124,993,221            |
| Towers and Fixtures                             | 354   | 41,288,014               | 25,735             | (90,710)            | 0            | 0               | 41,223,039             |
| Poles and Fixtures                              | 355   | 81,514,111               | 7,505,836          | (327,298)           | 0            | 0               | 88,692,649             |
| Overhead Conductors & Devices                   | 356   | 66,997,220               | 6,263,450          | (847,928)           | 0            | 0               | 72,412,742             |
| Underground Conductors & Devices                | 358   | 14,094,502               | 0                  | 0                   | 0            | 0               | 14,094,502             |
| Roads and Trails                                | 359   | 61,447                   | (15,647)           | 0                   | 0            | 0               | 45,800                 |
| Asset Retirement Obligation                     | 359.1 | 7,861                    | 0                  | 0                   | 0            | 0               | 7,861                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>337,054,698</b>       | <b>34,287,275</b>  | <b>(2,744,813)</b>  | <b>0</b>     | <b>(60,843)</b> | <b>368,536,317</b>     |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments    | Transfers        | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|----------------|------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                          |                    |                     |                |                  |                        |
| Land                                    | 360.0 | 2,536,509                | 872,644            | 0                   | (704)          | 0                | 3,408,449              |
| Land Rights                             | 360.1 | 204,176                  | 0                  | 0                   | 0              | 0                | 204,176                |
| Structures and Improvements             | 361   | 18,262,773               | 1,307,990          | (4,670)             | 0              | 2,752            | 19,568,845             |
| Station Equipment                       | 362   | 164,334,932              | 9,824,279          | (1,952,133)         | 0              | 47,397           | 172,254,475            |
| Poles, Towers & Fixtures                | 364   | 125,319,939              | 6,679,121          | (1,213,402)         | 0              | (106,712)        | 130,678,946            |
| Overhead Conductors & Devices           | 365   | 121,981,530              | 7,215,884          | (2,203,015)         | 0              | (827,616)        | 126,166,783            |
| Underground Conduit                     | 366   | 1,217,455                | 0                  | 0                   | 0              | 0                | 1,217,455              |
| Underground Conductors & Devices        | 367   | 118,333,108              | 5,711,531          | (504,490)           | 0              | 652,868          | 124,193,017            |
| Line Transformers                       | 368   | 220,177,780              | 12,762,808         | (3,671,922)         | 0              | (242,620)        | 229,026,046            |
| Services:                               |       |                          |                    |                     |                |                  |                        |
| - Overhead                              | 369.1 | 50,597,995               | 1,318,784          | (173,216)           | 0              | 0                | 51,743,563             |
| - Underground                           | 369.2 | 42,468,271               | 1,542,802          | (83,255)            | 0              | 0                | 43,927,818             |
| Meters                                  | 370   | 35,978,405               | 20,516,476         | (2,655,131)         | 0              | 0                | 53,839,750             |
| Meters - FPSC Segregated                | 370   | 12,072,127               | 0                  | (6,245,145)         | 0              | 0                | 5,826,982              |
| Meters - Non FPSC Segregated            | 370   | 9,496,732                | 0                  | (1,706,702)         | 0              | 0                | 7,790,030              |
| Street Lighting & Signal Systems        | 373   | 58,772,915               | 1,926,447          | (207,303)           | 0              | (3,608)          | 60,488,451             |
| Asset Retirement Obligation             | 374   | 43,465                   | 0                  | 0                   | 0              | 0                | 43,465                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>981,798,112</u>       | <u>69,678,766</u>  | <u>(20,620,384)</u> | <u>(704)</u>   | <u>(477,539)</u> | <u>1,030,378,251</u>   |
| <b>GENERAL PLANT:</b>                   |       |                          |                    |                     |                |                  |                        |
| Land                                    | 389.0 | 6,858,328                | 78,349             | 0                   | (222)          | 0                | 6,936,455              |
| Structures and Improvements             | 390   | 66,948,929               | 2,517,692          | (78,277)            | 0              | 538,382          | 69,926,726             |
| Office Furniture & Equipment            |       |                          |                    |                     |                |                  |                        |
| - Computer, 5 Year                      | 391   | 4,458,492                | 192,918            | 0                   | 0              | 0                | 4,651,410              |
| - Non-Computer, 7 Year                  | 391   | 2,623,438                | 945,334            | (1,007,889)         | 0              | 0                | 2,560,883              |
| Transportation Equipment                |       |                          |                    |                     |                |                  |                        |
| - Light Trucks                          | 392.2 | 6,995,416                | 872,489            | (694,883)           | 0              | 0                | 7,173,022              |
| - Heavy Trucks                          | 392.3 | 19,222,561               | 522,080            | (208,510)           | 0              | 0                | 19,536,131             |
| - Trailers                              | 392.4 | 1,082,864                | 83,231             | (7,612)             | 0              | 0                | 1,158,483              |
| - Marine, 5 Year                        | 392   | 191,247                  | 81,107             | (58,760)            | 0              | 0                | 213,594                |
| Stores Equipment - 7 Year               | 393   | 1,006,018                | 262,791            | (92,343)            | 0              | 0                | 1,176,466              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 2,799,820                | 187,760            | (480,492)           | 0              | 0                | 2,507,088              |
| Laboratory Equipment - 7 Year           | 395   | 2,411,718                | 342,072            | 0                   | 0              | 0                | 2,753,790              |
| Power Operated Equipment                | 396   | 593,661                  | 243,722            | 0                   | 0              | 0                | 837,383                |
| Communication Equipment                 |       |                          |                    |                     |                |                  |                        |
| - Other                                 | 397   | 19,230,093               | 462,820            | (558,739)           | 0              | 0                | 19,134,174             |
| - 7 Year                                | 397   | 3,687,588                | 1,163,542          | (422,568)           | 0              | 0                | 4,428,562              |
| Miscellaneous Equipment - 7 year        | 398   | 3,597,865                | 435,376            | (544,622)           | 0              | 0                | 3,488,619              |
| Asset Retirement Obligation             | 399.1 | 196,571                  | 0                  | (1,145)             | 0              | 0                | 195,426                |
| <b>TOTAL GENERAL:</b>                   |       | <u>141,904,609</u>       | <u>8,391,283</u>   | <u>(4,155,840)</u>  | <u>(222)</u>   | <u>538,382</u>   | <u>146,678,212</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>3,674,011,740</u>     | <u>216,558,986</u> | <u>(52,229,283)</u> | <u>(1,091)</u> | <u>0</u>         | <u>3,838,340,352</u>   |

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

|                                |     | Balance<br>First of Year | Additions          | Retirements         | Adjustments        | Transfers | Balance<br>End of Year |
|--------------------------------|-----|--------------------------|--------------------|---------------------|--------------------|-----------|------------------------|
| <b>INTANGIBLE:</b>             |     |                          |                    |                     |                    |           |                        |
| Organization                   | 301 | 194,815                  | 0                  | 0                   | 0                  | (187,397) | 7,418                  |
| Franchises and Consents        | 302 | 594                      | 0                  | 0                   | 0                  | 0         | 594                    |
| Intangible Software            | 303 | 0                        | 12,661,466         | 0                   | 0                  | 187,397   | 12,848,863             |
| <b>TOTAL INTANGIBLE:</b>       |     | <u>195,409</u>           | <u>12,661,466</u>  | <u>0</u>            | <u>0</u>           | <u>0</u>  | <u>12,856,875</u>      |
| <b>STEAM PRODUCTION:</b>       |     |                          |                    |                     |                    |           |                        |
| <b>DANIEL PLANT:</b>           |     |                          |                    |                     |                    |           |                        |
| Plant                          |     | 240,203,220              | 9,341,278          | (186,166)           | (264)              | 0         | 249,358,068            |
| Land                           |     | 3,884,047                | 145                | 0                   | (2,916,892)        | 0         | 967,300                |
| Easements                      |     | 77,160                   | 0                  | 0                   | 0                  | 0         | 77,160                 |
| Cooling Lake, 23 Year          |     | 8,954,192                | 0                  | 0                   | 0                  | 0         | 8,954,192              |
| Rail Track System              |     | 2,741,618                | 0                  | 0                   | 0                  | 0         | 2,741,618              |
| Asset Retirement Obligation    |     | 2,020,606                | 0                  | -1,030,991          | 0                  | 0         | 989,615                |
| <b>TOTAL DANIEL PLANT:</b>     |     | <u>257,880,843</u>       | <u>9,341,423</u>   | <u>(1,217,157)</u>  | <u>(2,917,156)</u> | <u>0</u>  | <u>263,087,953</u>     |
| <b>CRIST PLANT:</b>            |     |                          |                    |                     |                    |           |                        |
| Plant                          |     | 1,109,816,351            | 64,028,035         | (11,406,049)        | 0                  | 0         | 1,162,438,337          |
| Land                           |     | 6,027,470                | 0                  | 0                   | 0                  | 0         | 6,027,470              |
| Easements                      |     | 5,103                    | 0                  | 0                   | 0                  | 0         | 5,103                  |
| Base Coal, 5 Year              |     | 141,840                  | 0                  | 0                   | 0                  | 0         | 141,840                |
| - 5 Year                       |     | 74,905                   | 57,280             | (853)               | 0                  | 0         | 131,332                |
| - 7 Year                       |     | 4,488,860                | 895,247            | (466,757)           | 0                  | 0         | 4,917,350              |
| Asset Retirement Obligation    |     | 1,373,417                | 0                  | 0                   | 0                  | 0         | 1,373,417              |
| <b>TOTAL CRIST PLANT:</b>      |     | <u>1,121,927,946</u>     | <u>64,980,562</u>  | <u>(11,873,659)</u> | <u>0</u>           | <u>0</u>  | <u>1,175,034,849</u>   |
| <b>SCHOLZ PLANT:</b>           |     |                          |                    |                     |                    |           |                        |
| Plant                          |     | 31,074,395               | 21,661             | (13,508)            | 0                  | 0         | 31,082,548             |
| Land                           |     | 44,579                   | 0                  | 0                   | 0                  | 0         | 44,579                 |
| Base Coal, 5 Year              |     | 71,300                   | 0                  | 0                   | 0                  | 0         | 71,300                 |
| - 5 Year                       |     | 0                        | 5,717              | 0                   | 0                  | 0         | 5,717                  |
| - 7 Year                       |     | 174,495                  | 0                  | 0                   | 0                  | 0         | 174,495                |
| Asset Retirement Obligation    |     | 347,535                  | 0                  | 0                   | 0                  | 0         | 347,535                |
| <b>TOTAL SCHOLZ PLANT:</b>     |     | <u>31,712,304</u>        | <u>27,378</u>      | <u>(13,508)</u>     | <u>0</u>           | <u>0</u>  | <u>31,726,174</u>      |
| <b>SMITH PLANT:</b>            |     |                          |                    |                     |                    |           |                        |
| Plant                          |     | 170,587,642              | 385,168            | (100,647)           | 0                  | 0         | 170,872,163            |
| Land                           |     | 1,363,924                | 0                  | 0                   | 0                  | 0         | 1,363,924              |
| Base Coal, 5 Year              |     | 108,300                  | 0                  | 0                   | 0                  | 0         | 108,300                |
| - 5 Year                       |     | 7,532                    | 0                  | 0                   | 0                  | 0         | 7,532                  |
| - 7 Year                       |     | 1,029,934                | 90,598             | 0                   | 0                  | 0         | 1,120,532              |
| Asset Retirement Obligation    |     | 471,972                  | 0                  | 0                   | 0                  | 0         | 471,972                |
| <b>TOTAL SMITH PLANT:</b>      |     | <u>173,569,304</u>       | <u>475,766</u>     | <u>(100,647)</u>    | <u>0</u>           | <u>0</u>  | <u>173,944,423</u>     |
| <b>SCHERER PLANT:</b>          |     |                          |                    |                     |                    |           |                        |
| Plant                          |     | 233,800,884              | 92,231,082         | (298,346)           | 0                  | 0         | 325,733,620            |
| Land                           |     | 846,761                  | 16,748             | 0                   | (1,522)            | 0         | 861,987                |
| - 7 Year                       |     | 186,463                  | 390                | (3,189)             | 0                  | 0         | 183,664                |
| Asset Retirement Obligation    |     | 122,717                  | 0                  | 0                   | 0                  | 0         | 122,717                |
| <b>TOTAL SCHERER PLANT:</b>    |     | <u>234,956,825</u>       | <u>92,248,220</u>  | <u>(301,535)</u>    | <u>(1,522)</u>     | <u>0</u>  | <u>326,901,988</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> |     | <u>1,820,047,222</u>     | <u>167,073,348</u> | <u>(13,506,506)</u> | <u>(2,918,677)</u> | <u>0</u>  | <u>1,970,695,387</u>   |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments        | Transfers     | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|--------------------|---------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                    |                     |                    |               |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                          |                    |                     |                    |               |                        |
| Land - Non-Depreciable                          | 340   | 337,696                  | 0                  | 0                   | 0                  | 0             | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>      | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                          |                    |                     |                    |               |                        |
| Structures and Improvements                     | 341   | 793,362                  | 0                  | 0                   | 0                  | 0             | 793,362                |
| Fuel Holders and Accessories                    | 342   | 513,015                  | 0                  | 0                   | 0                  | 0             | 513,015                |
| Prime Movers                                    | 343   | 83,106                   | 0                  | 0                   | 0                  | 0             | 83,106                 |
| Generators                                      | 344   | 3,438,922                | 0                  | 0                   | 0                  | 0             | 3,438,922              |
| Accessory Electric Equipment                    | 345   | 126,273                  | 0                  | 0                   | 0                  | 0             | 126,273                |
| Miscellaneous Equipment                         | 346   | 8,803                    | 0                  | 0                   | 0                  | 0             | 8,803                  |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>4,963,481</b>         | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>      | <b>4,963,481</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                    |                     |                    |               |                        |
| Structures and Improvements                     | 341   | 11,712,849               | 1,083,852          | (669,544)           | 0                  | 0             | 12,127,157             |
| Fuel Holders and Accessories                    | 342   | 2,942,463                | 78,713             | (43,147)            | 0                  | 0             | 2,978,029              |
| Prime Movers                                    | 343   | 94,060,650               | 38,811,613         | (18,742,394)        | 0                  | 0             | 114,129,869            |
| Generators                                      | 344   | 67,041,343               | 35,970             | (47,896)            | 0                  | 0             | 67,029,417             |
| Accessory Electric Equipment                    | 345   | 11,003,159               | 1,032,499          | (964,852)           | 0                  | 0             | 11,070,806             |
| Miscellaneous Equipment                         | 346   | 710,804                  | 561,233            | (187,274)           | 0                  | 0             | 1,084,763              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>187,471,268</b>       | <b>41,603,880</b>  | <b>(20,655,107)</b> | <b>0</b>           | <b>0</b>      | <b>208,420,041</b>     |
| <b>PACE PLANT:</b>                              |       |                          |                    |                     |                    |               |                        |
| Prime Movers                                    | 343   | 6,790,595                | 0                  | 0                   | 0                  | 0             | 6,790,595              |
| Generators                                      | 344   | 3,107,233                | 0                  | 0                   | 0                  | 0             | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                  | 0                  | 0                   | 0                  | 0             | 584,090                |
| Asset Retirement Obligation                     | 347   | 397,194                  | 0                  | 0                   | 0                  | 0             | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>        | <b>0</b>           | <b>0</b>            | <b>0</b>           | <b>0</b>      | <b>10,879,112</b>      |
| <b>PERDIDO PLANT:</b>                           |       |                          |                    |                     |                    |               |                        |
| Miscellaneous Equipment                         | 346   | 0                        | 5,101,729          | 0                   | 0                  | 0             | 5,101,729              |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>0</b>                 | <b>5,101,729</b>   | <b>0</b>            | <b>0</b>           | <b>0</b>      | <b>5,101,729</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>203,651,557</b>       | <b>46,705,609</b>  | <b>(20,655,107)</b> | <b>0</b>           | <b>0</b>      | <b>229,702,059</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>2,023,698,779</b>     | <b>213,778,957</b> | <b>(34,161,613)</b> | <b>(2,918,677)</b> | <b>0</b>      | <b>2,200,397,446</b>   |
| <b>TRANSMISSION:</b>                            |       |                          |                    |                     |                    |               |                        |
| Land  | 350.0 | 2,265,485                | 294,004            | 0                   | (148,729)          | 286,489       | 2,697,249              |
| Easements                                       | 350.2 | 12,707,117               | (153,723)          | 0                   | 0                  | (286,489)     | 12,266,905             |
| Structures and Improvements                     | 352   | 8,426,310                | 851,723            | 0                   | 0                  | 12,892        | 9,290,925              |
| Station Equipment                               | 353   | 100,888,004              | 8,369,268          | (451,276)           | 0                  | 30,468        | 108,836,464            |
| Towers and Fixtures                             | 354   | 38,868,886               | 2,407,904          | (19,253)            | 0                  | 30,477        | 41,288,014             |
| Poles and Fixtures                              | 355   | 76,122,945               | 5,838,331          | (420,644)           | 0                  | (26,521)      | 81,514,111             |
| Overhead Conductors & Devices                   | 356   | 63,854,916               | 3,322,048          | (179,744)           | 0                  | 0             | 66,997,220             |
| Underground Conductors & Devices                | 358   | 14,094,502               | 0                  | 0                   | 0                  | 0             | 14,094,502             |
| Roads and Trails                                | 359   | 61,447                   | 0                  | 0                   | 0                  | 0             | 61,447                 |
| Asset Retirement Obligation                     | 359.1 | 7,861                    | 0                  | 0                   | 0                  | 0             | 7,861                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>317,297,473</b>       | <b>20,929,555</b>  | <b>(1,070,917)</b>  | <b>(148,729)</b>   | <b>47,316</b> | <b>337,054,698</b>     |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments        | Transfers       | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|--------------------|-----------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                          |                    |                     |                    |                 |                        |
| Land                                    | 360.0 | 2,553,753                | 0                  | 0                   | (17,244)           | 0               | 2,536,509              |
| Land Rights                             | 360.1 | 204,176                  | 0                  | 0                   | 0                  | 0               | 204,176                |
| Structures and Improvements             | 361   | 16,745,219               | 1,532,998          | (15,444)            | 0                  | 0               | 18,262,773             |
| Station Equipment                       | 362   | 159,050,636              | 5,914,198          | (603,627)           | 0                  | (26,275)        | 164,334,932            |
| Poles, Towers & Fixtures                | 364   | 119,993,792              | 6,391,271          | (1,065,124)         | 0                  | 0               | 125,319,939            |
| Overhead Conductors & Devices           | 365   | 118,489,612              | 6,453,610          | (2,151,102)         | 0                  | (810,590)       | 121,981,530            |
| Underground Conduit                     | 366   | 1,217,455                | 0                  | 0                   | 0                  | 0               | 1,217,455              |
| Underground Conductors & Devices        | 367   | 111,391,188              | 6,589,214          | (457,884)           | 0                  | 810,590         | 118,333,108            |
| Line Transformers                       | 368   | 208,399,324              | 14,433,300         | (2,633,803)         | 0                  | (21,041)        | 220,177,780            |
| Services:                               |       |                          |                    |                     |                    |                 |                        |
| - Overhead                              | 369.1 | 49,215,769               | 1,524,162          | (141,936)           | 0                  | 0               | 50,597,995             |
| - Underground                           | 369.2 | 41,248,654               | 1,358,686          | (139,069)           | 0                  | 0               | 42,468,271             |
| - House Power Panel                     | 369.3 | 1,666,102                | 0                  | (1,666,102)         | 0                  | 0               | 0                      |
| Meters                                  | 370   | 51,269,486               | 8,327,691          | (1,945,380)         | 0                  | (21,673,392)    | 35,978,405             |
| Meters - FPSC Segregated                | 370   | 0                        | 0                  | (104,533)           | 0                  | 12,176,660      | 12,072,127             |
| Meters - Non FPSC Segregated            | 370   | 0                        | 0                  | 0                   | 0                  | 9,496,732       | 9,496,732              |
| Street Lighting & Signal Systems        | 373   | 56,904,425               | 2,278,904          | (410,414)           | 0                  | 0               | 58,772,915             |
| Asset Retirement Obligation             | 374   | 43,465                   | 0                  | 0                   | 0                  | 0               | 43,465                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>938,393,056</u>       | <u>54,804,034</u>  | <u>(11,334,418)</u> | <u>(17,244)</u>    | <u>(47,316)</u> | <u>981,798,112</u>     |
| <b>GENERAL PLANT:</b>                   |       |                          |                    |                     |                    |                 |                        |
| Land                                    | 389.0 | 6,858,328                | 0                  | 0                   | 0                  | 0               | 6,858,328              |
| Structures and Improvements             | 390   | 64,301,504               | 2,730,623          | (83,198)            | 0                  | 0               | 66,948,929             |
| Office Furniture & Equipment            |       |                          |                    |                     |                    |                 |                        |
| - Computer, 5 Year                      | 391   | 3,968,039                | 830,605            | (340,152)           | 0                  | 0               | 4,458,492              |
| - Non-Computer, 7 Year                  | 391   | 2,595,116                | 28,322             | 0                   | 0                  | 0               | 2,623,438              |
| Transportation Equipment                |       |                          |                    |                     |                    |                 |                        |
| - Light Trucks                          | 392.2 | 5,939,852                | 1,084,601          | (29,037)            | 0                  | 0               | 6,995,416              |
| - Heavy Trucks                          | 392.3 | 19,768,863               | 775,776            | (1,322,078)         | 0                  | 0               | 19,222,561             |
| - Trailers                              | 392.4 | 1,069,871                | 12,993             | 0                   | 0                  | 0               | 1,082,864              |
| - Marine, 5 Year                        | 392   | 58,760                   | 132,487            | 0                   | 0                  | 0               | 191,247                |
| Stores Equipment - 7 Year               | 393   | 796,334                  | 209,684            | 0                   | 0                  | 0               | 1,006,018              |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 1,502,346                | 1,297,474          | 0                   | 0                  | 0               | 2,799,820              |
| Laboratory Equipment - 7 Year           | 395   | 3,364,134                | 628,194            | (1,580,610)         | 0                  | 0               | 2,411,718              |
| Power Operated Equipment                | 396   | 593,661                  | 0                  | 0                   | 0                  | 0               | 593,661                |
| Communication Equipment                 |       |                          |                    |                     |                    |                 |                        |
| - Other                                 | 397   | 18,363,156               | 992,445            | (125,508)           | 0                  | 0               | 19,230,093             |
| - 7 Year                                | 397   | 3,010,142                | 677,446            | 0                   | 0                  | 0               | 3,687,588              |
| Miscellaneous Equipment - 7 year        | 398   | 4,352,298                | 220,402            | (974,835)           | 0                  | 0               | 3,597,865              |
| Asset Retirement Obligation             | 399.1 | 196,571                  | 0                  | 0                   | 0                  | 0               | 196,571                |
| <b>TOTAL GENERAL:</b>                   |       | <u>136,738,975</u>       | <u>9,621,052</u>   | <u>(4,455,418)</u>  | <u>0</u>           | <u>0</u>        | <u>141,904,609</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>3,416,323,692</u>     | <u>311,795,064</u> | <u>(51,022,366)</u> | <u>(3,084,650)</u> | <u>0</u>        | <u>3,674,011,740</u>   |

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

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

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments    | Transfers        | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|----------------|------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                    |                     |                |                  |                        |
| <b>LAND - NON-DEPRECIABLE:</b>                  |       |                          |                    |                     |                |                  |                        |
| Land - Non-Depreciable                          | 340   | 337,696                  | 0                  | 0                   | 0              | 0                | 337,696                |
| <b>TOTAL LAND - NON-DEPRECIABLE:</b>            |       | <b>337,696</b>           | <b>0</b>           | <b>0</b>            | <b>0</b>       | <b>0</b>         | <b>337,696</b>         |
| <b>SMITH PLANT CT:</b>                          |       |                          |                    |                     |                |                  |                        |
| Structures and Improvements                     | 341   | 793,362                  | 0                  | 0                   | 0              | 0                | 793,362                |
| Fuel Holders and Accessories                    | 342   | 513,015                  | 0                  | 0                   | 0              | 0                | 513,015                |
| Prime Movers                                    | 343   | 83,106                   | 0                  | 0                   | 0              | 0                | 83,106                 |
| Generators                                      | 344   | 3,438,922                | 0                  | 0                   | 0              | 0                | 3,438,922              |
| Accessory Electric Equipment                    | 345   | 126,273                  | 0                  | 0                   | 0              | 0                | 126,273                |
| Miscellaneous Equipment                         | 346   | 8,803                    | 0                  | 0                   | 0              | 0                | 8,803                  |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>4,963,481</b>         | <b>0</b>           | <b>0</b>            | <b>0</b>       | <b>0</b>         | <b>4,963,481</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                    |                     |                |                  |                        |
| Structures and Improvements                     | 341   | 11,453,415               | 373,197            | (113,763)           | 0              | 0                | 11,712,849             |
| Fuel Holders and Accessories                    | 342   | 2,913,767                | 28,696             | 0                   | 0              | 0                | 2,942,463              |
| Prime Movers                                    | 343   | 94,143,829               | (21,218)           | (61,961)            | 0              | 0                | 94,060,650             |
| Generators                                      | 344   | 67,013,354               | 29,795             | (1,806)             | 0              | 0                | 67,041,343             |
| Accessory Electric Equipment                    | 345   | 10,983,321               | 19,838             | 0                   | 0              | 0                | 11,003,159             |
| Miscellaneous Equipment                         | 346   | 710,804                  | 0                  | 0                   | 0              | 0                | 710,804                |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>187,218,490</b>       | <b>430,308</b>     | <b>(177,530)</b>    | <b>0</b>       | <b>0</b>         | <b>187,471,268</b>     |
| <b>PACE PLANT:</b>                              |       |                          |                    |                     |                |                  |                        |
| Prime Movers                                    | 343   | 6,790,595                | 0                  | 0                   | 0              | 0                | 6,790,595              |
| Generators                                      | 344   | 3,107,233                | 0                  | 0                   | 0              | 0                | 3,107,233              |
| Accessory Electric Equipment                    | 345   | 584,090                  | 0                  | 0                   | 0              | 0                | 584,090                |
| Asset Retirement Obligation                     | 347   | 397,194                  | 0                  | 0                   | 0              | 0                | 397,194                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>10,879,112</b>        | <b>0</b>           | <b>0</b>            | <b>0</b>       | <b>0</b>         | <b>10,879,112</b>      |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>203,398,779</b>       | <b>430,308</b>     | <b>(177,530)</b>    | <b>0</b>       | <b>0</b>         | <b>203,651,557</b>     |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>1,442,779,642</b>     | <b>602,068,741</b> | <b>(21,148,307)</b> | <b>(1,297)</b> | <b>0</b>         | <b>2,023,698,779</b>   |
| <b>TRANSMISSION:</b>                            |       |                          |                    |                     |                |                  |                        |
| Land  | 350.0 | 2,270,399                | 1                  | 0                   | 0              | (4,915)          | 2,265,485              |
| Easements                                       | 350.2 | 12,647,665               | 53,082             | 0                   | 6,370          | 0                | 12,707,117             |
| Structures and Improvements                     | 352   | 8,346,543                | 211,487            | (921)               | 0              | (130,798)        | 8,426,311              |
| Station Equipment                               | 353   | 97,865,003               | 5,837,647          | (2,047,094)         | 0              | (767,552)        | 100,888,004            |
| Towers and Fixtures                             | 354   | 37,945,128               | 1,438,336          | (13,427)            | 0              | (501,151)        | 38,868,886             |
| Poles and Fixtures                              | 355   | 70,906,224               | 6,671,201          | (560,901)           | 0              | (893,579)        | 76,122,945             |
| Overhead Conductors & Devices                   | 356   | 61,084,181               | 1,835,361          | (466,844)           | 0              | 1,402,217        | 63,854,915             |
| Underground Conductors & Devices                | 358   | 14,094,502               | 0                  | 0                   | 0              | 0                | 14,094,502             |
| Roads and Trails                                | 359   | 61,447                   | 0                  | 0                   | 0              | 0                | 61,447                 |
| Asset Retirement Obligation                     | 359.1 | 7,861                    | 0                  | 0                   | 0              | 0                | 7,861                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>305,228,953</b>       | <b>16,047,115</b>  | <b>(3,089,187)</b>  | <b>6,370</b>   | <b>(895,778)</b> | <b>317,297,473</b>     |

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

|   |       | Balance<br>First of Year | Additions          | Retirements         | Adjustments     | Transfers      | Balance<br>End of Year |
|---|-------|--------------------------|--------------------|---------------------|-----------------|----------------|------------------------|
| <b>DISTRIBUTION:</b>                    |       |                          |                    |                     |                 |                |                        |
| Land                                    | 360.0 | 2,491,471                | 83,026             | 0                   | (20,744)        | 0              | 2,553,753              |
| Land Rights                             | 360.1 | 204,176                  | 0                  | 0                   | 0               | 0              | 204,176                |
| Structures and Improvements             | 361   | 15,480,941               | 1,318,287          | (54,009)            | 0               | 0              | 16,745,219             |
| Station Equipment                       | 362   | 149,588,918              | 10,627,063         | (1,272,952)         | 0               | 107,607        | 159,050,636            |
| Poles, Towers & Fixtures                | 364   | 114,389,598              | 6,559,069          | (954,875)           | 0               | 0              | 119,993,792            |
| Overhead Conductors & Devices           | 365   | 115,818,580              | 4,089,858          | (671,570)           | 0               | (747,256)      | 118,489,612            |
| Underground Conduit                     | 366   | 1,217,455                | 0                  | 0                   | 0               | 0              | 1,217,455              |
| Underground Conductors & Devices        | 367   | 106,833,192              | 4,337,483          | (526,743)           | 0               | 747,256        | 111,391,188            |
| Line Transformers                       | 368   | 200,184,624              | 10,956,476         | (2,765,404)         | (769)           | 24,397         | 208,399,324            |
| Services:                               |       |                          |                    |                     |                 |                |                        |
| - Overhead                              | 369.1 | 48,092,721               | 1,284,128          | (161,080)           | 0               | 0              | 49,215,769             |
| - Underground                           | 369.2 | 40,047,031               | 1,308,068          | (106,445)           | 0               | 0              | 41,248,654             |
| - House Power Panel                     | 369.3 | 1,962,387                | 0                  | (296,285)           | 0               | 0              | 1,666,102              |
| Meters                                  | 370   | 48,773,807               | 4,228,352          | (1,732,673)         | 0               | 0              | 51,269,486             |
| Street Lighting & Signal Systems        | 373   | 55,664,375               | 2,294,258          | (1,054,208)         | 0               | 0              | 56,904,425             |
| Asset Retirement Obligation             | 374   | 43,465                   | 0                  | 0                   | 0               | 0              | 43,465                 |
| <b>TOTAL DISTRIBUTION:</b>              |       | <u>900,792,741</u>       | <u>47,086,068</u>  | <u>(9,596,244)</u>  | <u>(21,513)</u> | <u>132,004</u> | <u>938,393,056</u>     |
| <b>GENERAL PLANT:</b>                   |       |                          |                    |                     |                 |                |                        |
| Land                                    | 389.0 | 6,853,413                | 0                  | 0                   | 0               | 4,915          | 6,858,328              |
| Structures and Improvements             | 390   | 61,105,303               | 2,762,317          | (324,975)           | 0               | 758,859        | 64,301,504             |
| Office Furniture & Equipment            |       |                          |                    |                     |                 |                |                        |
| - Computer, 5 Year                      | 391   | 4,308,859                | 168,082            | (713,583)           | 0               | 204,681        | 3,968,039              |
| - Non-Computer, 7 Year                  | 391   | 2,802,092                | 439,273            | (441,568)           | 0               | (204,681)      | 2,595,116              |
| Transportation Equipment                |       |                          |                    |                     |                 |                |                        |
| - Light Trucks                          | 392.2 | 5,974,467                | 258,747            | (293,362)           | 0               | 0              | 5,939,852              |
| - Heavy Trucks                          | 392.3 | 19,028,444               | 1,194,101          | (453,682)           | 0               | 0              | 19,768,863             |
| - Trailers                              | 392.4 | 1,111,387                | 0                  | (41,516)            | 0               | 0              | 1,069,871              |
| - Marine, 5 Year                        | 392   | 69,612                   | 0                  | (10,852)            | 0               | 0              | 58,760                 |
| Stores Equipment - 7 Year               | 393   | 673,035                  | 190,336            | (67,037)            | 0               | 0              | 796,334                |
| Tools, Shop & Garage Equip. - 7 Year    | 394   | 2,481,908                | 170,924            | (1,150,486)         | 0               | 0              | 1,502,346              |
| Laboratory Equipment - 7 Year           | 395   | 2,971,303                | 396,895            | (4,064)             | 0               | 0              | 3,364,134              |
| Power Operated Equipment                | 396   | 593,661                  | 0                  | 0                   | 0               | 0              | 593,661                |
| Communication Equipment                 |       |                          |                    |                     |                 |                |                        |
| - Other                                 | 397   | 17,913,968               | 2,248,413          | (1,799,225)         | 0               | 0              | 18,363,156             |
| - 7 Year                                | 397   | 2,639,443                | 413,655            | (42,956)            | 0               | 0              | 3,010,142              |
| Miscellaneous Equipment - 7 year        | 398   | 4,005,879                | 530,263            | (183,844)           | 0               | 0              | 4,352,298              |
| Asset Retirement Obligation             | 399.1 | 196,571                  | 0                  | 0                   | 0               | 0              | 196,571                |
| <b>TOTAL GENERAL:</b>                   |       | <u>132,729,345</u>       | <u>8,773,006</u>   | <u>(5,527,150)</u>  | <u>0</u>        | <u>763,774</u> | <u>136,738,975</u>     |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> |       | <u>2,781,538,693</u>     | <u>674,162,327</u> | <u>(39,360,888)</u> | <u>(16,440)</u> | <u>0</u>       | <u>3,416,323,692</u>   |

**APPENDIX G-2 - Summary of Depreciation Reserve 2009 – 2016**

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
BUDGET: DECEMBER, 2016

|                                | Balance<br>First of Year | Provisions        | Retirements          | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|----------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |                   |                      |                    |                              |                              |                        |
| Intangible Software            | <u>10,784,634</u>        | <u>2,492,539</u>  | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>13,277,173</u>      |
| <b>Total Intangible Plant:</b> | <u>10,784,634</u>        | <u>2,492,539</u>  | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>13,277,173</u>      |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                      |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                      |                    |                              |                              |                        |
| Plant                          | 148,522,900              | 17,992,343        | (24,826)             | (35,254)           | 0                            | 0                            | 166,455,163            |
| Easements                      | 43,671                   | 1,080             | 0                    | 0                  | 0                            | 0                            | 44,751                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                    | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,466,764                | 42,120            | (174)                | (246)              | 0                            | 0                            | 1,508,464              |
| Dismantlement - Fixed          | 21,205,148               | 684,446           | 0                    | 0                  | 0                            | 0                            | 21,889,594             |
| Asset Retirement Obligation    | <u>283,145</u>           | <u>0</u>          | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>283,145</u>         |
| <b>TOTAL DANIEL PLANT:</b>     | <u>180,475,820</u>       | <u>18,719,989</u> | <u>(25,000)</u>      | <u>(35,500)</u>    | <u>0</u>                     | <u>0</u>                     | <u>199,135,309</u>     |
| <b>CRIST PLANT:</b>            |                          |                   |                      |                    |                              |                              |                        |
| Plant                          | 395,659,596              | 53,434,228        | (6,831,448)          | (2,825,192)        | 296,000                      | 0                            | 439,733,184            |
| Easements                      | 0                        | 0                 | 0                    | 0                  | 0                            | 0                            | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                    | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 34,319                   | 13,013            | 0                    | 0                  | 0                            | 0                            | 47,332                 |
| - 7 Year                       | 2,341,998                | 814,433           | (930,621)            | 0                  | 0                            | 0                            | 2,225,810              |
| Dismantlement - Fixed          | 86,923,165               | 6,458,948         | 0                    | 0                  | 0                            | 0                            | 93,382,113             |
| Asset Retirement Obligation    | <u>664,430</u>           | <u>0</u>          | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>664,430</u>         |
| <b>TOTAL CRIST PLANT:</b>      | <u>485,765,348</u>       | <u>60,720,622</u> | <u>(7,762,069)</u>   | <u>(2,825,192)</u> | <u>296,000</u>               | <u>0</u>                     | <u>536,194,709</u>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                      |                    |                              |                              |                        |
| Plant                          | 10,675,915               | 0                 | 0                    | 0                  | 0                            | 0                            | 10,675,915             |
| Base Coal, 5 Year              | 0                        | 0                 | 0                    | 0                  | 0                            | 0                            | 0                      |
| - 5 Year                       | 8,127                    | 603               | (8,730)              | 0                  | 0                            | 0                            | 0                      |
| - 7 Year                       | 13,810                   | 7,521             | 0                    | 0                  | 0                            | 0                            | 21,331                 |
| Dismantlement - Fixed          | 15,175,691               | 799,767           | 0                    | 0                  | 0                            | 0                            | 15,975,458             |
| Asset Retirement Obligation    | <u>287,630</u>           | <u>0</u>          | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>287,630</u>         |
| <b>TOTAL SCHOLZ PLANT:</b>     | <u>26,161,173</u>        | <u>807,891</u>    | <u>(8,730)</u>       | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>26,960,334</u>      |
| <b>SMITH PLANT:</b>            |                          |                   |                      |                    |                              |                              |                        |
| Plant                          | 101,653,638              | 2,991,918         | (129,248,590)        | (50,000)           | 0                            | 0                            | (24,653,034)           |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                    | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 18,945                   | 4,847             | (21,994)             | 0                  | 0                            | 0                            | 1,798                  |
| - 7 Year                       | 446,578                  | 129,596           | 0                    | 0                  | 0                            | 0                            | 576,174                |
| Dismantlement - Fixed          | 23,558,517               | 1,249,287         | 0                    | 0                  | 0                            | 0                            | 24,807,804             |
| Asset Retirement Obligation    | <u>1,487,302</u>         | <u>0</u>          | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>1,487,302</u>       |
| <b>TOTAL SMITH PLANT:</b>      | <u>127,273,280</u>       | <u>4,375,648</u>  | <u>(129,270,584)</u> | <u>(50,000)</u>    | <u>0</u>                     | <u>0</u>                     | <u>2,328,344</u>       |
| <b>SCHERER PLANT:</b>          |                          |                   |                      |                    |                              |                              |                        |
| Plant                          | 127,143,293              | 7,607,968         | (369,108)            | (149,938)          | 0                            | 0                            | 134,232,215            |
| Dismantlement - Fixed          | 139,647                  | 98,878            | 0                    | 0                  | 0                            | 0                            | 238,525                |
| - 7 Year                       | 5,341,397                | 27,464            | (13,716)             | 0                  | 0                            | 0                            | 5,355,145              |
| Asset Retirement Obligation    | <u>520,177</u>           | <u>0</u>          | <u>0</u>             | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>520,177</u>         |
| <b>TOTAL SCHERER PLANT:</b>    | <u>133,144,514</u>       | <u>7,734,310</u>  | <u>(382,824)</u>     | <u>(149,938)</u>   | <u>0</u>                     | <u>0</u>                     | <u>140,346,062</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <u>952,820,135</u>       | <u>92,358,460</u> | <u>(137,449,207)</u> | <u>(3,060,630)</u> | <u>296,000</u>               | <u>0</u>                     | <u>904,964,758</u>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
BUDGET: DECEMBER, 2016

|   |       | Balance<br>End of Year | Provisions         | Retirements          | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|------------------------|--------------------|----------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                    |                      |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                        |                    |                      |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 243,455                | 48,613             | (61,794)             | (2,272)            | 0                            | 0                            | 228,002                |
| Fuel Holders and Accessories                    | 342   | 257,778                | 31,172             | (258,801)            | (9,515)            | 0                            | 0                            | 20,634                 |
| Prime Movers                                    | 343   | 208,319                | 93,829             | (6,912)              | (254)              | 0                            | 0                            | 294,982                |
| Generators                                      | 344   | 3,318,576              | 133,971            | (435,094)            | (15,997)           | 0                            | 0                            | 3,001,456              |
| Accessory Electric Equipment                    | 345   | 859,386                | 118,761            | (21,573)             | (793)              | 0                            | 0                            | 955,781                |
| Miscellaneous Equipment                         | 346   | (4,256)                | 1,743              | (8,101)              | (298)              | 0                            | 0                            | (10,912)               |
| Dismantlement - Fixed                           |       | 183,296                | 3,258              | 0                    | 0                  | 0                            | 0                            | 186,554                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>5,066,554</b>       | <b>431,347</b>     | <b>(792,275)</b>     | <b>(29,129)</b>    | <b>0</b>                     | <b>0</b>                     | <b>4,676,497</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                    |                      |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 2,241,846              | 458,080            | (944,565)            | (34,728)           | 0                            | 0                            | 1,720,633              |
| Fuel Holders and Accessories                    | 342   | 869,970                | 118,519            | (1,502,327)          | (55,235)           | 0                            | 0                            | (569,073)              |
| Prime Movers                                    | 343   | (15,271,760)           | 3,535,832          | (9,491,915)          | (348,982)          | 0                            | 0                            | (21,576,825)           |
| Generators                                      | 344   | 25,129,828             | 2,050,547          | (8,480,593)          | (31,799)           | 0                            | 0                            | 18,387,983             |
| Accessory Electric Equipment                    | 345   | 1,936,809              | 291,994            | (1,891,357)          | (69,538)           | 0                            | 0                            | 267,908                |
| Miscellaneous Equipment                         | 346   | 108,408                | 51,010             | (998,258)            | (36,702)           | 0                            | 0                            | (875,542)              |
| Dismantlement - Fixed                           |       | 3,587,073              | 280,020            | 0                    | 0                  | 0                            | 0                            | 3,867,093              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>18,602,174</b>      | <b>6,786,002</b>   | <b>(23,309,015)</b>  | <b>(856,984)</b>   | <b>0</b>                     | <b>0</b>                     | <b>1,222,177</b>       |
| <b>PACE PLANT:</b>                              |       |                        |                    |                      |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 6,057,244              | 379,336            | (564,758)            | (20,764)           | 0                            | 0                            | 5,851,058              |
| Generators                                      | 344   | 2,780,860              | 178,211            | (393,129)            | (14,454)           | 0                            | 0                            | 2,551,488              |
| Accessory Electric Equipment                    | 345   | 522,252                | 34,391             | (99,787)             | (3,669)            | 0                            | 0                            | 453,187                |
| Asset Retirement Obligation                     | 347   | 349,201                | 0                  | 0                    | 0                  | 0                            | 0                            | 349,201                |
| Dismantlement - Fixed                           |       | (26,980)               | 17,334             | 0                    | 0                  | 0                            | 0                            | (9,646)                |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>9,682,577</b>       | <b>609,272</b>     | <b>(1,057,674)</b>   | <b>(38,887)</b>    | <b>0</b>                     | <b>0</b>                     | <b>9,195,288</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                        |                    |                      |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 212,045                | 68,749             | 0                    | 0                  | 0                            | 0                            | 280,794                |
| Fuel Holders and Accessories                    | 342   | 130,219                | 32,631             | 0                    | 0                  | 0                            | 0                            | 162,850                |
| Prime Movers                                    | 343   | 617,762                | 158,382            | 0                    | 0                  | 0                            | 0                            | 776,144                |
| Accessory Electric Equipment                    | 345   | 180,302                | 44,554             | 0                    | 0                  | 0                            | 0                            | 224,856                |
| Miscellaneous Equipment                         | 346   | 180,152                | 4,387              | 0                    | 0                  | 0                            | 0                            | 184,539                |
|   |       | 1,320,480              | 308,703            | 0                    | 0                  | 0                            | 0                            | 1,629,183              |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>34,671,785</b>      | <b>8,135,324</b>   | <b>(25,158,964)</b>  | <b>(925,000)</b>   | <b>0</b>                     | <b>0</b>                     | <b>16,723,145</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>987,491,920</b>     | <b>100,493,784</b> | <b>(162,608,171)</b> | <b>(3,985,630)</b> | <b>296,000</b>               | <b>0</b>                     | <b>921,687,903</b>     |
| <b>TRANSMISSION:</b>                            |       |                        |                    |                      |                    |                              |                              |                        |
| Land  | 350   | 0                      | 0                  | 0                    | 0                  | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 7,108,424              | 202,473            | 0                    | 0                  | 0                            | 0                            | 7,310,897              |
| Structures and Improvements                     | 352   | 4,070,129              | 487,823            | 0                    | 0                  | 0                            | 0                            | 4,557,952              |
| Station Equipment                               | 353   | 29,885,564             | 5,594,125          | (2,073,873)          | 4,171              | 0                            | 0                            | 33,409,987             |
| Towers and Fixtures                             | 354   | 23,906,638             | 972,674            | 0                    | 0                  | 0                            | 0                            | 24,879,312             |
| Poles and Fixtures                              | 355   | 20,762,023             | 8,184,797          | 0                    | 0                  | 0                            | 0                            | 28,946,820             |
| Overhead Conductors & Devices                   | 356   | 24,775,272             | 3,075,821          | 0                    | 0                  | 0                            | 0                            | 27,851,093             |
| Underground Conductors & Devices                | 358   | 8,089,988              | 302,448            | 0                    | 0                  | 0                            | 0                            | 8,392,436              |
| Roads and Trails                                | 359   | 47,232                 | 4,719              | 0                    | 0                  | 0                            | 0                            | 51,951                 |
| Asset Retirement Obligation                     | 359.1 | 4,356                  | 0                  | 0                    | 0                  | 0                            | 0                            | 4,356                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>118,649,626</b>     | <b>18,824,880</b>  | <b>(2,073,873)</b>   | <b>4,171</b>       | <b>0</b>                     | <b>0</b>                     | <b>135,404,804</b>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
BUDGET: DECEMBER, 2016

|   | Balance<br>End of Year | Provisions         | Retirements          | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|------------------------|--------------------|----------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                        |                    |                      |                    |                              |                              |                        |
| Easements                               | 360.1                  | 34,708             | 3,675                | 0                  | 0                            | 0                            | 38,383                 |
| Structures and Improvements             | 361                    | 7,726,782          | 581,075              | 0                  | 0                            | 0                            | 8,307,857              |
| Station Equipment                       | 362                    | 43,641,951         | 4,575,224            | (10,000)           | (16,802)                     | 0                            | 48,190,373             |
| Poles, Towers & Fixtures                | 364                    | 73,698,103         | 6,908,833            | (759,900)          | (633,850)                    | 212,050                      | 79,425,236             |
| Overhead Conductors & Devices           | 365                    | 49,746,039         | 4,608,489            | (1,542,450)        | (843,596)                    | 100,024                      | 52,068,506             |
| Underground Conduit                     | 366                    | 787,509            | 15,076               | 0                  | 0                            | 0                            | 802,585                |
| Underground Conductors & Devices        | 367                    | 59,926,792         | 5,109,334            | (803,450)          | (335,053)                    | 6,942                        | 63,904,565             |
| Line Transformers                       | 368                    | 97,977,136         | 10,971,044           | (3,237,900)        | (1,350,340)                  | 529,820                      | 104,889,760            |
| Services:                               |                        |                    |                      |                    |                              |                              |                        |
| - Overhead                              | 369.1                  | 35,970,423         | 2,321,196            | (60,000)           | (90,000)                     | 0                            | 38,141,619             |
| - Underground                           | 369.2                  | 18,881,386         | 1,433,253            | (130,000)          | (78,000)                     | 0                            | 20,106,639             |
| Meters                                  | 370                    | (1,031,884)        | 943,465              | (200,000)          | 0                            | 0                            | (288,419)              |
| Meters - AMI                            | 370                    | 15,529,372         | 2,800,261            | 0                  | 0                            | 0                            | 18,329,633             |
| Meters - FPSC Segregated                | 370                    | 0                  | 0                    | 0                  | 0                            | 0                            | 0                      |
| Meters - Non FPSC Segregated            | 370                    | 868,574            | 0                    | 0                  | 0                            | 0                            | 868,574                |
| Street Lighting & Signal Systems        | 373                    | 38,695,797         | 3,580,006            | (1,005,300)        | (112,936)                    | 4,884                        | 41,162,451             |
| Asset Retirement Obligation             | 374                    | 26,535             | 0                    | 0                  | 0                            | 0                            | 26,535                 |
| <b>TOTAL DISTRIBUTION:</b>              | <u>442,479,223</u>     | <u>43,850,931</u>  | <u>(7,749,000)</u>   | <u>(3,460,577)</u> | <u>853,720</u>               | <u>0</u>                     | <u>475,974,297</u>     |
| <b>GENERAL PLANT:</b>                   |                        |                    |                      |                    |                              |                              |                        |
| Structures and Improvements             | 390                    | 30,074,356         | 1,850,416            | (240,221)          | (43,040)                     | 0                            | 31,641,511             |
| Office Furniture & Equipment:           |                        |                    |                      |                    |                              |                              |                        |
| - Computer, 5 Year                      | 391                    | 1,434,211          | 785,228              | (192,270)          | 0                            | 0                            | 2,027,169              |
| - Non-Computer, 7 Year                  | 391                    | 1,303,498          | 456,155              | 0                  | 0                            | 0                            | 1,759,653              |
| Transportation Equipment:               |                        |                    |                      |                    |                              |                              |                        |
| - Automobile                            | 392.1                  | 12,942             | 3,611                | 0                  | 0                            | 0                            | 16,553                 |
| - Light Trucks                          | 392.2                  | 4,005,300          | 698,872              | (592,011)          | 0                            | 108,106                      | 4,220,267              |
| - Heavy Trucks                          | 392.3                  | 13,244,516         | 1,936,727            | (1,612,376)        | 0                            | 294,434                      | 13,863,301             |
| - Trailers                              | 392.4                  | 724,605            | 63,364               | (95,613)           | 0                            | 17,460                       | 709,816                |
| - Marine, 5 Year                        | 392                    | 10,104             | 5,695                | 0                  | 0                            | 0                            | 15,799                 |
| Stores Equipment - 7 Year               | 393                    | 634,861            | 209,384              | (190,336)          | 0                            | 0                            | 653,909                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                    | 1,907,568          | 520,691              | 0                  | 0                            | 0                            | 2,428,259              |
| Laboratory Equipment - 7 Year           | 395                    | 1,230,491          | 356,629              | 0                  | 0                            | 0                            | 1,587,120              |
| Power Operated Equipment                | 396                    | 627,584            | 43,799               | 0                  | 0                            | 0                            | 671,383                |
| Communication Equipment:                |                        |                    |                      |                    |                              |                              |                        |
| - Other                                 | 397                    | 8,463,522          | 1,388,886            | (25,000)           | (10,500)                     | 7,000                        | 9,823,908              |
| - 7 Year                                | 397                    | 2,481,985          | 803,454              | 0                  | 0                            | 0                            | 3,285,439              |
| Miscellaneous Equipment - 7 Year        | 398                    | 1,231,902          | 446,896              | 0                  | 0                            | 0                            | 1,678,798              |
| Asset Retirement Obligation             | 399.1                  | 130,590            | 0                    | 0                  | 0                            | 0                            | 130,590                |
| <b>TOTAL GENERAL:</b>                   | <u>67,518,035</u>      | <u>9,569,807</u>   | <u>(2,947,827)</u>   | <u>(53,540)</u>    | <u>427,000</u>               | <u>0</u>                     | <u>74,513,475</u>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <u>1,626,923,438</u>   | <u>175,231,941</u> | <u>(175,378,871)</u> | <u>(7,495,576)</u> | <u>1,576,720</u>             | <u>0</u>                     | <u>1,620,857,652</u>   |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2015

|                                | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |                   |                     |                    |                              |                              |                        |
| Intangible Software            | 8,410,664                | 2,373,970         | 0                   | 0                  | 0                            | 0                            | 10,784,634             |
| <b>Total Intangible Plant:</b> | <b>8,410,664</b>         | <b>2,373,970</b>  | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>10,784,634</b>      |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 143,112,530              | 8,271,577         | (2,170,699)         | (1,563,243)        | 872,735                      | 0                            | 148,522,900            |
| Easements                      | 42,591                   | 1,080             | 0                   | 0                  | 0                            | 0                            | 43,671                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,425,640                | 41,124            | 0                   | 0                  | 0                            | 0                            | 1,466,764              |
| Dismantlement - Fixed          | 20,538,054               | 667,094           | 0                   | 0                  | 0                            | 0                            | 21,205,148             |
| Asset Retirement Obligation    | 128,028                  | 155,117           | 0                   | 0                  | 0                            | 0                            | 283,145                |
| <b>TOTAL DANIEL PLANT:</b>     | <b>174,201,035</b>       | <b>9,135,992</b>  | <b>(2,170,699)</b>  | <b>(1,563,243)</b> | <b>872,735</b>               | <b>0</b>                     | <b>180,475,820</b>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 353,837,445              | 52,642,834        | (7,222,458)         | (4,115,073)        | 516,848                      | 0                            | 395,659,596            |
| Easements                      | 0                        | 0                 | 0                   | 0                  | 0                            | 0                            | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 67,130                   | 24,469            | (57,280)            | 0                  | 0                            | 0                            | 34,319                 |
| - 7 Year                       | 1,590,859                | 751,139           | 0                   | 0                  | 0                            | 0                            | 2,341,998              |
| Dismantlement - Fixed          | 80,713,661               | 6,209,504         | 0                   | 0                  | 0                            | 0                            | 86,923,165             |
| Asset Retirement Obligation    | 202,384                  | 398,239           | 0                   | 0                  | 0                            | 63,807                       | 664,430                |
| <b>TOTAL CRIST PLANT:</b>      | <b>436,553,319</b>       | <b>60,026,185</b> | <b>(7,279,738)</b>  | <b>(4,115,073)</b> | <b>516,848</b>               | <b>63,807</b>                | <b>485,765,348</b>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 31,952,985               | 664,525           | (21,941,595)        | 0                  | 0                            | 0                            | 10,675,915             |
| Base Coal, 5 Year              | 71,300                   | 0                 | (71,300)            | 0                  | 0                            | 0                            | 0                      |
| - 5 Year                       | 6,381                    | 1,746             | 0                   | 0                  | 0                            | 0                            | 8,127                  |
| - 7 Year                       | 51,421                   | 15,043            | (52,654)            | 0                  | 0                            | 0                            | 13,810                 |
| Dismantlement - Fixed          | 14,463,476               | 712,215           | 0                   | 0                  | 0                            | 0                            | 15,175,691             |
| Asset Retirement Obligation    | 292,414                  | (4,784)           | 0                   | 0                  | 0                            | 0                            | 287,630                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>46,837,977</b>        | <b>1,388,745</b>  | <b>(22,065,549)</b> | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>26,161,173</b>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 95,901,421               | 5,825,623         | (68,965)            | (4,441)            | 0                            | 0                            | 101,653,638            |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 14,098                   | 4,847             | 0                   | 0                  | 0                            | 0                            | 18,945                 |
| - 7 Year                       | 586,820                  | 160,250           | (300,492)           | 0                  | 0                            | 0                            | 446,578                |
| Dismantlement - Fixed          | 22,608,150               | 950,367           | 0                   | 0                  | 0                            | 0                            | 23,558,517             |
| Asset Retirement Obligation    | 361,639                  | 1,225,872         | (132,732)           | 0                  | 0                            | 32,523                       | 1,487,302              |
| <b>TOTAL SMITH PLANT:</b>      | <b>119,580,428</b>       | <b>8,166,959</b>  | <b>(502,189)</b>    | <b>(4,441)</b>     | <b>0</b>                     | <b>32,523</b>                | <b>127,273,280</b>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 121,956,296              | 7,532,641         | (1,740,714)         | (1,032,063)        | 427,133                      | 0                            | 127,143,293            |
| Dismantlement - Fixed          | 121,562                  | 30,415            | (12,330)            | 0                  | 0                            | 0                            | 139,647                |
| - 7 Year                       | 5,242,519                | 98,878            | 0                   | 0                  | 0                            | 0                            | 5,341,397              |
| Asset Retirement Obligation    | 350,004                  | 170,549           | (376)               | 0                  | 0                            | 0                            | 520,177                |
| <b>TOTAL SCHERER PLANT:</b>    | <b>127,670,381</b>       | <b>7,832,483</b>  | <b>(1,753,420)</b>  | <b>(1,032,063)</b> | <b>427,133</b>               | <b>0</b>                     | <b>133,144,514</b>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>904,843,140</b>       | <b>86,550,364</b> | <b>(33,771,595)</b> | <b>(6,714,820)</b> | <b>1,816,716</b>             | <b>96,330</b>                | <b>952,820,135</b>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2015

|   |       | Balance<br>End of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 196,286                | 47,169            | 0                   | 0                  | 0                            | 0                            | 243,455                |
| Fuel Holders and Accessories                    | 342   | 232,655                | 25,123            | 0                   | 0                  | 0                            | 0                            | 257,778                |
| Prime Movers                                    | 343   | 116,211                | 93,577            | 0                   | (1,469)            | 0                            | 0                            | 208,319                |
| Generators                                      | 344   | 3,194,775              | 123,801           | 0                   | 0                  | 0                            | 0                            | 3,318,576              |
| Accessory Electric Equipment                    | 345   | 781,319                | 118,067           | (38,890)            | (1,110)            | 0                            | 0                            | 859,386                |
| Miscellaneous Equipment                         | 346   | (5,809)                | 1,553             | 0                   | 0                  | 0                            | 0                            | (4,256)                |
| Dismantlement - Fixed                           |       | 180,038                | 3,258             | 0                   | 0                  | 0                            | 0                            | 183,296                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <u>4,695,475</u>       | <u>412,548</u>    | <u>(38,890)</u>     | <u>(2,579)</u>     | <u>0</u>                     | <u>0</u>                     | <u>5,066,554</u>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 1,849,762              | 392,084           | 0                   | 0                  | 0                            | 0                            | 2,241,846              |
| Fuel Holders and Accessories                    | 342   | 827,294                | 90,450            | (46,900)            | (874)              | 0                            | 0                            | 869,970                |
| Prime Movers                                    | 343   | (18,355,639)           | 3,359,873         | (257,192)           | (18,802)           | 0                            | 0                            | (15,271,760)           |
| Generators                                      | 344   | 23,283,791             | 1,889,091         | (37,371)            | (5,683)            | 0                            | 0                            | 25,129,828             |
| Accessory Electric Equipment                    | 345   | 1,806,705              | 254,872           | (112,377)           | (12,391)           | 0                            | 0                            | 1,936,809              |
| Miscellaneous Equipment                         | 346   | 75,599                 | 32,809            | 0                   | 0                  | 0                            | 0                            | 108,408                |
| Dismantlement - Fixed                           |       | 3,307,053              | 280,020           | 0                   | 0                  | 0                            | 0                            | 3,587,073              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <u>12,794,565</u>      | <u>6,299,199</u>  | <u>(453,840)</u>    | <u>(37,750)</u>    | <u>0</u>                     | <u>0</u>                     | <u>18,602,174</u>      |
| <b>PACE PLANT:</b>                              |       |                        |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 5,697,342              | 359,902           | 0                   | 0                  | 0                            | 0                            | 6,057,244              |
| Generators                                      | 344   | 2,616,177              | 164,683           | 0                   | 0                  | 0                            | 0                            | 2,780,860              |
| Accessory Electric Equipment                    | 345   | 491,295                | 30,957            | 0                   | 0                  | 0                            | 0                            | 522,252                |
| Asset Retirement Obligation                     | 347   | 329,341                | 19,860            | 0                   | 0                  | 0                            | 0                            | 349,201                |
| Dismantlement - Fixed                           |       | (25,042)               | (1,938)           | 0                   | 0                  | 0                            | 0                            | (26,980)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <u>9,109,113</u>       | <u>573,464</u>    | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>9,682,577</u>       |
| <b>PERDIDO PLANT:</b>                           |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 164,923                | 47,122            | 0                   | 0                  | 0                            | 0                            | 212,045                |
| Fuel Holders and Accessories                    | 342   | 101,281                | 28,938            | 0                   | 0                  | 0                            | 0                            | 130,219                |
| Prime Movers                                    | 343   | 480,479                | 137,283           | 0                   | 0                  | 0                            | 0                            | 617,762                |
| Accessory Electric Equipment                    | 345   | 139,968                | 40,334            | 0                   | 0                  | 0                            | 0                            | 180,302                |
| Miscellaneous Equipment                         | 346   | 177,875                | 2,277             | 0                   | 0                  | 0                            | 0                            | 180,152                |
|   |       | <u>1,064,526</u>       | <u>255,954</u>    | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>1,320,480</u>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <u>27,863,679</u>      | <u>7,541,165</u>  | <u>(492,730)</u>    | <u>(40,329)</u>    | <u>0</u>                     | <u>0</u>                     | <u>34,671,785</u>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <u>932,506,819</u>     | <u>94,091,529</u> | <u>(34,264,325)</u> | <u>(6,755,149)</u> | <u>1,816,716</u>             | <u>96,330</u>                | <u>987,491,920</u>     |
| <b>TRANSMISSION:</b>                            |       |                        |                   |                     |                    |                              |                              |                        |
| Land  | 350   | 0                      | 0                 | 0                   | 0                  | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 6,906,127              | 202,297           | 0                   | 0                  | 0                            | 0                            | 7,108,424              |
| Structures and Improvements                     | 352   | 3,527,262              | 457,453           | (86,214)            | (1,293)            | 0                            | 172,921                      | 4,070,129              |
| Station Equipment                               | 353   | 28,193,076             | 5,106,215         | (3,258,957)         | (512,997)          | 22,669                       | 335,558                      | 29,885,564             |
| Towers and Fixtures                             | 354   | 25,181,255             | 991,247           | (2,228,440)         | (38,725)           | 1,301                        | 0                            | 23,906,638             |
| Poles and Fixtures                              | 355   | 16,955,140             | 6,978,213         | (1,909,101)         | (1,429,280)        | 167,051                      | 0                            | 20,762,023             |
| Overhead Conductors & Devices                   | 356   | 24,922,426             | 2,846,723         | (2,930,553)         | (74,638)           | 11,314                       | 0                            | 24,775,272             |
| Underground Conductors & Devices                | 358   | 7,822,667              | 304,014           | (19,168)            | (17,525)           | 0                            | 0                            | 8,089,988              |
| Roads and Trails                                | 359   | 42,514                 | 4,718             | 0                   | 0                  | 0                            | 0                            | 47,232                 |
| Asset Retirement Obligation                     | 359.1 | 4,213                  | 143               | 0                   | 0                  | 0                            | 0                            | 4,356                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <u>113,554,680</u>     | <u>16,891,023</u> | <u>(10,432,433)</u> | <u>(2,074,458)</u> | <u>202,335</u>               | <u>508,479</u>               | <u>118,649,626</u>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2015

|   | Balance<br>End of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                        |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                  | 31,033             | 3,675               | 0                   | 0                            | 0                            | 34,708                 |
| Structures and Improvements             | 361                    | 7,513,493          | 575,184             | (149,261)           | (39,714)                     | (172,920)                    | 7,726,782              |
| Station Equipment                       | 362                    | 43,438,420         | 4,533,188           | (3,494,225)         | (572,331)                    | (336,247)                    | 43,641,951             |
| Poles, Towers & Fixtures                | 364                    | 70,179,789         | 6,694,170           | (1,382,891)         | (1,790,638)                  | (2,327)                      | 73,698,103             |
| Overhead Conductors & Devices           | 365                    | 46,676,656         | 4,433,505           | (797,114)           | (357,082)                    | (341,892)                    | 49,746,039             |
| Underground Conduit                     | 366                    | 785,650            | 15,092              | (10,674)            | (2,559)                      | 0                            | 787,509                |
| Underground Conductors & Devices        | 367                    | 55,564,727         | 4,836,019           | (719,402)           | (148,670)                    | 52,226                       | 59,926,792             |
| Line Transformers                       | 368                    | 92,567,987         | 10,462,313          | (4,212,075)         | (1,140,793)                  | 306,709                      | 97,977,136             |
| Services:                               |                        |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                  | 34,128,221         | 2,227,517           | (170,946)           | (252,267)                    | 37,898                       | 35,970,423             |
| - Underground                           | 369.2                  | 17,709,603         | 1,344,189           | (133,889)           | (38,517)                     | 0                            | 18,881,386             |
| Meters                                  | 370                    | (1,253,127)        | 840,291             | (925,546)           | (166,705)                    | 473,200                      | (1,031,884)            |
| Meters - AMI                            | 370                    | 12,910,700         | 2,780,481           | (161,809)           | 0                            | 0                            | 15,529,372             |
| Meters - FPSC Segregated                | 370                    | 0                  | 0                   | 0                   | 0                            | 0                            | 0                      |
| Meters - Non FPSC Segregated            | 370                    | 869,371            | 0                   | (4,829)             | 0                            | 4,032                        | 868,574                |
| Street Lighting & Signal Systems        | 373                    | 37,276,908         | 3,336,923           | (1,845,867)         | (143,073)                    | 70,906                       | 38,695,797             |
| Asset Retirement Obligation             | 374                    | 25,530             | 1,005               | 0                   | 0                            | 0                            | 26,535                 |
| <b>TOTAL DISTRIBUTION:</b>              | <b>418,424,961</b>     | <b>42,083,552</b>  | <b>(14,008,528)</b> | <b>(4,652,349)</b>  | <b>1,147,756</b>             | <b>(516,169)</b>             | <b>442,479,223</b>     |
| <b>GENERAL PLANT:</b>                   |                        |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                    | 28,808,901         | 1,831,881           | (468,172)           | (98,254)                     | 0                            | 30,074,356             |
| Office Furniture & Equipment:           |                        |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                    | 1,371,067          | 894,772             | (831,628)           | 0                            | 0                            | 1,434,211              |
| - Non-Computer, 7 Year                  | 391                    | 886,283            | 417,215             | 0                   | 0                            | 0                            | 1,303,498              |
| Transportation Equipment:               |                        |                    |                     |                     |                              |                              |                        |
| - Automobile                            | 392.1                  | 9,330              | 3,612               | 0                   | 0                            | 0                            | 12,942                 |
| - Light Trucks                          | 392.2                  | 3,678,149          | 652,390             | (366,845)           | 0                            | 41,606                       | 4,005,300              |
| - Heavy Trucks                          | 392.3                  | 13,627,840         | 1,883,003           | (2,664,804)         | 0                            | 398,477                      | 13,244,516             |
| - Trailers                              | 392.4                  | 681,381            | 60,796              | (22,179)            | 0                            | 4,607                        | 724,605                |
| - Marine, 5 Year                        | 392                    | 4,409              | 5,695               | 0                   | 0                            | 0                            | 10,104                 |
| Stores Equipment - 7 Year               | 393                    | 444,737            | 191,023             | (899)               | 0                            | 0                            | 634,861                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                    | 1,848,976          | 569,945             | (511,353)           | 0                            | 0                            | 1,907,568              |
| Laboratory Equipment - 7 Year           | 395                    | 1,306,582          | 384,010             | (460,101)           | 0                            | 0                            | 1,230,491              |
| Power Operated Equipment                | 396                    | 583,784            | 43,800              | 0                   | 0                            | 0                            | 627,584                |
| Communication Equipment:                |                        |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                    | 7,394,531          | 1,239,732           | (172,532)           | (2,074)                      | (3,825)                      | 8,463,522              |
| - 7 Year                                | 397                    | 2,511,733          | 906,008             | (935,756)           | 0                            | 0                            | 2,481,985              |
| Miscellaneous Equipment - 7 Year        | 398                    | 2,529,525          | 556,195             | (1,853,818)         | 0                            | 0                            | 1,231,902              |
| Asset Retirement Obligation             | 399.1                  | 126,537            | 4,053               | 0                   | 0                            | 0                            | 130,590                |
| <b>TOTAL GENERAL:</b>                   | <b>65,813,765</b>      | <b>9,644,130</b>   | <b>(8,288,087)</b>  | <b>(100,328)</b>    | <b>440,865</b>               | <b>7,690</b>                 | <b>67,518,035</b>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <b>1,538,710,889</b>   | <b>165,084,204</b> | <b>(66,993,373)</b> | <b>(13,582,284)</b> | <b>3,607,672</b>             | <b>96,330</b>                | <b>1,626,923,438</b>   |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2014

|                                | Balance<br>First of Year | Provisions | Retirements  | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|------------|--------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |            |              |                    |                              |                              |                        |
| Intangible Software            | 6,167,525                | 2,243,139  | 0            | 0                  | 0                            | 0                            | 8,410,664              |
| <b>Total Intangible Plant:</b> | 6,167,525                | 2,243,139  | 0            | 0                  | 0                            | 0                            | 8,410,664              |
| <b>STEAM PRODUCTION:</b>       |                          |            |              |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |            |              |                    |                              |                              |                        |
| Plant                          | 139,091,667              | 7,312,552  | (2,693,608)  | (830,646)          | 232,565                      | 0                            | 143,112,530            |
| Easements                      | 41,511                   | 1,080      | 0            | 0                  | 0                            | 0                            | 42,591                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0          | 0            | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,384,516                | 41,124     | 0            | 0                  | 0                            | 0                            | 1,425,640              |
| Dismantlement - Fixed          | 19,870,960               | 667,094    | 0            | 0                  | 0                            | 0                            | 20,538,054             |
| Asset Retirement Obligation    | 122,461                  | 5,567      | 0            | 0                  | 0                            | 0                            | 128,028                |
| <b>TOTAL DANIEL PLANT:</b>     | 169,465,307              | 8,027,417  | (2,693,608)  | (830,646)          | 232,565                      | 0                            | 174,201,035            |
| <b>CRIST PLANT:</b>            |                          |            |              |                    |                              |                              |                        |
| Plant                          | 310,129,631              | 51,784,763 | (5,867,080)  | (2,923,937)        | 582,782                      | 131,286                      | 353,837,445            |
| Easements                      | 0                        | 0          | 0            | 0                  | 0                            | 0                            | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0          | 0            | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 86,586                   | 30,800     | (50,256)     | 0                  | 0                            | 0                            | 67,130                 |
| - 7 Year                       | 1,508,235                | 537,669    | (455,045)    | 0                  | 0                            | 0                            | 1,590,859              |
| Dismantlement - Fixed          | 73,819,160               | 6,183,920  | 0            | 0                  | 0                            | 710,581                      | 80,713,661             |
| Asset Retirement Obligation    | 408,275                  | 51,821     | (258,491)    | 0                  | 0                            | 779                          | 202,384                |
| <b>TOTAL CRIST PLANT:</b>      | 386,093,727              | 58,588,973 | (6,630,872)  | (2,923,937)        | 582,782                      | 842,646                      | 436,553,319            |
| <b>SCHOLZ PLANT:</b>           |                          |            |              |                    |                              |                              |                        |
| Plant                          | 30,707,084               | 1,261,383  | (14,895)     | (587)              | 0                            | 0                            | 31,952,985             |
| Base Coal, 5 Year              | 71,300                   | 0          | 0            | 0                  | 0                            | 0                            | 71,300                 |
| - 5 Year                       | 4,635                    | 1,746      | 0            | 0                  | 0                            | 0                            | 6,381                  |
| - 7 Year                       | 64,015                   | 19,539     | (32,133)     | 0                  | 0                            | 0                            | 51,421                 |
| Dismantlement - Fixed          | 13,751,261               | 712,215    | 0            | 0                  | 0                            | 0                            | 14,463,476             |
| Asset Retirement Obligation    | 284,572                  | 7,842      | 0            | 0                  | 0                            | 0                            | 292,414                |
| <b>TOTAL SCHOLZ PLANT:</b>     | 44,882,867               | 2,002,725  | (47,028)     | (587)              | 0                            | 0                            | 46,837,977             |
| <b>SMITH PLANT:</b>            |                          |            |              |                    |                              |                              |                        |
| Plant                          | 90,292,070               | 5,809,680  | (183,376)    | (16,953)           | 0                            | 0                            | 95,901,421             |
| Base Coal, 5 Year              | 108,300                  | 0          | 0            | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 11,705                   | 5,460      | (3,067)      | 0                  | 0                            | 0                            | 14,098                 |
| - 7 Year                       | 669,544                  | 163,971    | (246,695)    | 0                  | 0                            | 0                            | 586,820                |
| Dismantlement - Fixed          | 21,657,783               | 950,367    | 0            | 0                  | 0                            | 0                            | 22,608,150             |
| Asset Retirement Obligation    | 356,843                  | 4,796      | 0            | 0                  | 0                            | 0                            | 361,639                |
| <b>TOTAL SMITH PLANT:</b>      | 113,096,245              | 6,934,274  | (433,138)    | (16,953)           | 0                            | 0                            | 119,580,428            |
| <b>SCHERER PLANT:</b>          |                          |            |              |                    |                              |                              |                        |
| Plant                          | 116,083,804              | 7,413,151  | (1,644,133)  | (62,580)           | 166,054                      | 0                            | 121,956,296            |
| Dismantlement - Fixed          | 91,482                   | 29,865     | 0            | 0                  | 0                            | 215                          | 121,562                |
| - 7 Year                       | 5,143,641                | 98,878     | 0            | 0                  | 0                            | 0                            | 5,242,519              |
| Asset Retirement Obligation    | 208,524                  | 144,069    | (2,589)      | 0                  | 0                            | 0                            | 350,004                |
| <b>TOTAL SCHERER PLANT:</b>    | 121,527,451              | 7,685,963  | (1,646,722)  | (62,580)           | 166,054                      | 215                          | 127,670,381            |
| <b>TOTAL STEAM PRODUCTION:</b> | 835,065,597              | 83,239,352 | (11,451,368) | (3,834,703)        | 981,401                      | 842,861                      | 904,843,140            |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2014

|   |       | Balance<br>End of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                        |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 149,117                | 47,169            | 0                   | 0                  | 0                            | 0                            | 196,286                |
| Fuel Holders and Accessories                    | 342   | 207,532                | 25,123            | 0                   | 0                  | 0                            | 0                            | 232,655                |
| Prime Movers                                    | 343   | 305,352                | 89,102            | (240,978)           | (37,265)           | 0                            | 0                            | 116,211                |
| Generators                                      | 344   | 3,070,974              | 123,801           | 0                   | 0                  | 0                            | 0                            | 3,194,775              |
| Accessory Electric Equipment                    | 345   | (36,512)               | 1,745             | 0                   | (10,486)           | 0                            | 826,572                      | 781,319                |
| Miscellaneous Equipment                         | 346   | (7,362)                | 1,553             | 0                   | 0                  | 0                            | 0                            | (5,809)                |
| Dismantlement - Fixed                           |       | 176,780                | 3,258             | 0                   | 0                  | 0                            | 0                            | 180,038                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,865,881</b>       | <b>291,751</b>    | <b>(240,978)</b>    | <b>(47,751)</b>    | <b>0</b>                     | <b>826,572</b>               | <b>4,695,475</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 1,495,053              | 373,604           | (18,545)            | (350)              | 0                            | 0                            | 1,849,762              |
| Fuel Holders and Accessories                    | 342   | 1,039,474              | 87,890            | (284,576)           | (15,494)           | 0                            | 0                            | 827,294                |
| Prime Movers                                    | 343   | (21,005,559)           | 3,341,820         | (675,432)           | (16,468)           | 0                            | 0                            | (18,355,639)           |
| Generators                                      | 344   | 21,547,395             | 1,883,333         | (143,955)           | (2,982)            | 0                            | 0                            | 23,283,791             |
| Accessory Electric Equipment                    | 345   | 2,436,704              | 341,142           | (84,252)            | (60,317)           | 0                            | (826,572)                    | 1,806,705              |
| Miscellaneous Equipment                         | 346   | 46,667                 | 32,740            | (3,808)             | 0                  | 0                            | 0                            | 75,599                 |
| Dismantlement - Fixed                           |       | 3,027,033              | 280,020           | 0                   | 0                  | 0                            | 0                            | 3,307,053              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>8,586,767</b>       | <b>6,340,549</b>  | <b>(1,210,568)</b>  | <b>(95,611)</b>    | <b>0</b>                     | <b>(826,572)</b>             | <b>12,794,565</b>      |
| <b>PACE PLANT:</b>                              |       |                        |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 5,337,440              | 359,902           | 0                   | 0                  | 0                            | 0                            | 5,697,342              |
| Generators                                      | 344   | 2,451,494              | 164,683           | 0                   | 0                  | 0                            | 0                            | 2,616,177              |
| Accessory Electric Equipment                    | 345   | 460,338                | 30,957            | 0                   | 0                  | 0                            | 0                            | 491,295                |
| Asset Retirement Obligation                     | 347   | 309,481                | 19,860            | 0                   | 0                  | 0                            | 0                            | 329,341                |
| Dismantlement - Fixed                           |       | (23,104)               | (1,938)           | 0                   | 0                  | 0                            | 0                            | (25,042)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>8,535,649</b>       | <b>573,464</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>9,109,113</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                        |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 117,801                | 47,122            | 0                   | 0                  | 0                            | 0                            | 164,923                |
| Fuel Holders and Accessories                    | 342   | 72,343                 | 28,938            | 0                   | 0                  | 0                            | 0                            | 101,281                |
| Prime Movers                                    | 343   | 343,196                | 137,283           | 0                   | 0                  | 0                            | 0                            | 480,479                |
| Accessory Electric Equipment                    | 345   | 99,634                 | 40,334            | 0                   | 0                  | 0                            | 0                            | 139,968                |
| Miscellaneous Equipment                         | 346   | 175,598                | 2,277             | 0                   | 0                  | 0                            | 0                            | 177,875                |
|   |       | 808,572                | 255,954           | 0                   | 0                  | 0                            | 0                            | 1,064,526              |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>21,796,869</b>      | <b>7,461,718</b>  | <b>(1,451,546)</b>  | <b>(143,362)</b>   | <b>0</b>                     | <b>0</b>                     | <b>27,663,679</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>856,862,466</b>     | <b>90,701,070</b> | <b>(12,902,914)</b> | <b>(3,978,065)</b> | <b>981,401</b>               | <b>842,861</b>               | <b>932,506,819</b>     |
| <b>TRANSMISSION:</b>                            |       |                        |                   |                     |                    |                              |                              |                        |
| Land  | 350   | 0                      | 0                 | 0                   | 0                  | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 6,703,469              | 202,658           | 0                   | 0                  | 0                            | 0                            | 6,906,127              |
| Structures and Improvements                     | 352   | 3,374,315              | 310,634           | (112,693)           | (44,994)           | 0                            | 0                            | 3,527,262              |
| Station Equipment                               | 353   | 26,538,139             | 4,125,061         | (1,356,298)         | (1,271,409)        | 200,216                      | (42,633)                     | 28,193,076             |
| Towers and Fixtures                             | 354   | 24,594,646             | 999,671           | (141,378)           | (282,908)          | 11,224                       | 0                            | 25,181,255             |
| Poles and Fixtures                              | 355   | 19,672,282             | 4,819,779         | (3,102,713)         | (4,534,953)        | 100,745                      | 0                            | 16,955,140             |
| Overhead Conductors & Devices                   | 356   | 24,048,636             | 2,284,886         | (1,211,232)         | (211,606)          | 11,742                       | 0                            | 24,922,426             |
| Underground Conductors & Devices                | 358   | 7,530,362              | 295,985           | 0                   | (3,680)            | 0                            | 0                            | 7,822,667              |
| Roads and Trails                                | 359   | 37,796                 | 4,718             | 0                   | 0                  | 0                            | 0                            | 42,514                 |
| Asset Retirement Obligation                     | 359.1 | 4,069                  | 143               | 1                   | 0                  | 0                            | 0                            | 4,213                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>112,503,714</b>     | <b>13,043,535</b> | <b>(5,924,313)</b>  | <b>(6,349,550)</b> | <b>323,927</b>               | <b>(42,633)</b>              | <b>113,554,680</b>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
ACTUAL: DECEMBER, 2014

|   | Balance<br>End of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                        |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                  | 27,358             | 3,675               | 0                   | 0                            | 0                            | 31,033                 |
| Structures and Improvements             | 361                    | 7,242,298          | 549,885             | (273,188)           | (5,502)                      | 0                            | 7,513,493              |
| Station Equipment                       | 362                    | 50,032,398         | 4,420,340           | (10,130,061)        | (1,361,328)                  | 407,775                      | 69,296                 |
| Poles, Towers & Fixtures                | 364                    | 66,897,622         | 6,532,112           | (1,669,816)         | (1,580,681)                  | 552                          | 0                      |
| Overhead Conductors & Devices           | 365                    | 44,858,318         | 4,316,621           | (1,637,216)         | (573,859)                    | 189,051                      | (476,259)              |
| Underground Conduit                     | 366                    | 793,487            | 15,096              | (15,633)            | (7,300)                      | 0                            | 0                      |
| Underground Conductors & Devices        | 367                    | 51,274,602         | 4,569,781           | (674,446)           | (162,452)                    | 80,983                       | 476,259                |
| Line Transformers                       | 368                    | 87,888,408         | 10,034,410          | (4,488,551)         | (1,101,930)                  | 255,488                      | (19,838)               |
| Services:                               |                        |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                  | 32,719,364         | 2,115,392           | (441,969)           | (302,838)                    | 38,272                       | 0                      |
| - Underground                           | 369.2                  | 16,595,286         | 1,267,067           | (121,168)           | (31,582)                     | 0                            | 0                      |
| Meters                                  | 370                    | (518,358)          | 782,973             | (1,674,214)         | (254,233)                    | 400,188                      | 10,517                 |
| Meters - AMI                            | 370                    | 10,294,746         | 2,831,282           | (215,328)           | 0                            | 0                            | 0                      |
| Meters - FPSC Segregated                | 370                    | 0                  | 0                   | 0                   | 0                            | 0                            | 0                      |
| Meters - Non FPSC Segregated            | 370                    | 898,407            | 0                   | (28,775)            | 0                            | 10,256                       | (10,517)               |
| Street Lighting & Signal Systems        | 373                    | 34,464,045         | 3,255,287           | (373,855)           | (140,232)                    | 71,663                       | 0                      |
| Asset Retirement Obligation             | 374                    | 24,525             | 1,005               | 0                   | 0                            | 0                            | 0                      |
| <b>TOTAL DISTRIBUTION:</b>              | <u>403,492,506</u>     | <u>40,694,926</u>  | <u>(21,744,220)</u> | <u>(5,521,937)</u>  | <u>1,454,228</u>             | <u>49,458</u>                | <u>418,424,961</u>     |
| <b>GENERAL PLANT:</b>                   |                        |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                    | 27,354,022         | 1,761,778           | (250,129)           | (56,770)                     | 0                            | 0                      |
| Office Furniture & Equipment:           |                        |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                    | 1,790,107          | 842,533             | (1,261,573)         | 0                            | 0                            | 0                      |
| - Non-Computer, 7 Year                  | 391                    | 735,883            | 352,404             | (201,994)           | 0                            | 0                            | (10)                   |
| Transportation Equipment:               |                        |                    |                     |                     |                              |                              |                        |
| - Automobile                            | 392.1                  | 5,718              | 3,612               | 0                   | 0                            | 0                            | 0                      |
| - Light Trucks                          | 392.2                  | 3,416,281          | 666,373             | (464,516)           | 0                            | 60,011                       | 0                      |
| - Heavy Trucks                          | 392.3                  | 12,645,976         | 1,776,683           | (906,988)           | 0                            | 112,169                      | 0                      |
| - Trailers                              | 392.4                  | 624,127            | 61,582              | (6,608)             | 0                            | 2,280                        | 0                      |
| - Marine, 5 Year                        | 392                    | 89,853             | 41,227              | (39,748)            | 0                            | 0                            | (86,923)               |
| Stores Equipment - 7 Year               | 393                    | 319,576            | 153,146             | (27,985)            | 0                            | 0                            | 0                      |
| Tools, Shop & Garage Equip. - 7 Year    | 394                    | 1,302,092          | 554,925             | (8,022)             | 0                            | 0                            | (19)                   |
| Laboratory Equipment - 7 Year           | 395                    | 1,051,581          | 369,132             | (114,021)           | 0                            | 0                            | (110)                  |
| Power Operated Equipment                | 396                    | 513,340            | 41,628              | (110,357)           | 0                            | 52,250                       | 86,923                 |
| Communication Equipment:                |                        |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                    | 6,384,953          | 1,067,990           | (39,379)            | (25,626)                     | 13,418                       | (6,825)                |
| - 7 Year                                | 397                    | 1,876,183          | 813,376             | (177,826)           | 0                            | 0                            | 0                      |
| Miscellaneous Equipment - 7 Year        | 398                    | 2,225,980          | 616,609             | (312,989)           | 0                            | 0                            | (75)                   |
| Asset Retirement Obligation             | 399.1                  | 122,485            | 4,052               | 0                   | 0                            | 0                            | 0                      |
| <b>TOTAL GENERAL:</b>                   | <u>60,458,157</u>      | <u>9,127,050</u>   | <u>(3,922,135)</u>  | <u>(82,396)</u>     | <u>240,128</u>               | <u>(7,039)</u>               | <u>65,813,765</u>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <u>1,439,484,368</u>   | <u>155,809,720</u> | <u>(44,493,582)</u> | <u>(15,931,948)</u> | <u>2,999,684</u>             | <u>842,647</u>               | <u>1,538,710,889</u>   |

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

|                                | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |                   |                     |                    |                              |                              |                        |
| Intangible Software            | <u>3,932,742</u>         | <u>2,234,783</u>  | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>6,167,525</u>       |
| <b>Total Intangible Plant:</b> | <u>3,932,742</u>         | <u>2,234,783</u>  | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>6,167,525</u>       |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 132,751,422              | 7,233,511         | (881,238)           | (162,929)          | 150,901                      | 0                            | 139,091,667            |
| Easements                      | 40,431                   | 1,080             | 0                   | 0                  | 0                            | 0                            | 41,511                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,343,392                | 41,124            | 0                   | 0                  | 0                            | 0                            | 1,384,516              |
| Dismantlement - Fixed          | 19,203,866               | 667,094           | 0                   | 0                  | 0                            | 0                            | 19,870,960             |
| Asset Retirement Obligation    | <u>115,044</u>           | <u>7,417</u>      | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>122,461</u>         |
| <b>TOTAL DANIEL PLANT:</b>     | <u>162,408,347</u>       | <u>7,950,226</u>  | <u>(881,238)</u>    | <u>(162,929)</u>   | <u>150,901</u>               | <u>0</u>                     | <u>169,465,307</u>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 275,537,126              | 51,636,875        | (17,280,900)        | (3,382,703)        | 199,587                      | 3,419,646                    | 310,129,631            |
| Easements                      | 419                      | 0                 | 0                   | 0                  | 0                            | (419)                        | 0                      |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 59,072                   | 27,514            | 0                   | 0                  | 0                            | 0                            | 86,586                 |
| - 7 Year                       | 3,108,617                | 565,861           | (2,166,243)         | 0                  | 0                            | 0                            | 1,508,235              |
| Dismantlement - Fixed          | 70,997,923               | 6,151,868         | 0                   | 0                  | 0                            | (3,330,631)                  | 73,819,160             |
| Asset Retirement Obligation    | <u>730,741</u>           | <u>44,741</u>     | <u>(615,600)</u>    | <u>0</u>           | <u>0</u>                     | <u>248,393</u>               | <u>408,275</u>         |
| <b>TOTAL CRIST PLANT:</b>      | <u>350,575,738</u>       | <u>58,426,859</u> | <u>(20,062,743)</u> | <u>(3,382,703)</u> | <u>199,587</u>               | <u>336,989</u>               | <u>386,093,727</u>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 29,440,395               | 1,258,624         | (209)               | 8,274              | 0                            | 0                            | 30,707,084             |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0                  | 0                            | 0                            | 71,300                 |
| - 5 Year                       | 2,889                    | 1,746             | 0                   | 0                  | 0                            | 0                            | 4,635                  |
| - 7 Year                       | 46,823                   | 16,652            | 540                 | 0                  | 0                            | 0                            | 64,015                 |
| Dismantlement - Fixed          | 13,039,046               | 712,215           | 0                   | 0                  | 0                            | 0                            | 13,751,261             |
| Asset Retirement Obligation    | <u>281,754</u>           | <u>3,847</u>      | <u>(1,029)</u>      | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>284,572</u>         |
| <b>TOTAL SCHOLZ PLANT:</b>     | <u>42,882,207</u>        | <u>1,993,084</u>  | <u>(698)</u>        | <u>8,274</u>       | <u>0</u>                     | <u>0</u>                     | <u>44,882,867</u>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 84,618,636               | 5,790,959         | (111,315)           | (6,210)            | 0                            | 0                            | 90,292,070             |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 9,811                    | 6,359             | (4,465)             | 0                  | 0                            | 0                            | 11,705                 |
| - 7 Year                       | 903,389                  | 177,454           | (411,299)           | 0                  | 0                            | 0                            | 669,544                |
| Dismantlement - Fixed          | 20,707,416               | 950,367           | 0                   | 0                  | 0                            | 0                            | 21,657,783             |
| Asset Retirement Obligation    | <u>352,047</u>           | <u>4,796</u>      | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>356,843</u>         |
| <b>TOTAL SMITH PLANT:</b>      | <u>106,699,599</u>       | <u>6,929,935</u>  | <u>(527,079)</u>    | <u>(6,210)</u>     | <u>0</u>                     | <u>0</u>                     | <u>113,096,245</u>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 109,712,590              | 7,218,881         | (443,358)           | (434,885)          | 30,576                       | 0                            | 116,083,804            |
| Dismantlement - Fixed          | 97,033                   | 27,919            | (33,470)            | 0                  | 0                            | 0                            | 91,482                 |
| - 7 Year                       | 5,044,763                | 98,878            | 0                   | 0                  | 0                            | 0                            | 5,143,641              |
| Asset Retirement Obligation    | <u>81,314</u>            | <u>138,189</u>    | <u>(21,787)</u>     | <u>0</u>           | <u>0</u>                     | <u>10,808</u>                | <u>208,524</u>         |
| <b>TOTAL SCHERER PLANT:</b>    | <u>114,935,700</u>       | <u>7,483,867</u>  | <u>(498,615)</u>    | <u>(434,885)</u>   | <u>30,576</u>                | <u>10,808</u>                | <u>121,527,451</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <u>777,501,591</u>       | <u>82,783,971</u> | <u>(21,970,373)</u> | <u>(3,978,453)</u> | <u>381,064</u>               | <u>347,797</u>               | <u>835,065,597</u>     |

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

|   |       | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 101,948                  | 47,169            | 0                   | 0                  | 0                            | 0                            | 149,117                |
| Fuel Holders and Accessories                    | 342   | 182,409                  | 25,123            | 0                   | 0                  | 0                            | 0                            | 207,532                |
| Prime Movers                                    | 343   | 217,878                  | 87,474            | 0                   | 0                  | 0                            | 0                            | 305,352                |
| Generators                                      | 344   | 2,947,173                | 123,801           | 0                   | 0                  | 0                            | 0                            | 3,070,974              |
| Accessory Electric Equipment                    | 345   | (38,257)                 | 1,745             | 0                   | 0                  | 0                            | 0                            | (36,512)               |
| Miscellaneous Equipment                         | 346   | (8,915)                  | 1,553             | 0                   | 0                  | 0                            | 0                            | (7,362)                |
| Dismantlement - Fixed                           |       | 173,522                  | 3,258             | 0                   | 0                  | 0                            | 0                            | 176,780                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,575,758</b>         | <b>290,123</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>3,865,881</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 1,398,143                | 397,715           | (300,805)           | 0                  | 0                            | 0                            | 1,495,053              |
| Fuel Holders and Accessories                    | 342   | 955,620                  | 85,240            | 0                   | (1,386)            | 0                            | 0                            | 1,039,474              |
| Prime Movers                                    | 343   | (2,810,104)              | 3,245,562         | (19,660,137)        | (1,780,880)        | 0                            | 0                            | (21,005,559)           |
| Generators                                      | 344   | 19,770,745               | 1,882,613         | (81,184)            | (24,779)           | 0                            | 0                            | 21,547,395             |
| Accessory Electric Equipment                    | 345   | 2,831,678                | 341,749           | (678,268)           | (58,455)           | 0                            | 0                            | 2,436,704              |
| Miscellaneous Equipment                         | 346   | 14,545                   | 32,122            | 0                   | 0                  | 0                            | 0                            | 46,667                 |
| Dismantlement - Fixed                           |       | 2,747,013                | 280,020           | 0                   | 0                  | 0                            | 0                            | 3,027,033              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>24,907,640</b>        | <b>6,265,021</b>  | <b>(20,720,394)</b> | <b>(1,865,500)</b> | <b>0</b>                     | <b>0</b>                     | <b>8,586,767</b>       |
| <b>PACE PLANT:</b>                              |       |                          |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 4,977,538                | 359,902           | 0                   | 0                  | 0                            | 0                            | 5,337,440              |
| Generators                                      | 344   | 2,286,811                | 164,683           | 0                   | 0                  | 0                            | 0                            | 2,451,494              |
| Accessory Electric Equipment                    | 345   | 429,381                  | 30,957            | 0                   | 0                  | 0                            | 0                            | 460,338                |
| Asset Retirement Obligation                     | 347   | 289,621                  | 19,860            | 0                   | 0                  | 0                            | 0                            | 309,481                |
| Dismantlement - Fixed                           |       | (21,166)                 | (1,938)           | 0                   | 0                  | 0                            | 0                            | (23,104)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>7,962,185</b>         | <b>573,464</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>8,535,649</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 70,679                   | 47,122            | 0                   | 0                  | 0                            | 0                            | 117,801                |
| Fuel Holders and Accessories                    | 342   | 43,405                   | 28,938            | 0                   | 0                  | 0                            | 0                            | 72,343                 |
| Prime Movers                                    | 343   | 205,913                  | 137,283           | 0                   | 0                  | 0                            | 0                            | 343,196                |
| Accessory Electric Equipment                    | 345   | 59,300                   | 40,334            | 0                   | 0                  | 0                            | 0                            | 99,634                 |
| Miscellaneous Equipment                         | 346   | 173,321                  | 2,277             | 0                   | 0                  | 0                            | 0                            | 175,598                |
|   |       | 552,618                  | 255,954           | 0                   | 0                  | 0                            | 0                            | 808,572                |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>36,998,201</b>        | <b>7,384,562</b>  | <b>(20,720,394)</b> | <b>(1,865,500)</b> | <b>0</b>                     | <b>0</b>                     | <b>21,796,869</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>814,499,792</b>       | <b>90,168,533</b> | <b>(42,690,767)</b> | <b>(5,843,953)</b> | <b>381,064</b>               | <b>347,797</b>               | <b>856,862,466</b>     |
| <b>TRANSMISSION:</b>                            |       |                          |                   |                     |                    |                              |                              |                        |
| Land  | 350   | 0                        | 0                 | 0                   | 0                  | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 6,500,811                | 202,658           | 0                   | 0                  | 0                            | 0                            | 6,703,469              |
| Structures and Improvements                     | 352   | 3,343,529                | 249,675           | (214,184)           | (11,967)           | 0                            | 7,262                        | 3,374,315              |
| Station Equipment                               | 353   | 27,672,424               | 3,710,903         | (4,455,426)         | (500,744)          | 40,003                       | 70,979                       | 26,538,139             |
| Towers and Fixtures                             | 354   | 24,125,582               | 994,388           | (275,378)           | (249,946)          | 0                            | 0                            | 24,594,646             |
| Poles and Fixtures                              | 355   | 19,511,252               | 4,207,783         | (1,048,660)         | (3,231,566)        | 236,383                      | (2,910)                      | 19,672,282             |
| Overhead Conductors & Devices                   | 356   | 23,083,800               | 2,008,546         | (503,506)           | (545,823)          | 5,258                        | 361                          | 24,048,636             |
| Underground Conductors & Devices                | 358   | 7,234,377                | 295,985           | 0                   | 0                  | 0                            | 0                            | 7,530,362              |
| Roads and Trails                                | 359   | 33,078                   | 4,718             | 0                   | 0                  | 0                            | 0                            | 37,796                 |
| Asset Retirement Obligation                     | 359.1 | 4,555                    | 143               | (629)               | 0                  | 0                            | 0                            | 4,069                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>111,509,408</b>       | <b>11,674,799</b> | <b>(6,497,783)</b>  | <b>(4,540,046)</b> | <b>281,644</b>               | <b>75,692</b>                | <b>112,503,714</b>     |

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

|   | Balance<br>First of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                          |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                    | 23,683             | 3,675               | 0                   | 0                            | 0                            | 27,358                 |
| Structures and Improvements             | 361                      | 7,129,505          | 509,024             | (379,396)           | (9,573)                      | (7,262)                      | 7,242,298              |
| Station Equipment                       | 362                      | 55,490,517         | 4,122,249           | (7,785,861)         | (1,837,844)                  | 117,925                      | 50,032,398             |
| Poles, Towers & Fixtures                | 364                      | 61,990,340         | 6,294,949           | (955,059)           | (419,716)                    | (1,082)                      | 66,897,622             |
| Overhead Conductors & Devices           | 365                      | 44,523,731         | 4,165,333           | (2,103,230)         | (1,040,198)                  | 72,434                       | 44,858,318             |
| Underground Conduit                     | 366                      | 778,398            | 15,089              | 0                   | 0                            | 0                            | 793,487                |
| Underground Conductors & Devices        | 367                      | 47,928,087         | 4,424,171           | (941,532)           | (233,937)                    | 73,425                       | 51,274,602             |
| Line Transformers                       | 368                      | 83,014,391         | 9,563,606           | (4,190,230)         | (1,006,413)                  | 211,179                      | 87,888,408             |
| Services:                               |                          |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                    | 31,059,876         | 2,046,853           | (201,778)           | (224,884)                    | 39,297                       | 32,719,364             |
| - Underground                           | 369.2                    | 15,330,058         | 1,199,711           | (112,851)           | 48,422                       | 129,946                      | 16,595,286             |
| Meters                                  | 370                      | 735,473            | 749,439             | (2,066,560)         | (201,527)                    | 280,402                      | (518,358)              |
| Meters - AMI                            | 370                      | 7,693,664          | 2,791,261           | (205,764)           | 0                            | 15,585                       | 10,294,746             |
| Meters - FPSC Segregated                | 370                      | 1,769,590          | 0                   | (1,769,590)         | 0                            | 0                            | 0                      |
| Meters - Non FPSC Segregated            | 370                      | 3,572,493          | 0                   | (2,679,712)         | 0                            | 5,626                        | 898,407                |
| Street Lighting & Signal Systems        | 373                      | 31,277,534         | 3,138,479           | (247,823)           | (63,341)                     | 73,582                       | 34,464,045             |
| Asset Retirement Obligation             | 374                      | 25,372             | 1,005               | (1,852)             | 0                            | 0                            | 24,525                 |
| <b>TOTAL DISTRIBUTION:</b>              | <u>392,342,712</u>       | <u>39,024,844</u>  | <u>(23,641,238)</u> | <u>(4,989,011)</u>  | <u>872,788</u>               | <u>(117,589)</u>             | <u>403,492,506</u>     |
| <b>GENERAL PLANT:</b>                   |                          |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                      | 25,962,559         | 1,600,279           | (236,169)           | (13,408)                     | 0                            | 27,354,022             |
| Office Furniture & Equipment:           |                          |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                      | 2,613,750          | 490,486             | (1,314,129)         | 0                            | 0                            | 1,790,107              |
| - Non-Computer, 7 Year                  | 391                      | 1,098,241          | 349,332             | (711,690)           | 0                            | 0                            | 735,883                |
| Transportation Equipment:               |                          |                    |                     |                     |                              |                              |                        |
| - Automobile                            | 392.1                    | 0                  | 2,017               | 0                   | 0                            | 3,701                        | 5,718                  |
| - Light Trucks                          | 392.2                    | 3,213,189          | 645,698             | (499,155)           | 0                            | 60,250                       | 3,416,281              |
| - Heavy Trucks                          | 392.3                    | 11,961,927         | 1,687,282           | (1,249,888)         | 0                            | 246,655                      | 12,645,976             |
| - Trailers                              | 392.4                    | 658,655            | 63,708              | (106,311)           | 0                            | 8,075                        | 624,127                |
| - Marine, 5 Year                        | 392                      | 47,135             | 42,718              | 0                   | 0                            | 0                            | 89,853                 |
| Stores Equipment - 7 Year               | 393                      | 615,146            | 189,201             | (484,771)           | 0                            | 0                            | 319,576                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                      | 939,717            | 542,807             | (180,432)           | 0                            | 0                            | 1,302,092              |
| Laboratory Equipment - 7 Year           | 395                      | 1,028,240          | 356,346             | (333,005)           | 0                            | 0                            | 1,051,581              |
| Power Operated Equipment                | 396                      | 472,539            | 40,801              | 0                   | 0                            | 0                            | 513,340                |
| Communication Equipment:                |                          |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                      | 5,788,123          | 1,052,177           | (439,786)           | (17,290)                     | 592                          | 6,384,953              |
| - 7 Year                                | 397                      | 1,435,499          | 692,567             | (251,883)           | 0                            | 0                            | 1,876,183              |
| Miscellaneous Equipment - 7 Year        | 398                      | 1,719,365          | 506,615             | 0                   | 0                            | 0                            | 2,225,980              |
| Asset Retirement Obligation             | 399.1                    | 118,432            | 4,053               | 0                   | 0                            | 0                            | 122,485                |
| <b>TOTAL GENERAL:</b>                   | <u>57,672,517</u>        | <u>8,266,087</u>   | <u>(5,807,219)</u>  | <u>(30,698)</u>     | <u>315,572</u>               | <u>41,898</u>                | <u>60,458,157</u>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <u>1,379,957,171</u>     | <u>151,369,046</u> | <u>(78,637,007)</u> | <u>(15,403,708)</u> | <u>1,851,068</u>             | <u>347,798</u>               | <u>1,439,484,368</u>   |

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

|                                | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |                   |                     |                     |                              |                              |                        |
| Intangible Software            | 1,835,550                | 2,097,192         | 0                   | 0                   | 0                            | 0                            | 3,932,742              |
| <b>Total Intangible Plant:</b> | <u>1,835,550</u>         | <u>2,097,192</u>  | <u>0</u>            | <u>0</u>            | <u>0</u>                     | <u>0</u>                     | <u>3,932,742</u>       |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                     |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                     |                              |                              |                        |
| Plant                          | 126,208,950              | 7,115,896         | (373,428)           | (255,690)           | 55,694                       | 0                            | 132,751,422            |
| Easements                      | 39,351                   | 1,080             | 0                   | 0                   | 0                            | 0                            | 40,431                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0                   | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,302,268                | 41,124            | 0                   | 0                   | 0                            | 0                            | 1,343,392              |
| Dismantlement - Fixed          | 18,536,772               | 667,094           | 0                   | 0                   | 0                            | 0                            | 19,203,866             |
| Asset Retirement Obligation    | 95,322                   | 19,722            | 0                   | 0                   | 0                            | 0                            | 115,044                |
| <b>TOTAL DANIEL PLANT:</b>     | <u>155,136,855</u>       | <u>7,844,916</u>  | <u>(373,428)</u>    | <u>(255,690)</u>    | <u>55,694</u>                | <u>0</u>                     | <u>162,408,347</u>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                     |                              |                              |                        |
| Plant                          | 265,302,539              | 47,176,066        | (20,188,802)        | (17,481,397)        | 674,720                      | 54,000                       | 275,537,126            |
| Easements                      | 347                      | 72                | 0                   | 0                   | 0                            | 0                            | 419                    |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0                   | 0                            | 0                            | 141,840                |
| - 5 Year                       | 50,481                   | 32,245            | (23,654)            | 0                   | 0                            | 0                            | 59,072                 |
| - 7 Year                       | 2,409,986                | 698,631           | 0                   | 0                   | 0                            | 0                            | 3,108,617              |
| Dismantlement - Fixed          | 64,849,907               | 6,148,016         | 0                   | 0                   | 0                            | 0                            | 70,997,923             |
| Asset Retirement Obligation    | 692,262                  | 38,479            | 0                   | 0                   | 0                            | 0                            | 730,741                |
| <b>TOTAL CRIST PLANT:</b>      | <u>333,447,362</u>       | <u>54,093,509</u> | <u>(20,212,456)</u> | <u>(17,481,397)</u> | <u>674,720</u>               | <u>54,000</u>                | <u>350,575,738</u>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                     |                              |                              |                        |
| Plant                          | 28,681,056               | 1,260,918         | (469,319)           | 21,740              | 0                            | (54,000)                     | 29,440,395             |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0                   | 0                            | 0                            | 71,300                 |
| - 5 Year                       | 1,143                    | 1,746             | 0                   | 0                   | 0                            | 0                            | 2,889                  |
| - 7 Year                       | 126,844                  | 30,562            | (110,583)           | 0                   | 0                            | 0                            | 46,823                 |
| Dismantlement - Fixed          | 12,326,831               | 712,215           | 0                   | 0                   | 0                            | 0                            | 13,039,046             |
| Asset Retirement Obligation    | 315,697                  | (20,929)          | (13,014)            | 0                   | 0                            | 0                            | 281,754                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <u>41,522,871</u>        | <u>1,984,512</u>  | <u>(592,916)</u>    | <u>21,740</u>       | <u>0</u>                     | <u>(54,000)</u>              | <u>42,882,207</u>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                     |                              |                              |                        |
| Plant                          | 79,007,343               | 5,779,342         | (103,740)           | (64,309)            | 0                            | 0                            | 84,618,636             |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0                   | 0                            | 0                            | 108,300                |
| - 5 Year                       | 3,906                    | 5,905             | 0                   | 0                   | 0                            | 0                            | 9,811                  |
| - 7 Year                       | 678,120                  | 225,269           | 0                   | 0                   | 0                            | 0                            | 903,389                |
| Dismantlement - Fixed          | 19,757,049               | 950,367           | 0                   | 0                   | 0                            | 0                            | 20,707,416             |
| Asset Retirement Obligation    | 347,274                  | 4,795             | (22)                | 0                   | 0                            | 0                            | 352,047                |
| <b>TOTAL SMITH PLANT:</b>      | <u>99,901,992</u>        | <u>6,965,678</u>  | <u>(103,762)</u>    | <u>(64,309)</u>     | <u>0</u>                     | <u>0</u>                     | <u>106,699,599</u>     |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                     |                              |                              |                        |
| Plant                          | 102,942,269              | 7,158,145         | (488,765)           | (10,347)            | 111,288                      | 0                            | 109,712,590            |
| Dismantlement - Fixed          | 77,803                   | 28,254            | (9,024)             | 0                   | 0                            | 0                            | 97,033                 |
| - 7 Year                       | 4,945,885                | 98,878            | 0                   | 0                   | 0                            | 0                            | 5,044,763              |
| Asset Retirement Obligation    | 62,839                   | 18,475            | 0                   | 0                   | 0                            | 0                            | 81,314                 |
| <b>TOTAL SCHERER PLANT:</b>    | <u>108,028,796</u>       | <u>7,303,752</u>  | <u>(497,789)</u>    | <u>(10,347)</u>     | <u>111,288</u>               | <u>0</u>                     | <u>114,935,700</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <u>738,037,876</u>       | <u>78,192,367</u> | <u>(21,780,351)</u> | <u>(17,790,003)</u> | <u>841,702</u>               | <u>0</u>                     | <u>777,501,591</u>     |

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

|   |       | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                   |                     |                     |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                          |                   |                     |                     |                              |                              |                        |
| Structures and Improvements                     | 341   | 54,862                   | 47,086            | 0                   | 0                   | 0                            | 0                            | 101,948                |
| Fuel Holders and Accessories                    | 342   | 180,576                  | 25,277            | (23,444)            | 0                   | 0                            | 0                            | 182,409                |
| Prime Movers                                    | 343   | 65,832                   | 86,609            | 0                   | 65,437              | 0                            | 0                            | 217,878                |
| Generators                                      | 344   | 2,823,372                | 123,801           | 0                   | 0                   | 0                            | 0                            | 2,947,173              |
| Accessory Electric Equipment                    | 345   | 25,435                   | 1,745             | 0                   | (65,437)            | 0                            | 0                            | (38,257)               |
| Miscellaneous Equipment                         | 346   | (10,533)                 | 1,618             | 0                   | 0                   | 0                            | 0                            | (8,915)                |
| Dismantlement - Fixed                           |       | 170,264                  | 3,258             | 0                   | 0                   | 0                            | 0                            | 173,522                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,309,808</b>         | <b>289,394</b>    | <b>(23,444)</b>     | <b>0</b>            | <b>0</b>                     | <b>0</b>                     | <b>3,575,758</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                   |                     |                     |                              |                              |                        |
| Structures and Improvements                     | 341   | 2,197,841                | 373,386           | (1,022,063)         | (151,021)           | 0                            | 0                            | 1,398,143              |
| Fuel Holders and Accessories                    | 342   | 870,405                  | 85,215            | 0                   | 0                   | 0                            | 0                            | 955,620                |
| Prime Movers                                    | 343   | (5,725,172)              | 3,186,136         | (249,094)           | (21,974)            | 0                            | 0                            | (2,810,104)            |
| Generators                                      | 344   | 17,895,277               | 1,882,930         | (7,462)             | 0                   | 0                            | 0                            | 19,770,745             |
| Accessory Electric Equipment                    | 345   | 2,493,438                | 338,240           | 0                   | 0                   | 0                            | 0                            | 2,831,678              |
| Miscellaneous Equipment                         | 346   | 19,067                   | 31,275            | (35,797)            | 0                   | 0                            | 0                            | 14,545                 |
| Dismantlement - Fixed                           |       | 2,466,993                | 280,020           | 0                   | 0                   | 0                            | 0                            | 2,747,013              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>20,217,849</b>        | <b>6,177,202</b>  | <b>(1,314,416)</b>  | <b>(172,995)</b>    | <b>0</b>                     | <b>0</b>                     | <b>24,907,640</b>      |
| <b>PACE PLANT:</b>                              |       |                          |                   |                     |                     |                              |                              |                        |
| Prime Movers                                    | 343   | 4,617,636                | 359,902           | 0                   | 0                   | 0                            | 0                            | 4,977,538              |
| Generators                                      | 344   | 2,122,128                | 164,683           | 0                   | 0                   | 0                            | 0                            | 2,286,811              |
| Accessory Electric Equipment                    | 345   | 398,424                  | 30,957            | 0                   | 0                   | 0                            | 0                            | 429,381                |
| Asset Retirement Obligation                     | 347   | 269,761                  | 19,860            | 0                   | 0                   | 0                            | 0                            | 289,621                |
| Dismantlement - Fixed                           |       | (19,228)                 | (1,938)           | 0                   | 0                   | 0                            | 0                            | (21,166)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>7,388,721</b>         | <b>573,464</b>    | <b>0</b>            | <b>0</b>            | <b>0</b>                     | <b>0</b>                     | <b>7,962,185</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                          |                   |                     |                     |                              |                              |                        |
| Structures and Improvements                     | 341   | 23,557                   | 47,122            | 0                   | 0                   | 0                            | 0                            | 70,679                 |
| Fuel Holders and Accessories                    | 342   | 14,467                   | 28,938            | 0                   | 0                   | 0                            | 0                            | 43,405                 |
| Prime Movers                                    | 343   | 68,630                   | 137,283           | 0                   | 0                   | 0                            | 0                            | 205,913                |
| Accessory Electric Equipment                    | 345   | 19,715                   | 39,585            | 0                   | 0                   | 0                            | 0                            | 59,300                 |
| Miscellaneous Equipment                         | 346   | 171,043                  | 2,278             | 0                   | 0                   | 0                            | 0                            | 173,321                |
|   |       | 297,412                  | 255,206           | 0                   | 0                   | 0                            | 0                            | 552,618                |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>31,213,790</b>        | <b>7,295,266</b>  | <b>(1,337,860)</b>  | <b>(172,995)</b>    | <b>0</b>                     | <b>0</b>                     | <b>36,998,201</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>769,251,666</b>       | <b>85,487,633</b> | <b>(23,118,211)</b> | <b>(17,962,998)</b> | <b>841,702</b>               | <b>0</b>                     | <b>814,499,792</b>     |
| <b>TRANSMISSION:</b>                            |       |                          |                   |                     |                     |                              |                              |                        |
| Land  | 350   | 0                        | 0                 | 0                   | 0                   | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 6,298,410                | 202,401           | 0                   | 0                   | 0                            | 0                            | 6,500,811              |
| Structures and Improvements                     | 352   | 3,145,327                | 215,259           | (17,057)            | 0                   | 0                            | 0                            | 3,343,529              |
| Station Equipment                               | 353   | 27,841,962               | 3,054,548         | (2,574,917)         | (670,022)           | 22,701                       | (1,848)                      | 27,672,424             |
| Towers and Fixtures                             | 354   | 24,344,172               | 950,675           | (1,174,359)         | (5,518)             | 7,932                        | 2,680                        | 24,125,582             |
| Poles and Fixtures                              | 355   | 25,459,041               | 3,340,249         | (3,579,967)         | (5,970,882)         | 262,658                      | 153                          | 19,511,252             |
| Overhead Conductors & Devices                   | 356   | 24,120,643               | 1,870,348         | (2,447,789)         | (473,804)           | 7,022                        | 7,380                        | 23,083,800             |
| Underground Conductors & Devices                | 358   | 6,941,024                | 295,985           | 0                   | (2,632)             | 0                            | 0                            | 7,234,377              |
| Roads and Trails                                | 359   | 31,226                   | 1,852             | 0                   | 0                   | 0                            | 0                            | 33,078                 |
| Asset Retirement Obligation                     | 359.1 | 4,412                    | 143               | 0                   | 0                   | 0                            | 0                            | 4,555                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>118,186,217</b>       | <b>9,931,460</b>  | <b>(9,794,089)</b>  | <b>(7,122,858)</b>  | <b>300,313</b>               | <b>8,365</b>                 | <b>111,509,408</b>     |

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

|   | Balance<br>First of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                          |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                    | 20,008             | 3,675               | 0                   | 0                            | 0                            | 23,683                 |
| Structures and Improvements             | 361                      | 6,748,108          | 442,517             | (80,558)            | 20,265                       | 0                            | 7,129,505              |
| Station Equipment                       | 362                      | 53,879,861         | 3,889,922           | (2,093,739)         | (288,398)                    | (7,190)                      | 55,490,517             |
| Poles, Towers & Fixtures                | 364                      | 71,605,798         | 6,642,566           | (12,625,534)        | (3,540,740)                  | (91,434)                     | 61,990,340             |
| Overhead Conductors & Devices           | 365                      | 43,974,414         | 3,945,385           | (1,926,632)         | (970,501)                    | (479,161)                    | 44,523,731             |
| Underground Conduit                     | 366                      | 819,380            | 15,827              | (56,769)            | (40)                         | 0                            | 778,398                |
| Underground Conductors & Devices        | 367                      | 43,830,984         | 4,209,020           | (755,578)           | (146,012)                    | 130,090                      | 47,928,087             |
| Line Transformers                       | 368                      | 83,877,311         | 9,370,880           | (8,488,741)         | (1,255,533)                  | 151,305                      | 83,014,391             |
| Services:                               |                          |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                    | 29,540,037         | 1,986,789           | (215,074)           | (309,068)                    | 57,192                       | 31,059,876             |
| - Underground                           | 369.2                    | 14,367,970         | 1,157,378           | (95,269)            | (100,021)                    | 0                            | 15,330,058             |
| - House Power Panel                     | 369.3                    | 0                  | 0                   | 0                   | 0                            | 0                            | 0                      |
| Meters                                  | 370                      | 6,550,483          | 997,597             | (1,381,325)         | 374,836                      | 225,485                      | 735,473                |
| Meters - AMI                            | 370                      | 0                  | 1,745,536           | (83,475)            | 0                            | 6,031,603                    | 7,693,664              |
| Meters - FPSC Segregated                | 370                      | 5,826,983          | 0                   | (4,057,393)         | 0                            | 0                            | 1,769,590              |
| Meters - Non FPSC Segregated            | 370                      | 993,577            | 48,695              | (4,580,575)         | (248,729)                    | 271,525                      | 3,572,493              |
| Street Lighting & Signal Systems        | 373                      | 28,419,862         | 3,063,085           | (247,799)           | (64,618)                     | 107,004                      | 31,277,534             |
| Asset Retirement Obligation             | 374                      | 24,367             | 1,005               | 0                   | 0                            | 0                            | 25,372                 |
| <b>TOTAL DISTRIBUTION:</b>              | <b>390,479,143</b>       | <b>37,519,877</b>  | <b>(36,688,461)</b> | <b>(6,549,651)</b>  | <b>502,332</b>               | <b>7,079,472</b>             | <b>392,342,712</b>     |
| <b>GENERAL PLANT:</b>                   |                          |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                      | 25,264,509         | 1,597,356           | (852,561)           | (46,745)                     | 0                            | 25,962,559             |
| Office Furniture & Equipment:           |                          |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                      | 2,878,568          | 787,369             | (1,052,187)         | 0                            | 0                            | 2,613,750              |
| - Non-Computer, 7 Year                  | 391                      | 968,116            | 364,394             | (234,269)           | 0                            | 0                            | 1,098,241              |
| Transportation Equipment:               |                          |                    |                     |                     |                              |                              |                        |
| - Light Trucks                          | 392.2                    | 3,257,105          | 652,206             | (696,122)           | 0                            | 0                            | 3,213,189              |
| - Heavy Trucks                          | 392.3                    | 10,553,315         | 1,598,928           | (294,039)           | 0                            | 103,723                      | 11,961,927             |
| - Trailers                              | 392.4                    | 687,599            | 56,956              | (85,900)            | 0                            | 0                            | 658,655                |
| - Marine, 5 Year                        | 392                      | 4,416              | 42,719              | 0                   | 0                            | 0                            | 47,135                 |
| Stores Equipment - 7 Year               | 393                      | 447,079            | 168,067             | 0                   | 0                            | 0                            | 615,146                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                      | 732,684            | 358,155             | (151,122)           | 0                            | 0                            | 939,717                |
| Laboratory Equipment - 7 Year           | 395                      | 1,160,926          | 346,815             | (479,501)           | 0                            | 0                            | 1,028,240              |
| Power Operated Equipment                | 396                      | 432,879            | 39,660              | 0                   | 0                            | 0                            | 472,539                |
| Communication Equipment:                |                          |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                      | 9,628,528          | 1,261,470           | (5,076,185)         | (24,896)                     | (957)                        | 5,788,123              |
| - 7 Year                                | 397                      | 1,646,444          | 597,510             | (808,455)           | 0                            | 0                            | 1,435,499              |
| Miscellaneous Equipment - 7 Year        | 398                      | 1,359,819          | 495,316             | (135,770)           | 0                            | 0                            | 1,719,365              |
| Asset Retirement Obligation             | 399.1                    | 114,379            | 4,053               | 0                   | 0                            | 0                            | 118,432                |
| <b>TOTAL GENERAL:</b>                   | <b>59,136,366</b>        | <b>8,370,974</b>   | <b>(9,866,111)</b>  | <b>(71,641)</b>     | <b>102,766</b>               | <b>163</b>                   | <b>57,672,517</b>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <b>1,338,888,942</b>     | <b>143,407,136</b> | <b>(79,466,872)</b> | <b>(31,707,148)</b> | <b>1,747,113</b>             | <b>7,088,000</b>             | <b>1,379,957,171</b>   |

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

|                                | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>Intangible Plant:</b>       |                          |                   |                     |                    |                              |                              |                        |
| Intangible Software            | <u>0</u>                 | <u>1,835,550</u>  | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>1,835,550</u>       |
| <b>Total Intangible Plant:</b> | <u>0</u>                 | <u>1,835,550</u>  | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>1,835,550</u>       |
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 124,428,913              | 7,062,665         | (4,152,969)         | (1,321,671)        | 192,011                      | 0                            | 126,208,949            |
| Easements                      | 38,271                   | 1,080             | 0                   | 0                  | 0                            | 0                            | 39,351                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,261,143                | 41,124            | 0                   | 0                  | 0                            | 0                            | 1,302,267              |
| Dismantlement - Fixed          | 17,869,678               | 667,094           | 0                   | 0                  | 0                            | 0                            | 18,536,772             |
| Asset Retirement Obligation    | <u>674,066</u>           | <u>19,722</u>     | <u>(598,465)</u>    | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>95,323</u>          |
| <b>TOTAL DANIEL PLANT:</b>     | <u>153,226,263</u>       | <u>7,791,685</u>  | <u>(4,751,434)</u>  | <u>(1,321,671)</u> | <u>192,011</u>               | <u>0</u>                     | <u>155,136,854</u>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 246,618,249              | 41,110,787        | (15,674,076)        | (8,047,628)        | 1,295,206                    | 0                            | 265,302,538            |
| Easements                      | 174                      | 174               | 0                   | 0                  | 0                            | 0                            | 348                    |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 24,357                   | 26,266            | (142)               | 0                  | 0                            | 0                            | 50,481                 |
| - 7 Year                       | 2,181,197                | 698,582           | (469,794)           | 0                  | 0                            | 0                            | 2,409,985              |
| Dismantlement - Fixed          | 58,701,891               | 6,148,016         | 0                   | 0                  | 0                            | 0                            | 64,849,907             |
| Asset Retirement Obligation    | <u>887,292</u>           | <u>(189,289)</u>  | <u>(5,740)</u>      | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>692,263</u>         |
| <b>TOTAL CRIST PLANT:</b>      | <u>308,555,000</u>       | <u>47,794,536</u> | <u>(16,149,752)</u> | <u>(8,047,628)</u> | <u>1,295,206</u>             | <u>0</u>                     | <u>333,447,362</u>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 27,538,886               | 1,277,043         | (37,517)            | (97,957)           | 600                          | 0                            | 28,681,055             |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0                  | 0                            | 0                            | 71,300                 |
| - 5 Year                       | 0                        | 1,143             | 0                   | 0                  | 0                            | 0                            | 1,143                  |
| - 7 Year                       | 101,917                  | 24,928            | 0                   | 0                  | 0                            | 0                            | 126,845                |
| Dismantlement - Fixed          | 11,614,616               | 712,215           | 0                   | 0                  | 0                            | 0                            | 12,326,831             |
| Asset Retirement Obligation    | <u>338,398</u>           | <u>(22,701)</u>   | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>315,697</u>         |
| <b>TOTAL SCHOLZ PLANT:</b>     | <u>39,665,117</u>        | <u>1,992,628</u>  | <u>(37,517)</u>     | <u>(97,957)</u>    | <u>600</u>                   | <u>0</u>                     | <u>41,522,871</u>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 74,076,014               | 5,709,165         | (682,918)           | (95,515)           | 600                          | 0                            | 79,007,346             |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 2,399                    | 1,506             | 0                   | 0                  | 0                            | 0                            | 3,905                  |
| - 7 Year                       | 518,044                  | 160,076           | 0                   | 0                  | 0                            | 0                            | 678,120                |
| Dismantlement - Fixed          | 18,806,681               | 950,367           | 0                   | 0                  | 0                            | 0                            | 19,757,048             |
| Asset Retirement Obligation    | <u>342,490</u>           | <u>4,795</u>      | <u>(12)</u>         | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>347,273</u>         |
| <b>TOTAL SMITH PLANT:</b>      | <u>93,853,928</u>        | <u>6,825,909</u>  | <u>(682,930)</u>    | <u>(95,515)</u>    | <u>600</u>                   | <u>0</u>                     | <u>99,901,992</u>      |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 97,015,732               | 6,675,231         | (663,423)           | (110,282)          | 25,010                       | 0                            | 102,942,268            |
| Dismantlement - Fixed          | 4,847,007                | 98,878            | 0                   | 0                  | 0                            | 0                            | 4,945,885              |
| - 7 Year                       | 51,566                   | 26,238            | 0                   | 0                  | 0                            | 0                            | 77,804                 |
| Asset Retirement Obligation    | <u>56,895</u>            | <u>5,944</u>      | <u>0</u>            | <u>0</u>           | <u>0</u>                     | <u>0</u>                     | <u>62,839</u>          |
| <b>TOTAL SCHERER PLANT:</b>    | <u>101,971,200</u>       | <u>6,806,291</u>  | <u>(663,423)</u>    | <u>(110,282)</u>   | <u>25,010</u>                | <u>0</u>                     | <u>108,028,796</u>     |
| <b>TOTAL STEAM PRODUCTION:</b> | <u>697,271,508</u>       | <u>71,211,049</u> | <u>(22,285,056)</u> | <u>(9,673,053)</u> | <u>1,513,427</u>             | <u>0</u>                     | <u>738,037,875</u>     |

GULF POWER COMPANY  
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|   |       | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 535,420                  | 45,991            | (653,170)           | 126,621            | 0                            | 0                            | 54,862                 |
| Fuel Holders and Accessories                    | 342   | 241,306                  | 23,842            | (84,571)            | 0                  | 0                            | 0                            | 180,577                |
| Prime Movers                                    | 343   | 7,623                    | 64,966            | 0                   | (6,757)            | 0                            | 0                            | 65,832                 |
| Generators                                      | 344   | 2,699,571                | 123,801           | 0                   | 0                  | 0                            | 0                            | 2,823,372              |
| Accessory Electric Equipment                    | 345   | 106,461                  | 2,912             | (85,758)            | 0                  | 0                            | 1,819                        | 25,434                 |
| Miscellaneous Equipment                         | 346   | (9,698)                  | 1,466             | (2,302)             | 0                  | 0                            | 0                            | (10,534)               |
| Dismantlement - Fixed                           |       | 167,006                  | 3,258             | 0                   | 0                  | 0                            | 0                            | 170,264                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,747,689</b>         | <b>266,236</b>    | <b>(825,801)</b>    | <b>119,864</b>     | <b>0</b>                     | <b>1,819</b>                 | <b>3,309,807</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 2,658,657                | 353,660           | (644,484)           | (169,992)          | 0                            | 0                            | 2,197,841              |
| Fuel Holders and Accessories                    | 342   | 914,355                  | 85,093            | (122,275)           | (6,769)            | 0                            | 0                            | 870,404                |
| Prime Movers                                    | 343   | (8,157,485)              | 3,186,173         | (769,041)           | (3,148)            | 18,330                       | 0                            | (5,725,171)            |
| Generators                                      | 344   | 16,029,751               | 1,880,330         | (29,346)            | (5,864)            | 20,407                       | 0                            | 17,895,278             |
| Accessory Electric Equipment                    | 345   | 2,212,619                | 325,180           | (32,243)            | (10,299)           | 0                            | (1,819)                      | 2,493,438              |
| Miscellaneous Equipment                         | 346   | (11,708)                 | 30,776            | 0                   | 0                  | 0                            | 0                            | 19,068                 |
| Dismantlement - Fixed                           |       | 2,186,973                | 280,020           | 0                   | 0                  | 0                            | 0                            | 2,466,993              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>15,833,162</b>        | <b>6,141,232</b>  | <b>(1,597,389)</b>  | <b>(196,072)</b>   | <b>38,737</b>                | <b>(1,819)</b>               | <b>20,217,851</b>      |
| <b>PACE PLANT:</b>                              |       |                          |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 4,257,735                | 359,902           | 0                   | 0                  | 0                            | 0                            | 4,617,637              |
| Generators                                      | 344   | 1,957,444                | 164,683           | 0                   | 0                  | 0                            | 0                            | 2,122,127              |
| Accessory Electric Equipment                    | 345   | 367,468                  | 30,957            | 0                   | 0                  | 0                            | 0                            | 398,425                |
| Asset Retirement Obligation                     | 347   | 249,902                  | 19,860            | 0                   | 0                  | 0                            | 0                            | 269,762                |
| Dismantlement - Fixed                           |       | (17,290)                 | (1,938)           | 0                   | 0                  | 0                            | 0                            | (19,228)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>6,815,259</b>         | <b>573,464</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>7,388,723</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 0                        | 23,557            | 0                   | 0                  | 0                            | 0                            | 23,557                 |
| Fuel Holders and Accessories                    | 342   | 0                        | 14,467            | 0                   | 0                  | 0                            | 0                            | 14,467                 |
| Prime Movers                                    | 343   | 0                        | 68,630            | 0                   | 0                  | 0                            | 0                            | 68,630                 |
| Accessory Electric Equipment                    | 345   | 0                        | 19,715            | 0                   | 0                  | 0                            | 0                            | 19,715                 |
| Miscellaneous Equipment                         | 346   | 42,340                   | 128,703           | 0                   | 0                  | 0                            | 0                            | 171,043                |
|   |       | 42,340                   | 255,072           | 0                   | 0                  | 0                            | 0                            | 297,412                |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>26,438,450</b>        | <b>7,236,004</b>  | <b>(2,423,190)</b>  | <b>(76,208)</b>    | <b>38,737</b>                | <b>0</b>                     | <b>31,213,793</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>723,709,958</b>       | <b>78,447,053</b> | <b>(24,708,246)</b> | <b>(9,749,261)</b> | <b>1,552,164</b>             | <b>0</b>                     | <b>769,251,668</b>     |
| <b>TRANSMISSION:</b>                            |       |                          |                   |                     |                    |                              |                              |                        |
| Land  | 350   | 0                        | 0                 | 0                   | 0                  | 0                            | 0                            | 0                      |
| Easements                                       | 350.2 | 6,096,993                | 201,417           | 0                   | 0                  | 0                            | 0                            | 6,298,410              |
| Structures and Improvements                     | 352   | 2,950,620                | 194,706           | 0                   | 0                  | 0                            | 0                            | 3,145,326              |
| Station Equipment                               | 353   | 26,802,876               | 2,681,166         | (1,478,877)         | (194,263)          | 38,040                       | (6,978)                      | 27,841,964             |
| Towers and Fixtures                             | 354   | 23,487,834               | 947,048           | (90,710)            | 0                  | 0                            | 0                            | 24,344,172             |
| Poles and Fixtures                              | 355   | 24,173,822               | 3,052,608         | (327,298)           | (1,440,092)        | 0                            | 0                            | 25,459,040             |
| Overhead Conductors & Devices                   | 356   | 24,187,414               | 1,711,842         | (847,928)           | (930,685)          | 0                            | 0                            | 24,120,643             |
| Underground Conductors & Devices                | 358   | 6,645,040                | 295,985           | 0                   | 0                  | 0                            | 0                            | 6,941,025              |
| Roads and Trails                                | 359   | 30,132                   | 1,094             | 0                   | 0                  | 0                            | 0                            | 31,226                 |
| Asset Retirement Obligation                     | 359.1 | 4,269                    | 143               | 0                   | 0                  | 0                            | 0                            | 4,412                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>114,379,000</b>       | <b>9,086,009</b>  | <b>(2,744,813)</b>  | <b>(2,565,040)</b> | <b>38,040</b>                | <b>(6,978)</b>               | <b>118,186,218</b>     |

GULF POWER COMPANY  
ACCUMULATED PROVISIONS FOR DEPRECIATION AND AMORTIZATION  
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|   | Balance<br>First of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                          |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                    | 16,332             | 3,675               | 0                   | 0                            | 0                            | 20,007                 |
| Structures and Improvements             | 361                      | 6,335,690          | 416,817             | (4,670)             | 153                          | 118                          | 6,748,108              |
| Station Equipment                       | 362                      | 52,460,645         | 3,731,333           | (1,952,133)         | (358,724)                    | 4,717                        | 53,879,861             |
| Poles, Towers & Fixtures                | 364                      | 68,571,187         | 6,368,553           | (1,213,402)         | (2,086,831)                  | 23,762                       | 71,605,798             |
| Overhead Conductors & Devices           | 365                      | 42,687,724         | 3,838,916           | (2,203,015)         | (883,326)                    | 936,863                      | 43,974,415             |
| Underground Conduit                     | 366                      | 803,553            | 15,827              | 0                   | 0                            | 0                            | 819,380                |
| Underground Conductors & Devices        | 367                      | 40,115,036         | 3,956,949           | (504,490)           | (138,472)                    | 58,303                       | 43,830,984             |
| Line Transformers                       | 368                      | 79,582,936         | 8,977,932           | (3,671,922)         | (1,152,501)                  | 219,758                      | 83,877,313             |
| Services:                               |                          |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                    | 27,946,557         | 1,942,842           | (173,216)           | (235,363)                    | 59,217                       | 29,540,037             |
| - Underground                           | 369.2                    | 13,347,867         | 1,120,026           | (83,255)            | (16,667)                     | 0                            | 14,367,971             |
| - House Power Panel                     | 369.3                    | 0                  | 0                   | 0                   | 0                            | 0                            | 0                      |
| Meters                                  | 370                      | 8,110,704          | 1,176,591           | (2,655,131)         | (846,319)                    | 764,637                      | 6,550,482              |
| Meters - FPSC Segregated                | 370                      | 12,072,127         | 0                   | (6,245,145)         | 0                            | 0                            | 5,826,982              |
| Meters - Non FPSC Segregated            | 370                      | 2,512,450          | 242,133             | (1,706,702)         | (323,602)                    | 269,299                      | 993,578                |
| Street Lighting & Signal Systems        | 373                      | 25,616,182         | 2,977,431           | (207,303)           | (76,663)                     | 111,878                      | 28,419,860             |
| Asset Retirement Obligation             | 374                      | 23,361             | 1,005               | 0                   | 0                            | 0                            | 24,366                 |
| <b>TOTAL DISTRIBUTION:</b>              | <b>380,202,351</b>       | <b>34,770,030</b>  | <b>(20,620,384)</b> | <b>(6,118,315)</b>  | <b>2,448,434</b>             | <b>(202,974)</b>             | <b>390,479,142</b>     |
| <b>GENERAL PLANT:</b>                   |                          |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                      | 23,724,677         | 1,545,620           | (78,277)            | (143,043)                    | 5,580                        | 25,264,509             |
| Office Furniture & Equipment:           |                          |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                      | 1,986,869          | 891,699             | 0                   | 0                            | 0                            | 2,878,568              |
| - Non-Computer, 7 Year                  | 391                      | 1,702,348          | 273,659             | (1,007,890)         | 0                            | 0                            | 968,117                |
| Transportation Equipment:               |                          |                    |                     |                     |                              |                              |                        |
| - Light Trucks                          | 392.2                    | 3,305,809          | 646,179             | (694,883)           | 0                            | 0                            | 3,257,105              |
| - Heavy Trucks                          | 392.3                    | 9,184,399          | 1,511,722           | (208,510)           | 0                            | 65,705                       | 10,553,316             |
| - Trailers                              | 392.4                    | 643,440            | 51,771              | (7,612)             | 0                            | 0                            | 687,599                |
| - Marine, 5 Year                        | 392                      | 49,188             | 13,987              | (58,760)            | 0                            | 0                            | 4,415                  |
| Stores Equipment - 7 Year               | 393                      | 403,345            | 136,076             | (92,343)            | 0                            | 0                            | 447,078                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                      | 813,203            | 399,974             | (480,492)           | 0                            | 0                            | 732,685                |
| Laboratory Equipment - 7 Year           | 395                      | 816,395            | 344,530             | 0                   | 0                            | 0                            | 1,160,925              |
| Power Operated Equipment                | 396                      | 399,871            | 33,008              | 0                   | 0                            | 0                            | 432,879                |
| Communication Equipment:                |                          |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                      | 9,005,102          | 1,187,210           | (558,739)           | (6,131)                      | 1,086                        | 9,628,528              |
| - 7 Year                                | 397                      | 1,560,286          | 508,725             | (422,568)           | 0                            | 0                            | 1,646,443              |
| Miscellaneous Equipment - 7 Year        | 398                      | 1,416,197          | 488,244             | (544,623)           | 0                            | 0                            | 1,359,818              |
| Asset Retirement Obligation             | 399.1                    | 111,472            | 4,053               | (1,145)             | 0                            | 0                            | 114,380                |
| <b>TOTAL GENERAL:</b>                   | <b>55,122,601</b>        | <b>8,036,457</b>   | <b>(4,155,842)</b>  | <b>(149,174)</b>    | <b>72,371</b>                | <b>209,952</b>               | <b>59,136,365</b>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <b>1,273,413,910</b>     | <b>132,175,099</b> | <b>(52,229,285)</b> | <b>(18,581,790)</b> | <b>4,111,009</b>             | <b>0</b>                     | <b>1,338,888,943</b>   |

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

GULF POWER COMPANY  
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|   |       | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 635,029                  | 28,561            | 0                   | (128,170)          | 0                            | 0                            | 535,420                |
| Fuel Holders and Accessories                    | 342   | 240,584                  | 18,469            | 0                   | (17,747)           | 0                            | 0                            | 241,306                |
| Prime Movers                                    | 343   | 65,455                   | 2,992             | 0                   | (60,824)           | 0                            | 0                            | 7,623                  |
| Generators                                      | 344   | 2,716,282                | 123,801           | 0                   | 0                  | 0                            | (140,512)                    | 2,699,571              |
| Accessory Electric Equipment                    | 345   | 101,915                  | 4,546             | 0                   | 0                  | 0                            | 0                            | 106,461                |
| Miscellaneous Equipment                         | 346   | 4,587                    | 317               | 0                   | (14,602)           | 0                            | 0                            | (9,698)                |
| Dismantlement - Fixed                           |       | 163,748                  | 3,258             | 0                   | 0                  | 0                            | 0                            | 167,006                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,927,600</b>         | <b>181,944</b>    | <b>0</b>            | <b>(221,343)</b>   | <b>0</b>                     | <b>(140,512)</b>             | <b>3,747,689</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 3,100,565                | 337,466           | (669,544)           | (109,830)          | 0                            | 0                            | 2,658,657              |
| Fuel Holders and Accessories                    | 342   | 914,889                  | 83,155            | (43,147)            | (40,542)           | 0                            | 0                            | 914,355                |
| Prime Movers                                    | 343   | (3,295,811)              | 3,082,195         | (18,742,394)        | (2,217,610)        | 4,589,655                    | 8,426,480                    | (8,157,485)            |
| Generators                                      | 344   | 14,205,539               | 1,877,051         | (47,896)            | (4,943)            | 0                            | 0                            | 16,029,751             |
| Accessory Electric Equipment                    | 345   | 2,977,729                | 311,143           | (964,852)           | (111,401)          | 0                            | 0                            | 2,212,619              |
| Miscellaneous Equipment                         | 346   | 147,725                  | 26,950            | (187,274)           | (99)               | 990                          | 0                            | (11,708)               |
| Dismantlement - Fixed                           |       | 1,906,953                | 280,020           | 0                   | 0                  | 0                            | 0                            | 2,186,973              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>19,957,589</b>        | <b>5,997,980</b>  | <b>(20,655,107)</b> | <b>(2,484,425)</b> | <b>4,590,645</b>             | <b>8,426,480</b>             | <b>15,833,162</b>      |
| <b>PACE PLANT:</b>                              |       |                          |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 3,917,927                | 359,902           | 0                   | 0                  | 0                            | (20,094)                     | 4,257,735              |
| Generators                                      | 344   | 1,792,761                | 164,683           | 0                   | 0                  | 0                            | 0                            | 1,957,444              |
| Accessory Electric Equipment                    | 345   | 336,511                  | 30,957            | 0                   | 0                  | 0                            | 0                            | 367,468                |
| Asset Retirement Obligation                     | 347   | 230,042                  | 19,860            | 0                   | 0                  | 0                            | 0                            | 249,902                |
| Dismantlement - Fixed                           |       | (15,352)                 | (1,938)           | 0                   | 0                  | 0                            | 0                            | (17,290)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>6,261,889</b>         | <b>573,464</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>(20,094)</b>              | <b>6,815,259</b>       |
| <b>PERDIDO PLANT:</b>                           |       |                          |                   |                     |                    |                              |                              |                        |
| Miscellaneous Equipment                         | 346   | 0                        | 42,340            | 0                   | 0                  | 0                            | 0                            | 42,340                 |
| <b>TOTAL PERDIDO PLANT:</b>                     |       | <b>0</b>                 | <b>42,340</b>     | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>42,340</b>          |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>30,147,078</b>        | <b>6,795,728</b>  | <b>(20,655,107)</b> | <b>(2,705,768)</b> | <b>4,590,645</b>             | <b>8,265,874</b>             | <b>26,438,450</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>678,028,161</b>       | <b>74,840,359</b> | <b>(34,161,613)</b> | <b>(4,935,758)</b> | <b>4,890,330</b>             | <b>5,048,479</b>             | <b>723,709,958</b>     |
| <b>TRANSMISSION:</b>                            |       |                          |                   |                     |                    |                              |                              |                        |
| Land  | 350   | 0                        | (26,501)          | 0                   | 0                  | 0                            | 26,501                       | 0                      |
| Easements                                       | 350.2 | 5,925,900                | 197,594           | 0                   | 0                  | 0                            | (26,501)                     | 6,096,993              |
| Structures and Improvements                     | 352   | 2,772,524                | 177,882           | 0                   | 0                  | 0                            | 214                          | 2,950,620              |
| Station Equipment                               | 353   | 24,777,411               | 2,444,988         | (451,276)           | (61,436)           | 78,814                       | 14,375                       | 26,802,876             |
| Towers and Fixtures                             | 354   | 22,734,772               | 908,447           | (19,253)            | (140,775)          | 0                            | 4,643                        | 23,487,834             |
| Poles and Fixtures                              | 355   | 24,129,546               | 2,793,211         | (420,644)           | (2,324,197)        | 0                            | (4,094)                      | 24,173,822             |
| Overhead Conductors & Devices                   | 356   | 22,843,042               | 1,631,598         | (179,744)           | (107,482)          | 0                            | 0                            | 24,187,414             |
| Underground Conductors & Devices                | 358   | 6,349,055                | 295,985           | 0                   | 0                  | 0                            | 0                            | 6,645,040              |
| Roads and Trails                                | 359   | 28,903                   | 1,229             | 0                   | 0                  | 0                            | 0                            | 30,132                 |
| Asset Retirement Obligation                     | 359.1 | 4,126                    | 143               | 0                   | 0                  | 0                            | 0                            | 4,269                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>109,565,279</b>       | <b>8,424,576</b>  | <b>(1,070,917)</b>  | <b>(2,633,890)</b> | <b>78,814</b>                | <b>15,138</b>                | <b>114,379,000</b>     |

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

|   | Balance<br>First of Year | Provisions         | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|--------------------------|--------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|
| <b>DISTRIBUTION:</b>                    |                          |                    |                     |                     |                              |                              |                        |
| Easements                               | 360.1                    | 12,657             | 3,675               | 0                   | 0                            | 0                            | 16,332                 |
| Structures and Improvements             | 361                      | 5,963,267          | 388,737             | (15,444)            | (870)                        | 0                            | 6,335,690              |
| Station Equipment                       | 362                      | 49,617,252         | 3,569,410           | (603,627)           | (130,773)                    | 15,193                       | 52,460,645             |
| Poles, Towers & Fixtures                | 364                      | 65,326,472         | 6,125,229           | (1,065,124)         | (1,876,185)                  | 60,795                       | 68,571,187             |
| Overhead Conductors & Devices           | 365                      | 42,336,293         | 3,721,507           | (2,151,102)         | (1,064,145)                  | 463,793                      | 42,687,724             |
| Underground Conduit                     | 366                      | 787,726            | 15,827              | 0                   | 0                            | 0                            | 803,553                |
| Underground Conductors & Devices        | 367                      | 36,274,835         | 3,802,853           | (457,884)           | (152,588)                    | 29,198                       | 40,115,036             |
| Line Transformers                       | 368                      | 82,633,307         | 8,537,304           | (2,633,803)         | (1,483,760)                  | 147,766                      | 79,582,936             |
| Services:                               |                          |                    |                     |                     |                              |                              |                        |
| - Overhead                              | 369.1                    | 26,438,495         | 1,893,418           | (141,936)           | (260,393)                    | 16,973                       | 27,946,557             |
| - Underground                           | 369.2                    | 12,429,711         | 1,086,642           | (139,069)           | (29,417)                     | 0                            | 13,347,867             |
| - House Power Panel                     | 369.3                    | 1,431,512          | 0                   | (1,666,102)         | 0                            | 234,590                      | 0                      |
| Meters                                  | 370                      | 14,679,119         | 1,286,818           | (1,945,380)         | (394,578)                    | 1,019,061                    | 8,110,704              |
| Meters - FPSC Segregated                | 370                      | 0                  | 0                   | (104,533)           | 0                            | 12,176,660                   | 12,072,127             |
| Meters - Non FPSC Segregated            | 370                      | 0                  | 64,103              | 0                   | (52,754)                     | 23,499                       | 2,512,450              |
| Street Lighting & Signal Systems        | 373                      | 23,964,612         | 2,893,321           | (410,414)           | (161,837)                    | 75,467                       | 25,616,182             |
| Asset Retirement Obligation             | 374                      | 22,356             | 1,005               | 0                   | 0                            | 0                            | 23,361                 |
| <b>TOTAL DISTRIBUTION:</b>              | <b>361,917,614</b>       | <b>33,389,849</b>  | <b>(11,334,418)</b> | <b>(5,607,300)</b>  | <b>1,851,745</b>             | <b>(15,139)</b>              | <b>380,202,351</b>     |
| <b>GENERAL PLANT:</b>                   |                          |                    |                     |                     |                              |                              |                        |
| Structures and Improvements             | 390                      | 22,312,294         | 1,511,142           | (83,198)            | (15,561)                     | 0                            | 23,724,677             |
| Office Furniture & Equipment:           |                          |                    |                     |                     |                              |                              |                        |
| - Computer, 5 Year                      | 391                      | 1,539,898          | 787,123             | (340,152)           | 0                            | 0                            | 1,986,869              |
| - Non-Computer, 7 Year                  | 391                      | 1,331,618          | 370,730             | 0                   | 0                            | 0                            | 1,702,348              |
| Transportation Equipment:               |                          |                    |                     |                     |                              |                              |                        |
| - Light Trucks                          | 392.2                    | 2,742,329          | 592,517             | (29,037)            | 0                            | 0                            | 3,305,809              |
| - Heavy Trucks                          | 392.3                    | 7,684,549          | 1,560,276           | (1,322,078)         | 0                            | 118,319                      | 9,184,399              |
| - Trailers                              | 392.4                    | 591,812            | 51,628              | 0                   | 0                            | 0                            | 643,440                |
| - Marine, 5 Year                        | 392                      | 37,436             | 11,752              | 0                   | 0                            | 0                            | 49,188                 |
| Stores Equipment - 7 Year               | 393                      | 289,583            | 113,762             | 0                   | 0                            | 0                            | 403,345                |
| Tools, Shop & Garage Equip. - 7 Year    | 394                      | 598,582            | 214,621             | 0                   | 0                            | 0                            | 813,203                |
| Laboratory Equipment - 7 Year           | 395                      | 1,935,232          | 461,773             | (1,580,610)         | 0                            | 0                            | 816,395                |
| Power Operated Equipment                | 396                      | 371,969            | 27,902              | 0                   | 0                            | 0                            | 399,871                |
| Communication Equipment:                |                          |                    |                     |                     |                              |                              |                        |
| - Other                                 | 397                      | 9,094,581          | 1,163,656           | (125,508)           | (62,975)                     | 78,681                       | 9,005,102              |
| - 7 Year                                | 397                      | 1,130,266          | 430,020             | 0                   | 0                            | 0                            | 1,560,286              |
| Miscellaneous Equipment - 7 Year        | 398                      | 1,776,420          | 614,612             | (974,835)           | 0                            | 0                            | 1,416,197              |
| Asset Retirement Obligation             | 399.1                    | 107,419            | 4,053               | 0                   | 0                            | 0                            | 111,472                |
| <b>TOTAL GENERAL:</b>                   | <b>51,543,988</b>        | <b>7,915,567</b>   | <b>(4,455,418)</b>  | <b>(78,536)</b>     | <b>197,000</b>               | <b>0</b>                     | <b>55,122,601</b>      |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <b>1,201,055,042</b>     | <b>124,570,351</b> | <b>(51,022,366)</b> | <b>(13,255,484)</b> | <b>7,017,889</b>             | <b>5,048,478</b>             | <b>1,273,413,910</b>   |

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

|                                | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|--------------------------------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>STEAM PRODUCTION:</b>       |                          |                   |                     |                    |                              |                              |                        |
| <b>DANIEL PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 115,358,661              | 7,477,977         | (2,963,537)         | (1,970,630)        | 72,964                       | 0                            | 117,975,435            |
| Easements                      | 53,295                   | 849               | 0                   | 0                  | 0                            | 0                            | 54,144                 |
| Cooling Lake, 23 Year          | 8,954,192                | 0                 | 0                   | 0                  | 0                            | 0                            | 8,954,192              |
| Rail Track System              | 1,946,968                | 27,416            | 0                   | 0                  | 0                            | 0                            | 1,974,384              |
| Dismantlement - Fixed          | 16,464,536               | 738,048           | 0                   | 0                  | 0                            | 0                            | 17,202,584             |
| Asset Retirement Obligation    | 1,665,613                | 19,722            | 0                   | 0                  | 0                            | 0                            | 1,685,335              |
| <b>TOTAL DANIEL PLANT:</b>     | <b>144,443,265</b>       | <b>8,264,012</b>  | <b>(2,963,537)</b>  | <b>(1,970,630)</b> | <b>72,964</b>                | <b>0</b>                     | <b>147,846,074</b>     |
| <b>CRIST PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 216,251,354              | 19,058,088        | (13,683,977)        | (3,265,686)        | 70,464                       | 691,276                      | 219,121,519            |
| Base Coal, 5 Year              | 141,840                  | 0                 | 0                   | 0                  | 0                            | 0                            | 141,840                |
| - 5 Year                       | 8,137                    | 4,930             | (2,838)             | 0                  | 0                            | 0                            | 10,229                 |
| - 7 Year                       | 2,108,160                | 545,093           | (623,453)           | 0                  | 0                            | 0                            | 2,029,800              |
| Dismantlement - Fixed          | 50,905,746               | 2,339,405         | 0                   | 0                  | 0                            | (691,276)                    | 52,553,875             |
| Asset Retirement Obligation    | 755,926                  | 109,907           | (57,819)            | 0                  | 0                            | 0                            | 808,014                |
| <b>TOTAL CRIST PLANT:</b>      | <b>270,171,163</b>       | <b>22,057,423</b> | <b>(14,368,087)</b> | <b>(3,265,686)</b> | <b>70,464</b>                | <b>0</b>                     | <b>274,665,277</b>     |
| <b>SCHOLZ PLANT:</b>           |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 27,492,166               | 1,301,788         | (37,481)            | (36,996)           | 0                            | 0                            | 28,719,477             |
| Base Coal, 5 Year              | 71,300                   | 0                 | 0                   | 0                  | 0                            | 0                            | 71,300                 |
| - 5 Year                       | 0                        | (6,020)           | 0                   | 0                  | 0                            | 0                            | (6,020)                |
| - 7 Year                       | 66,843                   | 16,166            | 0                   | 0                  | 0                            | 0                            | 83,009                 |
| Dismantlement - Fixed          | 10,438,695               | 463,706           | 0                   | 0                  | 0                            | 0                            | 10,902,401             |
| Asset Retirement Obligation    | 323,389                  | 9,137             | (3,265)             | 0                  | 0                            | 0                            | 329,261                |
| <b>TOTAL SCHOLZ PLANT:</b>     | <b>38,392,393</b>        | <b>1,784,777</b>  | <b>(40,746)</b>     | <b>(36,996)</b>    | <b>0</b>                     | <b>0</b>                     | <b>40,099,428</b>      |
| <b>SMITH PLANT:</b>            |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 65,729,444               | 4,194,907         | (903,841)           | (243,343)          | 0                            | 0                            | 68,777,167             |
| Base Coal, 5 Year              | 108,300                  | 0                 | 0                   | 0                  | 0                            | 0                            | 108,300                |
| - 5 Year                       | 22,674                   | 1,105             | (22,886)            | 0                  | 0                            | 0                            | 893                    |
| - 7 Year                       | 608,686                  | 182,510           | (420,285)           | 0                  | 0                            | 0                            | 370,911                |
| Dismantlement - Fixed          | 17,155,584               | 700,730           | 0                   | 0                  | 0                            | 0                            | 17,856,314             |
| Asset Retirement Obligation    | 375,611                  | 4,795             | (42,711)            | 0                  | 0                            | 0                            | 337,695                |
| <b>TOTAL SMITH PLANT:</b>      | <b>84,000,299</b>        | <b>5,084,047</b>  | <b>(1,389,723)</b>  | <b>(243,343)</b>   | <b>0</b>                     | <b>0</b>                     | <b>87,451,280</b>      |
| <b>SCHERER PLANT:</b>          |                          |                   |                     |                    |                              |                              |                        |
| Plant                          | 90,881,145               | 4,270,353         | (2,205,347)         | (31,389)           | 72,911                       | 0                            | 92,987,673             |
| Dismantlement - Fixed          | 4,640,810                | 107,319           | 0                   | 0                  | 0                            | 0                            | 4,748,129              |
| - 7 Year                       | 20,763                   | 10,691            | (3,337)             | 0                  | 0                            | 0                            | 28,117                 |
| Asset Retirement Obligation    | 53,091                   | 1,790             | 0                   | 224                | 0                            | 0                            | 55,105                 |
| <b>TOTAL SCHERER PLANT:</b>    | <b>95,595,809</b>        | <b>4,390,153</b>  | <b>(2,208,684)</b>  | <b>(31,165)</b>    | <b>72,911</b>                | <b>0</b>                     | <b>97,819,024</b>      |
| <b>TOTAL STEAM PRODUCTION:</b> | <b>632,602,929</b>       | <b>41,580,412</b> | <b>(20,970,777)</b> | <b>(5,547,820)</b> | <b>216,339</b>               | <b>0</b>                     | <b>647,881,083</b>     |

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

|   |       | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |
|---|-------|--------------------------|-------------------|---------------------|--------------------|------------------------------|------------------------------|------------------------|
| <b>OTHER PRODUCTION:</b>                        |       |                          |                   |                     |                    |                              |                              |                        |
| <b>SMITH PLANT CT:</b>                          |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 631,856                  | 3,173             | 0                   | 0                  | 0                            | 0                            | 635,029                |
| Fuel Holders and Accessories                    | 342   | 238,532                  | 2,052             | 0                   | 0                  | 0                            | 0                            | 240,584                |
| Prime Movers                                    | 343   | 65,123                   | 332               | 0                   | 0                  | 0                            | 0                            | 65,455                 |
| Generators                                      | 344   | 2,702,526                | 13,756            | 0                   | 0                  | 0                            | 0                            | 2,716,282              |
| Accessory Electric Equipment                    | 345   | 101,410                  | 505               | 0                   | 0                  | 0                            | 0                            | 101,915                |
| Miscellaneous Equipment                         | 346   | 4,552                    | 35                | 0                   | 0                  | 0                            | 0                            | 4,587                  |
| Dismantlement - Fixed                           |       | 159,136                  | 4,612             | 0                   | 0                  | 0                            | 0                            | 163,748                |
| <b>TOTAL SMITH PLANT CT:</b>                    |       | <b>3,903,135</b>         | <b>24,465</b>     | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>3,927,600</b>       |
| <b>SMITH PLANT UNIT 3 COMBINED CYCLE:</b>       |       |                          |                   |                     |                    |                              |                              |                        |
| Structures and Improvements                     | 341   | 3,035,655                | 353,934           | (113,763)           | (175,261)          | 0                            | 0                            | 3,100,565              |
| Fuel Holders and Accessories                    | 342   | 834,911                  | 90,327            | 0                   | (10,349)           | 0                            | 0                            | 914,889                |
| Prime Movers                                    | 343   | (6,148,075)              | 2,916,093         | (61,961)            | (1,868)            | 0                            | 0                            | (3,295,811)            |
| Generators                                      | 344   | 12,129,248               | 2,078,097         | (1,806)             | 0                  | 0                            | 0                            | 14,205,539             |
| Accessory Electric Equipment                    | 345   | 2,711,908                | 340,483           | 0                   | (74,662)           | 0                            | 0                            | 2,977,729              |
| Miscellaneous Equipment                         | 346   | 136,162                  | 22,035            | 0                   | (10,472)           | 0                            | 0                            | 147,725                |
| Dismantlement - Fixed                           |       | 1,672,884                | 234,069           | 0                   | 0                  | 0                            | 0                            | 1,906,953              |
| <b>TOTAL SMITH PLANT UNIT 3 COMBINED CYCLE:</b> |       | <b>14,372,693</b>        | <b>6,035,038</b>  | <b>(177,530)</b>    | <b>(272,612)</b>   | <b>0</b>                     | <b>0</b>                     | <b>19,957,589</b>      |
| <b>PACE PLANT:</b>                              |       |                          |                   |                     |                    |                              |                              |                        |
| Prime Movers                                    | 343   | 3,578,397                | 339,530           | 0                   | 0                  | 0                            | 0                            | 3,917,927              |
| Generators                                      | 344   | 1,637,399                | 155,362           | 0                   | 0                  | 0                            | 0                            | 1,792,761              |
| Accessory Electric Equipment                    | 345   | 307,306                  | 29,205            | 0                   | 0                  | 0                            | 0                            | 336,511                |
| Asset Retirement Obligation                     | 347   | 210,182                  | 19,860            | 0                   | 0                  | 0                            | 0                            | 230,042                |
| Dismantlement - Fixed                           |       | (14,254)                 | (1,098)           | 0                   | 0                  | 0                            | 0                            | (15,352)               |
| <b>TOTAL PACE PLANT:</b>                        |       | <b>5,719,030</b>         | <b>542,859</b>    | <b>0</b>            | <b>0</b>           | <b>0</b>                     | <b>0</b>                     | <b>6,261,889</b>       |
| <b>TOTAL OTHER PRODUCTION:</b>                  |       | <b>23,994,858</b>        | <b>6,602,362</b>  | <b>(177,530)</b>    | <b>(272,612)</b>   | <b>0</b>                     | <b>0</b>                     | <b>30,147,078</b>      |
| <b>TOTAL PRODUCTION:</b>                        |       | <b>656,597,787</b>       | <b>48,182,774</b> | <b>(21,148,307)</b> | <b>(5,820,432)</b> | <b>216,339</b>               | <b>0</b>                     | <b>678,028,161</b>     |
| <b>TRANSMISSION:</b>                            |       |                          |                   |                     |                    |                              |                              |                        |
| Easements                                       | 350.2 | 5,571,057                | 215,843           | 0                   | 0                  | 139,000                      | 0                            | 5,925,900              |
| Structures and Improvements                     | 352   | 2,650,861                | 191,332           | (921)               | 0                  | 0                            | (68,748)                     | 2,772,524              |
| Station Equipment                               | 353   | 25,121,649               | 2,189,233         | (2,047,094)         | (146,025)          | 23,222                       | (363,574)                    | 24,777,411             |
| Towers and Fixtures                             | 354   | 22,022,552               | 882,738           | (13,427)            | (96,590)           | 0                            | (60,501)                     | 22,734,772             |
| Poles and Fixtures                              | 355   | 22,675,019               | 2,997,140         | (560,901)           | (1,001,741)        | 0                            | 20,029                       | 24,129,546             |
| Overhead Conductors & Devices                   | 356   | 21,740,038               | 1,608,887         | (466,844)           | (80,745)           | 0                            | 41,706                       | 22,843,042             |
| Underground Conductors & Devices                | 358   | 6,038,976                | 310,079           | 0                   | 0                  | 0                            | 0                            | 6,349,055              |
| Roads and Trails                                | 359   | 27,551                   | 1,352             | 0                   | 0                  | 0                            | 0                            | 28,903                 |
| Asset Retirement Obligation                     | 359.1 | 3,983                    | 143               | 0                   | 0                  | 0                            | 0                            | 4,126                  |
| <b>TOTAL TRANSMISSION:</b>                      |       | <b>105,851,686</b>       | <b>8,396,747</b>  | <b>(3,089,187)</b>  | <b>(1,325,101)</b> | <b>162,222</b>               | <b>(431,088)</b>             | <b>109,565,279</b>     |

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

|   | Balance<br>First of Year | Provisions        | Retirements         | Cost of<br>Removal  | Salvage and<br>Other Credits | Transfers and<br>Adjustments | Balance<br>End of Year |            |
|---|--------------------------|-------------------|---------------------|---------------------|------------------------------|------------------------------|------------------------|------------|
| <b>DISTRIBUTION:</b>                    |                          |                   |                     |                     |                              |                              |                        |            |
| Easements                               | 360.1                    | 8,574             | 4,083               | 0                   | 0                            | 0                            | 12,657                 |            |
| Structures and Improvements             | 361                      | 5,735,680         | 363,527             | (54,009)            | (81,931)                     | 0                            | 5,963,267              |            |
| Station Equipment                       | 362                      | 47,406,184        | 3,668,892           | (1,272,952)         | (216,095)                    | 45,118                       | (13,895)               | 49,617,252 |
| Poles, Towers & Fixtures                | 364                      | 61,132,973        | 6,303,729           | (954,875)           | (1,178,477)                  | 23,122                       | 0                      | 65,326,472 |
| Overhead Conductors & Devices           | 365                      | 40,381,593        | 3,282,966           | (671,570)           | (479,002)                    | 168,889                      | (346,583)              | 42,336,293 |
| Underground Conduit                     | 366                      | 770,682           | 17,044              | 0                   | 0                            | 0                            | 0                      | 787,726    |
| Underground Conductors & Devices        | 367                      | 32,971,193        | 3,578,011           | (526,743)           | (125,755)                    | 31,546                       | 346,583                | 36,274,835 |
| Line Transformers                       | 368                      | 77,793,914        | 8,553,204           | (2,765,404)         | (1,124,548)                  | 157,691                      | 18,450                 | 82,633,307 |
| Services:                               |                          |                   |                     |                     |                              |                              |                        |            |
| - Overhead                              | 369.1                    | 25,014,537        | 1,799,777           | (161,080)           | (230,140)                    | 15,401                       | 0                      | 26,438,495 |
| - Underground                           | 369.2                    | 11,575,848        | 976,206             | (106,445)           | (15,898)                     | 0                            | 0                      | 12,429,711 |
| - House Power Panel                     | 369.3                    | 1,677,417         | 50,380              | (296,285)           | 0                            | 0                            | 0                      | 1,431,512  |
| Meters                                  | 370                      | 14,561,511        | 1,384,138           | (1,732,673)         | (274,373)                    | 740,516                      | 0                      | 14,679,119 |
| Street Lighting & Signal Systems        | 373                      | 22,476,226        | 2,860,856           | (1,054,208)         | (331,272)                    | 13,010                       | 0                      | 23,964,612 |
| Asset Retirement Obligation             | 374                      | 21,351            | 1,005               | 0                   | 0                            | 0                            | 0                      | 22,356     |
| <b>TOTAL DISTRIBUTION:</b>              | <b>341,527,683</b>       | <b>32,843,818</b> | <b>(9,596,244)</b>  | <b>(4,057,491)</b>  | <b>1,195,293</b>             | <b>4,555</b>                 | <b>361,917,614</b>     |            |
| <b>GENERAL PLANT:</b>                   |                          |                   |                     |                     |                              |                              |                        |            |
| Structures and Improvements             | 390                      | 20,828,991        | 1,442,464           | (324,975)           | (60,719)                     | 0                            | 426,533                | 22,312,294 |
| Office Furniture & Equipment:           |                          |                   |                     |                     |                              |                              |                        |            |
| - Computer, 5 Year                      | 391                      | 1,508,889         | 739,719             | (713,583)           | 0                            | 0                            | 4,873                  | 1,539,898  |
| - Non-Computer, 7 Year                  | 391                      | 1,416,535         | 361,524             | (441,568)           | 0                            | 0                            | (4,873)                | 1,331,618  |
| Transportation Equipment:               |                          |                   |                     |                     |                              |                              |                        |            |
| - Light Trucks                          | 392.2                    | 2,531,376         | 482,938             | (293,362)           | 0                            | 21,377                       | 0                      | 2,742,329  |
| - Heavy Trucks                          | 392.3                    | 6,737,324         | 1,361,265           | (453,682)           | 0                            | 39,642                       | 0                      | 7,684,549  |
| - Trailers                              | 392.4                    | 583,323           | 50,005              | (41,516)            | 0                            | 0                            | 0                      | 591,812    |
| - Marine, 5 Year                        | 392                      | 34,366            | 13,922              | (10,852)            | 0                            | 0                            | 0                      | 37,436     |
| Stores Equipment - 7 Year               | 393                      | 260,472           | 96,148              | (67,037)            | 0                            | 0                            | 0                      | 289,583    |
| Tools, Shop & Garage Equip. - 7 Year    | 394                      | 1,464,864         | 284,204             | (1,150,486)         | 0                            | 0                            | 0                      | 598,582    |
| Laboratory Equipment - 7 Year           | 395                      | 1,515,405         | 423,891             | (4,064)             | 0                            | 0                            | 0                      | 1,935,232  |
| Power Operated Equipment                | 396                      | 342,880           | 29,089              | 0                   | 0                            | 0                            | 0                      | 371,969    |
| Communication Equipment:                |                          |                   |                     |                     |                              |                              |                        |            |
| - Other                                 | 397                      | 10,167,496        | 848,366             | (1,799,225)         | (130,704)                    | 8,648                        | 0                      | 9,094,581  |
| - 7 Year                                | 397                      | 802,296           | 370,926             | (42,956)            | 0                            | 0                            | 0                      | 1,130,266  |
| Miscellaneous Equipment - 7 Year        | 398                      | 1,414,259         | 546,005             | (183,844)           | 0                            | 0                            | 0                      | 1,776,420  |
| Asset Retirement Obligation             | 399.1                    | 103,366           | 4,053               | 0                   | 0                            | 0                            | 0                      | 107,419    |
| <b>TOTAL GENERAL:</b>                   | <b>49,711,842</b>        | <b>7,054,519</b>  | <b>(5,527,150)</b>  | <b>(191,423)</b>    | <b>69,667</b>                | <b>426,533</b>               | <b>51,543,988</b>      |            |
| <b>TOTAL ELECTRIC PLANT-IN-SERVICE:</b> | <b>1,153,688,998</b>     | <b>96,477,858</b> | <b>(39,360,888)</b> | <b>(11,394,447)</b> | <b>1,643,521</b>             | <b>0</b>                     | <b>1,201,055,042</b>   |            |

# Exhibit B

## Gulf Power Company's 2016

### Dismantlement Study

## **Executive Summary of Gulf Power Company's 2016 Dismantlement Study**

Gulf Power Company (Gulf or the Company) is subject to the requirements of the Florida Public Service Commission (FPSC or Commission) Rule No. 25-6.04364, F.A.C. Electric Utilities Dismantlement Studies. The studies submitted pursuant to this requirement are reviewed and utilized by the FPSC when the Commission approves changes in Gulf's annual accrual to the reserve for dismantlement of the Company's fossil-fired generating units after each of these generating units have been retired from service. Gulf's current dismantlement accrual was approved by FPSC Order No. PSC-10-0458-PAA-EI, issued on July 19, 2010 in Docket No. 090319-EI, based on Gulf's 2009 study. As part of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-13-0670-S-EI issued December 19, 2013 in Docket No. 130140-EI, the FPSC's proceedings to address Gulf's 2013 dismantlement study were closed without any change to the annual dismantlement accrual established for Gulf pursuant to its 2009 study. Under the terms of the Stipulation and Settlement Agreement, Gulf is required to file a dismantlement study on or before December 31, 2018 or within a period defined as not more than one year nor less than 60 days before the filing of Gulf Power's next general rate proceeding, whichever is sooner.

This document contains Gulf's 2016 Dismantlement Study. For purposes of this study, Gulf revisited baseline study assumptions used in previous dismantlement studies. Under Gulf's direction, Southern Company Services (SCS) prepared the study and engaged Brandenburg Industrial Services, a demolition company with an extensive history of actual plant dismantlement projects, to assist them. Brandenburg representatives toured each of Gulf's fossil-fired generation facilities in 2015 with plant personnel. These plant visits and Brandenburg's expertise were used to develop initial cost estimates for the eventual dismantlement of Gulf's fossil-fired generation facilities. In addition, coal combustion residual (CCR) closure costs for the Company's active generating resources were prepared by the Technical Services-Environmental Systems-Strategic Planning department at SCS. These cost estimates, along with Brandenburg's initial cost estimates, were then used as the primary basis for calculating the total cost to dismantle the facilities.

As a result of this study, the estimates of the costs required to dismantle Gulf's fossil-fired generation facilities decreased significantly from that shown in the Company's 2009 Dismantlement Study approved by the Commission. Based on the revised estimate of costs for all aspects of fossil generating plant dismantlement and except for the estimated costs for compliance with the recently enacted federal rules regarding coal combustion residuals associated with the Company's active generating resources, it now appears that as of December 31, 2016, Gulf's accumulated reserve for fossil generating plant dismantlement is currently sufficient to cover these costs without further accruals to the reserve. This is true both for those dismantlement costs that are addressed through the accrual recovered through Gulf's base rates and those that are addressed through the accrual recovered as part of Gulf's rates established through the Environmental Cost Recovery Clause (ECRC). In addition, the accumulated dismantlement reserve is sufficient to fully cover the Other Cost of Removal regulatory asset that has been accumulated pursuant to the Stipulation and Settlement Agreement.

As a result of the expected reserve sufficiency, Gulf Power proposes the following with an effective date coincident with the commencement of new base rates determined in the next general rate proceeding, for rates to take effect after the last billing cycle of June 2017, unless such general rate proceeding is not initiated prior to December 31, 2018, in which case the proposed effective date would be January 1, 2019:

- That the annual accrual currently being recovered in base rates for dismantlement be reduced from approximately \$5.2 million to zero until the accrual is again reviewed and established pursuant to the Company's next dismantlement study.
- That the annual accrual currently being recovered through the ECRC for dismantlement of the environmental retrofit projects (e.g. the flue gas desulfurization equipment at Gulf's Plant Crist, etc.) be reduced from approximately \$4.4 million to zero until the accrual is again reviewed and established pursuant to the Company's next dismantlement study.
- That the Company be authorized to accrue approximately \$650,000 to the dismantlement reserve on an annual basis to cover the expected costs of compliance at retirement with the recently enacted federal rules regarding coal combustion residuals associated with the Company's active generating resources. This accrual will be recovered through the ECRC.
- That the Company be authorized to offset the \$62.5 million Other Cost of Removal regulatory asset allowed in the 2013 rate case settlement against the reserve accumulated to date for fossil generating plant dismantlement, thereby eliminating the Other Cost of Removal regulatory asset and reducing the accumulated reserve for fossil-fired generating plant dismantlement of base rate assets by like amount. This offset is in accordance with the 2013 Settlement Agreement which states "It is the intent of the Parties that the Other Cost of Removal regulatory asset be considered and accounted for in conjunction with the accumulated aggregate balances in the reserve for cost of removal and the reserve for fossil generating plant dismantlement when the Commission next establishes depreciation rates and dismantlement accruals on a going-forward basis."

Exhibit 4 to the Study summarizes the proposed decrease in the annual dismantlement accrual amounts.

**GULF POWER COMPANY**  
**FOSSIL PLANT DISMANTLEMENT STUDY**  
**AT DECEMBER 31, 2016**

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# Dismantlement Study

## Introduction

The purpose of this study was to prepare a detailed conceptual cost estimate for the dismantling of all of Gulf Power Company's fossil-fueled power plants. The units under consideration were Smith Units 1 and 2; Smith 3 Combined Cycle and Combustion Turbine; Scholz Units 1 and 2; Crist Units 4-7; Pea Ridge Cogeneration; and the Perdido Landfill Gas to Energy Facility. Also included are the detailed cost estimates for the dismantling of Plant Daniel Units 1 and 2 and Plant Scherer Unit 3 and Common Facilities in which Gulf Power Company has partial ownership. The resulting study should provide Gulf Power Company with a quality estimate for future dismantling of the units.

For the purposes of this study, the following definition of "dismantlement" was used:

The process of safely managing, removing, demolishing, disposing, or converting for reuse the materials and equipment that remain at the generating unit following its retirement from service and restoring the site to a marketable or useable condition.

See Rule 25-6.04364, F.A.C. (Electric Utilities Dismantlement Studies).

This study includes the direct cost of dismantling and disposal of the facility, scrap credits, owner supervision and engineering, liability and worker's compensation insurance and applicable overhead costs. The closing of the ash disposal ponds for Plants Smith and Scholz are not included in this study.

## A. Gulf Power's Generating Units

### 1. *Smith – Units 1 and 2*

The Smith Steam Plant is a two-unit, coal-fired, electric generating plant located near Lynn Haven, Florida. The station is owned by Gulf Power Company. These units were retired in March 2016.

The first unit has a nameplate rating of 125 MW and was completed in June 1965. The second unit is 180 MW and was completed in June 1967. Both units have Westinghouse turbine generators.

The boilers are 1800-psi units manufactured by Combustion Engineering and are rated at 1,075,000 and 1,306,000 pounds of steam per hour, respectively. Air quality control is achieved using outdoor electrostatic precipitators.

An intake canal from North Bay services the coal barge unloader and the once-through cooling system via a reinforced concrete intake structure. Cooling water is routed from a discharge passage, through a discharge structure into a discharge canal, which runs to West Bay. North of the powerhouse are 230KV and 115KV switchyards. East of the

powerhouse is the ash pond. Other coal handling facilities include a stacker conveyor; reclaim hopper, conveyor tunnels and galleries, stockout system, and crusher house.

West of the powerhouse, past the parking lot, is the service building annex, and east of the powerhouse is the warehouse. Other outdoor facilities include a demineralizer building, hydrogen house, fire protection pump house and tanks, chlorinator building, security guardhouse, lighter oil tanks, and a chimney.

## **2. Smith - Unit 3 (Combined Cycle)**

Unit 3 is located at the Smith Steam Plant in Bay County near Lynn Haven, FL.

The combined cycle unit consists of two gas-fired combustion turbine electrical generators with duct-fired heat recovery steam generators (HRSG) and a steam turbine all of which were manufactured by General Electric. This unit has a turbine nameplate rating of 545.5 MW and was installed in January 2002. Commercial operation began in April 2002.

Unit 3 includes two 121 foot stacks, a small heater for the gas pipeline, and a 10-cell, mechanical draft salt water cooling tower. Support facilities for this unit include water treatment and storage facilities. Emissions are controlled by Dry Low NOx (DLN) combustors firing exclusively natural gas.

Also located on site is a 39.4 MW combustion turbine that was installed in May 1971. In this study it is treated as a separate generating unit.

## **3. Scholz**

The Scholz Steam Plant is a two-unit, coal-fired, electric generating plant located near Chattahoochee, Florida. The station is owned by Gulf Power Company. These units were retired in April 2015.

The first unit has a nameplate rating of 40 MW and was completed in March 1953. The second unit is 40 MW and was completed in October 1953. Both units have General Electric turbine generators.

The boilers are 850-psi units manufactured by Babcock and Wilcox and are rated at 425,000 pounds of steam per hour. Air quality control is achieved using outdoor electrostatic precipitators.

An intake canal from the Apalachicola River services the once-through cooling system via a reinforced concrete intake structure. Cooling water is routed from a discharge passage, through a discharge structure into a discharge canal, which runs back to the river. East of the powerhouse is a 115 KV switchyard. West of the powerhouse is the ash pond. Coal handling facilities include a track and reclaim hopper, conveyor tunnels and galleries, stockout system, and crusher house.

On the south end of the powerhouse is the office annex and north of the powerhouse is the warehouse. Other outdoor facilities include a fire protection pump house and tanks, security guardhouse, lighter oil tanks, auxiliary generator house, and a chimney.

Foundations still remain for the flue gas desulfurization equipment (FGD or scrubber) test facilities. The tanks, equipment, and ductwork have already been removed. It is assumed that the bag house test facilities will be removed prior to dismantling.

#### **4. Crist**

The Crist Steam Plant, as of 2002, was a seven-unit, coal, gas, and oil-fired electric generating plant. The station, located near Pensacola, Florida, is owned by Gulf Power Company.

Prior to 2009, Units 1, 2 and 3 were retired and dismantled. Accordingly, these units have been excluded from the study.

Crist Units 4 and 5 are 75 MW each and were completed in July 1959 and June 1962, respectively. Unit 6 has a nameplate rating of 320 MW and was completed in May 1970. Unit 7 is 500 MW and was completed in August 1973. Units 4 and 5 have Allis-Chalmers generators; Units 6 and 7 have Westinghouse generators.

The boilers in Units 4 and 5 are a natural circulation, drum type, tangential-fired boiler and were manufactured by Combustion Engineering. At 1875 psi operating steam outlet pressure, they are rated at 582,000 lbs of steam per hour. Particulate matter is controlled in the outlet flue gas by electrostatic precipitators. NO<sub>x</sub> is controlled by Selective Non-catalytic Reduction system (SNCR), and SO<sub>x</sub> is controlled by a 4-7 common hydrated lime injection system as well as a 4-7 common FGD.

Unit 6 boiler is a natural circulation, drum type, front wall fired boiler and was manufactured by Foster Wheeler. It has a maximum main steam pressure of 2875 psi with a steam flow of 2,460,000 lb/hr.

Unit 7 boiler is a natural circulation, drum type, front and back wall fired boiler and was manufactured by Foster Wheeler. It has a main steam pressure of 2485 psi with a steam flow of 3,626,000 lb/hr.

Air quality control is achieved using outdoor electrostatic precipitators for Units 4–7.

Particulate matter is controlled in the outlet flue gas by electrostatic precipitators. NO<sub>x</sub> is controlled by Selective Catalytic Reduction system (SCR). The SCR for Unit 7 was put into service in the summer of 2005. The SCR utilizes an Anhydrous Ammonia Reagent. The SCR system employs a single reactor and the flue gas is taken from the side of the economizer hopper area to the reactor inlet. The reactor has a total of four catalyst layers and is designed for 90% NO<sub>x</sub> removal. The SCR reactor is of a high temperature, high-dust, bottom supported arrangement. “High-dust” refers to the location of the SCR upstream of the particulate collection devices. The reactors are designed to remove 90% of incoming NO<sub>x</sub>. Layer 4 of Unit 7 SCR has mercury-oxidizing catalyst to help the

FGD with mercury removal as part of the MATS compliance strategy. The SCR for Unit 6 was put into service in 2012.

SOx is controlled by a 4-7 common hydrated lime injection system as well as a 4-7 common flue gas desulphurization system (FGD). Unit 4-7 FGD system went online in December 2009. It consists of one scrubbing vessel and one wet stack. Common flue gas is received from all four units and blown into the scrubber vessel by two axial fans. Make-up water to the scrubber is provided by ECUA as re-use water with ECUA potable water as a backup. A three million gallon potable water tank was put on the edge of the Plant Crist property to serve this purpose. Crushed limestone is trucked into plant site to fill two limestone silos which is used as reagent. Gypsum slurry which is a byproduct is sluiced to a filter feed tank where it is diverted to either the gypsum dewatering facility or the gypsum stack-out pond. Dewatered gypsum is kept in a gypsum barn where it can be loaded onto trucks or loaded onto barges through a barge loading system. Excess waste water is processed through two more settling ponds before it is re-used in the scrubber or sent to a waste water treatment plant where it is treated to be deep well injected into two deep wells on site.

Three intake structures from Governor's Bayou provide cooling water and makeup water needs for Units 4–7. Units 4 and 5 have once-through cooling systems with a mechanical draft cooling tower for additional cooling capabilities. Units 6 and 7 are closed cycle cooled with one mechanical draft cooling tower per unit.

Cooling tower make-up for Unit's 6 and 7 cooling tower is primarily provided from ECUA as re-use water. Escambia River make-up can be used as a backup source.

Fuel oil is delivered to the site via truck. Coal receiving is accomplished via a barge unloading facility on the bayou. Coal storage and the fuel oil tanks are north and northwest of the plant. On the south side of the powerhouse and east of the powerhouse are the 250 KV and 115 KV switchyards.

One ash pond has been filled and sealed. The ash pond on the East end of the plant has been converted to an industrial waste pond. Bottom ash is decanted through common wet ash system where it is collected and land-filled. Fly ash is collected through a common dry ash collection system where it is collected and land-filled.

A site warehouse is southwest of the powerhouse. Two chimneys serve Units 4-7.

## **5. *Pea Ridge Cogen***

The Pea Ridge facility is a cogeneration plant providing electrical power to the Gulf Power transmission grid and supplying steam to an industrial customer on the customer's site in Pace, Santa Rosa County, Florida. Initial operation of this facility began in April 1998.

This facility consists of three 5 Megawatt combined-cycle turbine powered cogeneration units, manufactured by Solar, model Taurus 60S. The heat recovery steam generators (boilers) were manufactured by Energy Recovery International. The turbines and heat recovery steam generator/duct burners are fueled by natural gas. Each unit's heat

recovery steam generator/duct burners produce a maximum of 90,000 pounds per hour of 600 psig steam at 650 degrees F for manufacturing operations. For the purposes of this study, a turbine is considered a unit. Therefore, there are three units in the study.

**6. *Perdido Landfill Gas to Energy Facility (“Perdido Facility”)***

The Perdido Facility treats and uses landfill gas (Methane) from the Escambia County Perdido Landfill to generate electricity. Initial Operation of this facility began in October 2010.

This facility consists of three, 1.6 Megawatt Caterpillar G3520C engines/generator sets, designed for low NOx emissions combusting low pressure and low BTU landfill gas. The engines are spark-ignited with air inlet filters, exhaust silencers, battery and charger, lube oil system and horizontal core radiators. Each unit can supply 1,600 kW at 4160 volt, 3-phase power.

**7. *Daniel***

Plant Daniel is a two-unit, coal-fired generating plant located near Escatawpa, Mississippi, on a 2,657-acre site. The plant uses lighter oil for ignition only. The station is jointly owned by Mississippi Power Company (MPC) and Gulf Power Company, with each holding a fifty percent (50%) share.

The first unit has a name plate rating 500 MW and was completed in September 1977. The second unit also has a name plate rating of 500 MW and was completed in June 1981. Both units have Westinghouse turbine generators.

The boilers are 2400 psi units manufactured by Combustion Engineering and are rated at 3,611,242 pounds of steam per hour each. Air quality control is achieved using electrostatic precipitators and a single 500-foot stack. The boiler houses are open without siding.

Cooling water is provided by a government owned lake and MPC owned intake and discharge canals. West of the powerhouse is the coal yard, tractor garage, and coal unloading and handling facilities (conveyors, crusher houses, etc.). A rail loop facilitates train delivery of coal. Upon completion of the ash collection and storage modification, there will be a 25-acre bottom ash pond with clay and synthetic liner and a dry ash storage area with a 36” liner of clay and filter material (30 acres to be capped upon dismantlement). Auxiliary ash facilities include a transfer tank at the powerhouse and two concrete silos north of the tractor garage. The service building is on the north end of Unit 1. East of the turbine rooms are the 230 and 500 kV switchyards.

Other outdoor structures include the demineralizer building, condensate storage tanks, filtered water storage tanks, fire protection tanks and pump house, lighter oil storage tanks and pumps, waste water treatment facilities, engine generator house, air compressor building, and startup boiler. There is a single underground petroleum storage tank that meets current regulations. The FGD came on line in November 2015.

## **8. Scherer**

The Scherer Steam Plant is a four-unit coal-fired electric generating plant located near Macon, Georgia. The facility is jointly owned by Georgia Power Company, Gulf Power Company, Florida Power and Light, Oglethorpe Power Company, MEAG Power, Jacksonville Electric Authority, and several Georgia electric cooperatives. Gulf Power Company holds a twenty-five percent (25%) ownership in Unit 3.

Each unit has a nameplate rating of 818 MW. Unit 1 was completed in March 1982, Unit 2 was completed in February 1984, Unit 3 was completed in January 1987 and Unit 4 was completed in February 1989. All units have General Electric turbine generators.

The boilers are 2,400-psi units manufactured by Combustion Engineering and are rated at 5,789,914 pounds of steam per hour. All units operate with 1,000-degree-Fahrenheit superheat and reheat steam temperatures. Air quality control is achieved using outdoor electrostatic precipitators.

An SCR and Common Environmental Facilities were first installed on Unit 3 in the 2010.

Scherer's first baghouse was installed on Unit 3 in 2009.

An FGD was installed on Unit 3 in 2011 and the FGD Stack for Units 3 and 4 was completed in 2011.

A storage water pond of 48,000 acre-feet was created to provide adequate cooling water and makeup water needs. A service water intake structure supplies that water to the plant. All units are on a closed-cycle cooling system with one hyperbolic natural draft tower per unit. Coal is delivered to the site by rail with a coal-handling system for stockout and reclaim. The coal storage area is south of the powerhouse.

On the west side of the powerhouse is a 500 kV switchyard with 115 Autobank transformers. The switchyards are not included in this study. The ash pond (490 acres) and settling pond are located to the North of the plant. Other outdoor facilities include: a coal handling service building and tractor garage; water treatment buildings; NPDES facilities; acid, caustic, ammonia, nitrogen, water, and lighter oil tanks; engine generator house; and other buildings.

## **9. Plant Summary**

The following is a summary of Gulf Power's generating units, and their respective in-service dates and estimated retirement dates:

| PLANT  | IN-SERVICE DATE | ESTIMATED RETIREMENT DATE <sup>1</sup> |
|--|-----------------|--|
| <b>Smith:</b>                                  |                 |  |
| Unit 1   | 1965            | 2016                                   |
| Unit 2   | 1967            | 2016                                   |
| Combustion Turbine                             | 1971            | 2027                                   |
| Unit 3 – Combined Cycle                        | 2002            | 2042                                   |
| <b>Scholz:</b>                                 |                 |  |
| Unit 1   | 1953            | 2015                                   |
| Unit 2   | 1953            | 2015                                   |
| <b>Crist:</b>                                  |                 |  |
| Unit 4   | 1959            | 2024                                   |
| Unit 5   | 1961            | 2026                                   |
| Unit 6   | 1970            | 2035                                   |
| Unit 7   | 1973            | 2038                                   |
| SCR (Unit 6)                                   | 2012            | 2035                                   |
| SCR (Unit 7)                                   | 2005            | 2038                                   |
| FGD (Units 4-7)                                | 2009            | 2038                                   |
| <b>Pea Ridge Cogen</b>                         |                 |  |
| Unit 1   | 1998            | 2018                                   |
| Unit 2   | 1998            | 2018                                   |
| Unit 3   | 1998            | 2018                                   |
| <b>Perdido Landfill Gas to Energy Facility</b> |                 |  |
| Unit 1   | 2010            | 2029                                   |
| Unit 2   | 2010            | 2029                                   |
| <b>Daniel (50% Ownership)</b>                  |                 |  |
| Unit 1   | 1977            | 2042                                   |
| Unit 2   | 1981            | 2046                                   |
| FGD (Units 1 & 2)                              | 2015            | 2046                                   |
| <b>Scherer (25% Unit 3; 6.25% Common)</b>      |                 |  |
| Unit 3   | 1987            | 2052                                   |
| Unit 3 FGD                                     | 2011            | 2052                                   |
| Unit 3 SCR                                     | 2010            | 2052                                   |
| Unit 3 Baghouse                                | 2009            | 2052                                   |

<sup>1</sup> Reflects the actual retirement date for Units 1 and 2 at Plant Smith and Units 1 and 2 at Plant Scholz. The remaining dates reflect the year each unit is expected to be retired for accounting purposes.

Gulf Power owns a 50% undivided interest in Plant Daniel Units 1 and 2 and a proportionate interest in the associated common facilities at Plant Daniel.

Gulf Power owns a 25% undivided interest in Unit 3 at Plant Scherer and a 6.25% interest in the common facilities at Plant Scherer.

## **C. Dismantlement Study Methodology**

### **1. Scope Definition**

Systems, quantities, and conversions to the appropriate units of measure for removal, disposal, and scrap were derived from a number of sources. They primarily include engineering drawings, purchase orders and associated engineering records, and other dismantling cost estimates and contracts with Gulf Power engineering and plant operations personnel.

A third party estimate was assembled by a demolition contractor, Brandenburg Industrial Services (Brandenburg), that has previously performed work for Southern Company. The basis for the cost estimate was engineering documents furnished by Southern Company Services (SCS) Engineering and Construction Services, site visits, and Brandenburg's extensive experience with demolition projects.

### **2. Constant Dollar Basis**

All costs shown in this study are in December 31, 2016, constant dollars.

### **3. Unit Pricing**

The estimate assumes that two primary contractors will be involved at each site, one for dismantling and one for site restoration. Unit pricing includes all contractor mobilization, equipment, overhead, and profit.

Unit costs for removal are in general tied to cubic yards for concrete, tonnage for structural steel, etc. Unit cost estimates were provided by a qualified demolition contractor, including any site-specific adjustments as necessary.

Disposal unit costs typically are based on weights of materials. Disposal of refractory and combustible materials were estimated at \$66.33/ net ton. Disposal of brick and block materials was accomplished by incorporating as backfill materials at the basement areas at a rate of \$32.65/ cubic yard.

For discussion of scrap credit unit prices, please refer to Subsection 7 below.

Site reclamation unit costs were derived from a survey of current and recent historical construction contracts around the Southern electric system.

**4. Discussion of Terms**

The following definitions of terms are applicable to this cost estimate:

|                    |   |
|--------------------|---|
| “dismantle”        | To take apart the generating unit into transportable parts.   |
| “disposal”         | Movement of dismantled materials to on-site landfill, off-site landfill, on-site dump area, or to a laydown area on-site for removal by a salvage/scrap dealer.   |
| “scrap”            | The amount that will be paid to the owner by a salvage dealer to pick up from laydown yard and remove from the site materials that have value due to their metal content.   |
| “essential system” | Those systems that must remain operational during dismantling activities until all units served by the system are retired or until the system is no longer needed for the dismantling process (i.e., control room, fire protection and compressed air). |
| “COA”              | Chart of accounts. Southern electric system-wide account number structure.  |
| “RUC”              | Retirement unit codes. Southern electric system-wide retirement units used in the continuing property records to identify additions and retirements to original plant after it begins operations.   |

**5. Brandenburg Estimates**

The Study is based on estimates provided by Brandenburg, a contractor experienced in the demolition/dismantlement of power plants. The Brandenburg estimate is divided into the applicable FERC categories.

**6. Discussion of Overhead Costs**

The following overhead cost percentages have been applied to the direct cost estimate of dismantling:

- Gulf engineering and supervision 3.0%
- Administrative and general overhead 1.0%
- Temporary construction services 2.0%
- Wrap-up and all-risk insurance 0.08%

## **7. Discussion of Recoverable Costs**

The value of scrap was estimated from current market value published information. MetalPrices.com (metalprices.com), a tool in the scrap industry standard for scrap prices, was used in determining the price of scrap. It is assumed the scrap materials will be removed from their existing locations at the power plants and will be placed in a designated area on the plant site for the purchaser or scrap dealer to remove. The values established in MetalPrices.com website are for ferrous scrap prepared to designated sizes. Adjustments must be made in the market value for the scrap dealer's work involved in loading, transporting to its yard, preparing the scrap to designated size and rehandling the material for shipment.

The same is true for non-ferrous materials. The price is for cleaned copper. The scrap dealer has to load the copper wire, motors, etc., and take the material to its yard. The scrap dealer will have to dismember the motors and strip the insulation to salvage the copper. The wire would need to have the insulation removed so the copper would be clean. The copper wire then would have to be packaged and loaded for shipment.

- i. Ferrous scrap – preparation costs are roughly 26.32% and amount to \$38.70 per gross ton.
- ii. Non-Ferrous scrap:
  - a. Motors were estimated at 1% copper materials by weight for their salvage value.
  - b. Transformers were estimated at 14% copper weight for their salvage value.
- ii. Copper wire with insulation may be valued at \$0.31 per pound depending on the amount of insulation on the wire.
- iii. Bus bar which is clean copper would need an adjustment in the selling price for transporting and handling.

The ferrous scrap is estimated at a gross scrap value of \$147.07 per gross ton. In this estimate, the net scrap value of \$108.37 per gross ton is used (\$147.07 minus \$38.70 per gross ton preparation costs). Non-ferrous scrap copper is estimated at an adjusted scrap value of \$0.31 per pound.

The salvage value of used powerhouse equipment motors, turbine generators, etc., is extremely variable because the market for such used equipment is so volatile. For estimating purposes, no value was assumed.

## **8. Contingency**

A contingency has been applied to this estimate to cover uncertainty in the estimate. A contingency rate of 10% is applied to the total removal, disposal, scrap, and indirect cost estimates. The level of scope contingency was determined considering the conceptual nature of the estimate and the difficulty in obtaining quantity records on such old units.

## **9. *Supplementary Resources***

The below-listed resources have been used in the preparation of this dismantling cost study.

- i. The study assumptions were reviewed by Gulf Power Company.
- ii. Updated scrap rates for steel and copper were obtained from <http://www.metalprices.com/>
- iii. Coal combustion residual (CCR) closure costs were prepared for plants Crist, Daniel and Scherer in conjunction with Technical Services – Environmental Systems – Strategic Planning for Southern Company Services.
- iv. Asbestos removal rates were provided by Gulf Power’s Environmental Affairs department.

## **D. Summary of Major Assumptions Used in Study**

### **1. *General Conditions***

- i. All demolition/dismantling is estimated on a unit and common facility basis.
- ii. All dismantling work is in compliance with OSHA requirements.
- iii. All cost of common facilities is estimated separately.
- iv. Scope of reclamation is in compliance with the most current regulations established by the EPA, Army Corps of Engineers, and Florida Department of Environmental Protection based on most current regulations.
- v. A minimal security force/plan staff is maintained during dismantling.
- vi. Rail access for removal of scrap is available at Plant Scholz only. Barge access is available at Plant Crist and Plant Smith. Scrap material will be in transportable sizes. The cost to remove material from the site will not exceed the scrap value of the material.
- vii. No landscaping other than grassing, grading, and site draining is included. Upon completion, the site will be graded to eliminate point sources of water.
- viii. In regards to the switchyard, this estimate only includes removal of the service transformers.

## 2. Dismantlement/Disposal

- i. All structures except the powerhouse, service buildings, and major warehouses will be removed to grade elevation. Powerhouse rooms and all power generating equipment will be removed and sold as scrap prior to dismantlement.
- ii. All solid, non-combustible, non-hazardous, non-toxic materials that are not sold for scrap will be used as fill and deposited onsite where possible; otherwise they will be disposed of in an appropriate landfill. Below grade pits will be filled with demolished material. Structural steel will be sold as scrap.
- iii. Structural steel will be sold as scrap.
- iv. Foundations will be blasted to provide drainage or removed, and the void filled to grade.
- v. The chimney will be blasted to the ground. The metal liner, if present, will be dismantled and sold as scrap. The chimney foundation will be blasted to provide drainage and rubble will be deposited on site.
- vi. Circulating water passages and piping will be excavated and collapsed.
- vii. Underground tanks will be removed and disposed of according to current regulations.
- viii. Other underground piping and duct runs will be abandoned in place.
- ix. Concrete intake and discharge structures will be left in place with a concrete cap placed to eliminate entry into the tunnels. Backfill behind sheet pile cells will be excavated, pilings will be removed and disposed of and slope will be graded to prevent possible deterioration and sliding into bayous.
- x. Intake and discharge channels will not be filled in.
- xi. Soils for fill not obtainable on site will be purchased off-site and trucked in.
- xii. Piping will be sold as scrap.
- xiii. Equipment has no stand-alone salvage value; the only value of the equipment is based upon the scrap value of the materials contained therein.
- xiv. Electrical cable (copper) will be sold as scrap.
- xv. Except for separate nonferrous and alloy materials, all conduit and cable tray will be removed in the most cost-effective manner. They will be sold as scrap.
- xvi. Boundary fencing will not be removed.
- xvii. Roads, railroads, and parking lots will not be removed.
- xviii. All warehouse stores and furniture will be removed at the beginning of the dismantling operation. Their removal is not included in this estimate.

### **3. Environmental**

- i. An assessment will be performed to identify regulated hazardous and toxic materials, which will be handled and disposed of according to appropriate current federal and state regulations. These include asbestos, PCBs, residual chemicals, and any soils assessed as being contaminated.
- ii. Hazardous and toxic materials will be handled according to applicable current federal and state regulations. This includes any soils assessed as being contaminated.
- iii. All coal will be removed or burned before dismantling occurs.
- iv. Soil sampling and testing will be conducted during the coal pile and ash pond excavation process to ensure completed removal. Closure and post-closure assessments will be conducted around above ground petroleum storage areas.
- v. All fuel oil, acid, caustic and demineralizer tanks will be emptied, the material disposed of and closure assessments conducted according to current regulations.
- vi. No post-dismantling site monitoring is included in this estimate

## **E. Dismantlement Methodology**

### **1. Essential Systems**

- i. All fire protection systems shall be left intact and operational for safety purposes and to meet insurance requirements during the dismantling process. Chemical fire extinguishers will be available after start of fire protection system removal.
- ii. Temporary lighting will be installed to prevent the chance of cross-feeding in the electrical circuits.
- iii. Control room heating, lighting and power will remain operational until removal of fire protection systems.

### **2. Non-Essential Systems**

Non-essential systems will be removed as required before boiler removal. Initially, these systems will be removed before boiler removal begins:

- High Pressure Steam
- High and Low Pressure Extractions
- Boiler Feedwater
- Condensate
- Heater Drips

- Auxiliary Steam
- Circulating Water
- Plant Cooling Water
- Water Pretreatment
- Makeup Water Supply and Storage
- Air Preheat Water
- Fuel Oil Storage and Supply
- Boiler Igniter System
- Ash Water Supply
- Heater Vents and Drains
- Condenser Air Extraction
- Extraction Traps and Drains
- Turbine Seals and Drains
- Turbine Lube Oil
- Generator Miscellaneous Piping, Miscellaneous Lube/Hydraulic Oil
- Chemical Feed
- Sampling and Analysis
- Bearing Cooling
- Air Heater Wash Water

The following systems may be removed any time prior to boiler steel removal:

- Bottom Ash Handling and Auxiliaries
- Economizer Fly Ash Handling
- Boiler Vents and Drains
- Steam Generator Soot Blowing

- Boiler Forced Air
- Boiler Flue Gas
- Fly Ash Storage
- Coal Burner Supply
- Stack and SCR
- MCC, Switchgear & Controls
- Bag house
- FGDs

### **3. *Dismantlement Sequence***

This is the assumed sequence of events:

- i. Drain all tanks.
- ii. Cap or bypass common facilities essential to operations of other units.
- iii. Deactivate power supply to equipment not required for demolition.
  - a. Boiler feed pumps
  - b. Coal pulverizers and feeders
  - c. Bottom ash handling equipment and auxiliaries
  - d. Forced draft fans
- iv. Remove all asbestos insulation from piping and equipment.
- v. Beginning at base slab, remove all mechanical equipment and associated piping.
  - a. Boiler feed pumps
  - b. Coal pulverizers and feeders
  - c. Bottom ash handling equipment and auxiliaries
  - d. Forced draft fans
- vi. Remove piping systems except fire protection and air supply.
  - a. Main steam

- b. Drains
- c. Burner supply
- d. Soot blowers
- e. Coal hoppers and coal feeder piping
- vii. Remove turbine generator, condenser, and non-essential electrical systems.
- viii. Begin boiler and ductwork removal.
- ix. Remove concrete pedestals.
- x. Remove essential piping and electrical.
- xi. Remove boiler support steel, floor grating, platforms, ladders and coal supply conveyor outside building.
- xii. Remove chimney.
- xiii. Drill and blast base slab to allow ground water penetration.
- xiv. Remove building siding and concrete to base slab and remove building structural steel.
- xv. Fill below grade areas with soil or other non-hazardous materials.
- xvi. Remove external structures associated with the unit such as conveyor and transfer houses and ductwork to stack.
- xviii. Drill and blast base slab to allow ground water penetration.

**F. Conversion of Current Dismantlement Costs to Future Estimated Costs**

The dismantlement annual accrual is calculated using the current cost estimates escalated to the expected dates of actual unit dismantlement. The future costs less amounts recovered to date are then discounted in a manner that accrues the costs over the remaining life span of the unit. Supporting documentation for Gulf's dismantlement accrual calculation is shown as Exhibit 1, the levelized expense calculation, and Exhibit 2, the escalation rates used for the calculation.

**G. Dismantlement Cost Estimates – Current Dollars**

Please refer to Exhibit 3.

**H. Dismantlement Cost Estimates – Future Dollars**

Please refer to Exhibit 3.

**I. Estimated Yearly Dismantlement Expenses**

Please refer to Exhibit 1.

**J. Projected Dates for Cessation of Operations**

| <b>PLANT</b>                                   | <b>PROJECTED DATE FOR CESSATION OF OPERATIONS</b> |
|--|---|
| <b>Smith:</b>                                  |   |
| Unit 1   | 2016  |
| Unit 2   | 2016  |
| Combustion Turbine                             | 2027  |
| Unit 3 – Combined Cycle                        | 2042  |
|  |   |
| <b>Scholz:</b>                                 |   |
| Unit 1   | 2015  |
| Unit 2   | 2015  |
|  |   |
| <b>Crist:</b>                                  |   |
| Unit 4   | 2024  |
| Unit 5   | 2026  |
| Unit 6   | 2035  |
| Unit 7   | 2038  |
| SCR (Unit 6)                                   | 2035  |
| SCR (Unit 7)                                   | 2038  |
| FGD (Units 4-7)                                | 2038  |
|  |   |
| <b>PLANT</b>                                   | <b>PROJECTED DATE FOR CESSATION OF OPERATIONS</b> |
| <b>Pea Ridge Cogen</b>                         |   |
| Unit 1   | 2018  |
| Unit 2   | 2018  |
| Unit 3   | 2018  |
| Common   | 2018  |
|  |   |
| <b>Perdido Landfill Gas to Energy Facility</b> |   |
| Unit 1   | 2029  |
| Unit 2   | 2029  |
| Common   | 2029  |
|  |   |
| <b>Daniel (50% Ownership)</b>                  |   |
| Unit 1   | 2042  |
| Unit 2   | 2046  |
| FGD (Units 1 & 2)                              | 2046  |
| Common   | 2046  |

|   |      |
|---|------|
| <b>Scherer (25% Unit 3; 6.25% Common)</b> |      |
| Unit 3                                    | 2052 |
| Unit 3 FGD                                | 2052 |
| Unit 3 SCR                                | 2052 |
| Unit 3 Baghouse                           | 2052 |
| Common                                    | 2052 |

**K. Comparison of Current Approved Annual Dismantlement Accruals With Proposed Accruals**

Gulf's current dismantlement accrual was approved by FPSC Order No. Order No. PSC-10-0458-PAA-EI, issued on July 19, 2010, in Docket No. 090319-EI, based on Gulf's 2009 dismantlement study. As part of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-13-0670-S-EI, issued December 19, 2013, in Docket No. 130140-EI, the FPSC's proceedings to address Gulf's 2013 dismantlement study were closed without any change to the annual dismantlement accrual established for Gulf pursuant to its 2009 study. Under the terms of the Stipulation and Settlement Agreement, Gulf is required to file a dismantlement study on or before December 31, 2018, or within a period defined as not more than one year nor less than 60 days before the filing of Gulf Power's next general rate proceeding, whichever is sooner.

Accordingly, Gulf Power submits the following comparison of the current study to the 2009 dismantlement study. Please refer to Exhibit 4.

**L. Comparison of Current Study Costs to Last-Filed Study Costs**

As part of the Stipulation and Settlement Agreement approved by the Commission in Order No. PSC-13-0670-S-EI issued December 19, 2013 in Docket No. 130140-EI, the FPSC's proceedings to address Gulf's 2013 dismantlement study were closed without any change to the annual dismantlement accrual established for Gulf pursuant to its 2009 study. Accordingly, Gulf Power submits the following comparison of the current study to the 2009 dismantlement study.

It is important to note that the methodology used in the 2009 dismantlement study is significantly different from the methodology used in this study. In the 2009 study (and those prior to 2009), Gulf Power used a methodology that was premised upon baseline plant dismantlement studies performed in the 1980s. Gulf Power's prior dismantlement studies escalated the dismantlement costs from the baseline studies. Gulf Power and SCS felt it important to revisit this prior methodology. The methodology used in this study takes a different approach by utilizing the expertise and experience of demolition subject-matter experts who can study each dismantlement project and construct more specific estimates of dismantlement costs for each facility.

|  | 2009 Study   | 2016 Study   | Increase/<br>(Decrease) |
|--|--------------|--------------|-------------------------|
| <b>Perdido Landfill Gas to Energy Facility</b> |              |              |                         |
| Unit 1   | N/A          | \$20,000     | \$20,000                |
| Unit 2   | N/A          | \$20,000     | \$20,000                |
| Common   | N/A          | \$350,000    | \$350,000               |
| <b>Totals</b>                                  | N/A          | \$390,000    | \$390,000               |
| <b>Smith</b>                                   |              |              |                         |
| Unit 1 (1965)                                  | \$5,916,000  | \$3,334,000  | \$(2,582,000)           |
| Unit 2 (1967)                                  | \$6,796,000  | \$3,513,000  | \$(3,283,000)           |
| Common   | \$19,243,000 | \$4,069,000  | \$(15,174,000)          |
| <b>Sub-Total</b>                               | \$31,955,000 | \$10,916,000 | \$(21,039,000)          |
| Combustion Turbine                             | \$166,000    | \$23,000     | \$(143,000)             |
| Unit 3 Combine Cycle                           | \$6,828,000  | \$393,000    | \$(6,435,000)           |
| <b>Totals</b>                                  | \$38,949,000 | \$11,332,000 | \$(27,617,000)          |

|                        | 2009 Study    | 2016 Study    | Increase/<br>(Decrease) |
|------------------------|---------------|---------------|-------------------------|
| <b>Scholz</b>          |               |               |                         |
| Unit 1 (1953)          | \$2,983,000   | \$2,041,000   | \$(942,000)             |
| Unit 2 (1953)          | \$2,938,000   | \$2,041,000   | \$(897,000)             |
| Common                 | \$6,886,000   | \$1,356,000   | \$(5,530,000)           |
| <b>Totals</b>          | \$12,807,000  | \$5,438,000   | \$(7,369,000)           |
| <b>Crist</b>           |               |               |                         |
| Unit 4 (1959)          | \$5,426,000   | \$1,592,000   | \$(3,834,000)           |
| Unit 5 (1961)          | \$5,501,000   | \$1,592,000   | \$(3,909,000)           |
| Unit 6 (1970)          | \$13,336,000  | \$4,961,000   | \$(8,375,000)           |
| Unit 7 (1973)          | \$15,216,000  | \$7,209,000   | \$(8,007,000)           |
| Common                 | \$26,448,000  | \$28,442,000  | \$1,994,000             |
| <b>Sub-Total</b>       | \$65,927,000  | \$43,796,000  | \$(22,131,000)          |
| SCR (Unit 6)           | N/A           | \$69,000      | \$69,000                |
| SCR (Unit 7)           | \$8,477,000   | \$111,000     | \$(8,366,000)           |
| FGD (Units 4-7)        | \$74,033,000  | \$503,000     | \$(73,530,000)          |
| <b>Totals</b>          | \$148,437,000 | \$44,479,000  | \$(103,958,000)         |
| <b>Pea Ridge Cogen</b> |               |               |                         |
| Unit 1                 | \$50,000      | \$28,000      | \$(22,000)              |
| Unit 2                 | \$50,000      | \$28,000      | \$(22,000)              |
| Unit 3                 | \$50,000      | \$28,000      | \$(22,000)              |
| Common                 | N/A           | \$425,000     | \$425,000               |
| <b>Totals</b>          | \$150,000     | \$509,000     | \$359,000               |
| <b>Plant Daniel</b>    |               |               |                         |
| Unit 1                 | \$ 4,101,000  | \$ 2,036,000  | \$(2,065,000)           |
| Unit 2                 | \$ 4,170,000  | \$ 2,036,000  | \$(2,134,000)           |
| Common                 | \$13,066,000  | \$ 10,833,000 | \$(2,233,000)           |
| <b>Total</b>           | \$21,337,000  | \$ 14,905,000 | \$(6,432,000)           |

|                      | <b>2009 Study</b>  | <b>2016 Study</b>   | <b>Increase/<br/>(Decrease)</b> |
|----------------------|--------------------|---------------------|---------------------------------|
| <b>Plant Scherer</b> |                    |                     |                                 |
| Unit 3               | \$1,895,000        | \$ 1,473,000        | \$(422,000)                     |
| Common               | \$1,710,000        | \$ 1,293,000        | \$(417,000)                     |
| <b>Total</b>         | <b>\$3,605,000</b> | <b>\$ 2,766,000</b> | <b>\$(839,000)</b>              |

**M. Supporting Schedules Used in Dismantlement Cost Estimates**

Please refer to Exhibits M.1 and M.2.

**EXHIBIT M.1 - Site Summary Level**

**CRIST**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA              | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|-----------------------|-------------------------------------|---------|----------|---------|----------|
| <b>CRIST ASBESTOS</b> |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 37      |          |         | 37       |
|                       | 308 -ENGINEERING                    | 62      |          |         | 62       |
|                       | 312 -BOILER PLANT EQUIPMENT         | 3,710   | 281      |         | 3,991    |
|                       | <i>CRIST ASBESTOS SUB TOTAL</i>     | 3,809   | 281      |         | 4,090    |
| <b>CRIST ASH POND</b> |                                     |         |          |         |          |
|                       | 311 -STRUCTURES & IMPROVEMENTS      | 20,122  |          |         | 20,122   |
|                       | <i>CRIST ASH POND SUB TOTAL</i>     | 20,122  |          |         | 20,122   |
| <b>CRIST ECO</b>      |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 13      |          |         | 13       |
|                       | 308 -ENGINEERING                    | 25      |          |         | 25       |
|                       | 309 -OVERHEADS                      | 7       |          |         | 7        |
|                       | 312 -BOILER PLANT EQUIPMENT         | 669     |          | (496)   | 173      |
|                       | <i>CRIST ECO SUB TOTAL</i>          | 714     |          | (496)   | 217      |
| <b>CRIST ECO-FGD</b>  |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 12      |          |         | 12       |
|                       | 308 -ENGINEERING                    | 23      |          |         | 23       |
|                       | 309 -OVERHEADS                      | 6       |          |         | 6        |
|                       | 312 -BOILER PLANT EQUIPMENT         | 614     |          | (199)   | 415      |
|                       | <i>CRIST ECO-FGD SUB TOTAL</i>      | 655     |          | (199)   | 456      |
| <b>CRIST ECO-SCR</b>  |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 9       |          |         | 9        |
|                       | 308 -ENGINEERING                    | 16      |          |         | 16       |
|                       | 309 -OVERHEADS                      | 4       |          |         | 4        |
|                       | 312 -BOILER PLANT EQUIPMENT         | 442     |          | (307)   | 135      |
|                       | <i>CRIST ECO-SCR SUB TOTAL</i>      | 472     |          | (307)   | 165      |
| <b>CRIST NON-ECO</b>  |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 1,989   |          |         | 1,989    |

**CRIST**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                       | DESCRIPTION                | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|--------------------------------|----------------------------|---------|----------|---------|----------|
| 308                            | -ENGINEERING               | 1,089   |          |         | 1,089    |
| 309                            | -OVERHEADS                 | 151     |          |         | 151      |
| 311                            | -STRUCTURES & IMPROVEMENTS | 10,538  | 1,060    | (2,132) | 9,466    |
| 312                            | -BOILER PLANT EQUIPMENT    | 2,409   | 910      | (1,237) | 2,082    |
| 314                            | -TURBOGENERATOR UNITS      | 1,948   |          | (982)   | 966      |
| 315                            | -ACCESSORY ELEC EQUIPMENT  | 490     |          | (1,053) | (562)    |
| 341                            | -STRUCTURES & IMPROVEMENTS | 20      |          |         | 20       |
| 343                            | -PRIME MOVERS              |         | 185      |         | 185      |
| <i>CRIST NON-ECO SUB TOTAL</i> |                            | 18,632  | 2,155    | (5,403) | 15,384   |
| CRIST SUBTOTAL                 |                            | 44,404  | 2,436    | (6,405) | 40,435   |
| 304                            | - CONTINGENCY              |         |          |         |          |
| 0000                           | - CONTINGENCY              | 4,440   | 244      | (641)   | 4,043    |
| CRIST GRAND TOTAL              |                            | 48,844  | 2,680    | (7,046) | 44,478   |

**DANIEL12**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                           | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|------------------------------------|-------------------------------------|---------|----------|---------|----------|
| DANIEL12 ASH POND                  |                                     |         |          |         |          |
|                                    | 311 -STRUCTURES & IMPROVEMENTS      | 7,556   |          |         | 7,556    |
| <i>DANIEL12 ASH POND SUB TOTAL</i> |                                     | 7,556   |          |         | 7,556    |
| DANIEL12 ECO                       |                                     |         |          |         |          |
|                                    | 307 -CONSTRUCTION CLEARING ACCOUNTS | 28      |          |         | 28       |
|                                    | 308 -ENGINEERING                    | 52      |          |         | 52       |
|                                    | 309 -OVERHEADS                      | 14      |          |         | 14       |
|                                    | 312 -BOILER PLANT EQUIPMENT         | 1,406   |          | (622)   | 784      |
| <i>DANIEL12 ECO SUB TOTAL</i>      |                                     | 1,500   |          | (622)   | 878      |
| DANIEL12 ECO-FGD                   |                                     |         |          |         |          |
|                                    | 307 -CONSTRUCTION CLEARING ACCOUNTS | 12      |          |         | 12       |
|                                    | 308 -ENGINEERING                    | 22      |          |         | 22       |
|                                    | 309 -OVERHEADS                      | 6       |          |         | 6        |
|                                    | 311 -STRUCTURES & IMPROVEMENTS      |         | 54       |         | 54       |
|                                    | 312 -BOILER PLANT EQUIPMENT         | 587     |          | (126)   | 461      |
|                                    | 314 -TURBOGENERATOR UNITS           | 12      |          |         | 12       |
|                                    | 315 -ACCESSORY ELEC EQUIPMENT       |         |          | (5)     | (5)      |
| <i>DANIEL12 ECO-FGD SUB TOTAL</i>  |                                     | 639     | 54       | (131)   | 562      |
| DANIEL12 NON-ECO                   |                                     |         |          |         |          |
|                                    | 307 -CONSTRUCTION CLEARING ACCOUNTS | 641     |          |         | 641      |
|                                    | 308 -ENGINEERING                    | 460     |          |         | 460      |
|                                    | 309 -OVERHEADS                      | 57      |          |         | 57       |
|                                    | 311 -STRUCTURES & IMPROVEMENTS      | 3,200   | 167      | (1,265) | 2,102    |
|                                    | 312 -BOILER PLANT EQUIPMENT         | 1,121   | 236      | (726)   | 631      |
|                                    | 314 -TURBOGENERATOR UNITS           | 1,154   |          | (388)   | 766      |
|                                    | 315 -ACCESSORY ELEC EQUIPMENT       | 251     |          | (460)   | (209)    |
|                                    | 341 -STRUCTURES & IMPROVEMENTS      |         | 2        |         | 2        |
|                                    | 343 -PRIME MOVERS                   |         | 107      |         | 107      |

**DANIEL12**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                          | DESCRIPTION | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|-----------------------------------|-------------|---------|----------|---------|----------|
| <i>DANIEL12 NON-ECO SUB TOTAL</i> |             | 6,884   | 511      | (2,839) | 4,556    |
| DANIEL12 SUBTOTAL                 |             | 16,579  | 565      | (3,592) | 13,551   |
| 304 -                             | CONTINGENCY |         |          |         |          |
| 0000 -                            | CONTINGENCY | 1,658   | 57       | (359)   | 1,355    |
| DANIEL12 GRAND TOTAL              |             | 18,236  | 622      | (3,952) | 14,907   |

**PEA RIDGE**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                           | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|------------------------------------|-------------------------------------|---------|----------|---------|----------|
| PEA RIDGE NON-ECO                  |                                     |         |          |         |          |
|                                    | 307 -CONSTRUCTION CLEARING ACCOUNTS | 50      |          |         | 50       |
|                                    | 308 -ENGINEERING                    | 260     |          |         | 260      |
|                                    | 309 -OVERHEADS                      | 2       |          |         | 2        |
|                                    | 311 -STRUCTURES & IMPROVEMENTS      | 72      |          | (2)     | 71       |
|                                    | 341 -STRUCTURES & IMPROVEMENTS      | 74      | 5        | (18)    | 62       |
|                                    | 343 -PRIME MOVERS                   | 25      |          | (9)     | 16       |
|                                    | 344 -GENERATORS                     | 19      |          | (4)     | 14       |
|                                    | 345 -ACCESSORY ELEC EQUIPMENT       | 20      |          | (31)    | (11)     |
| <i>PEA RIDGE NON-ECO SUB TOTAL</i> |                                     | 522     | 5        | (64)    | 464      |
| PEA RIDGE SUBTOTAL                 |                                     | 522     | 5        | (64)    | 464      |
|                                    | 304 - CONTINGENCY                   |         |          |         |          |
|                                    | 0000 - CONTINGENCY                  | 52      | 1        | (6)     | 46       |
| PEA RIDGE GRAND TOTAL              |                                     | 575     | 6        | (70)    | 510      |

**PERDIDO**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                         | DESCRIPTION                         | REMOVAL    | DISPOSAL | SALVAGE     | TOTAL \$   |
|----------------------------------|-------------------------------------|------------|----------|-------------|------------|
| <i>PERDIDO NON-ECO</i>           |                                     |            |          |             |            |
|                                  | 307 -CONSTRUCTION CLEARING ACCOUNTS | 32         |          |             | 32         |
|                                  | 308 -ENGINEERING                    | 255        |          |             | 255        |
|                                  | 309 -OVERHEADS                      | 1          |          |             | 1          |
|                                  | 311 -STRUCTURES & IMPROVEMENTS      | 31         |          | (1)         | 30         |
|                                  | 341 -STRUCTURES & IMPROVEMENTS      | 44         | 3        | (7)         | 40         |
|                                  | 343 -PRIME MOVERS                   |            |          | (2)         | (2)        |
|                                  | 345 -ACCESSORY ELEC EQUIPMENT       | 3          |          | (3)         |            |
| <i>PERDIDO NON-ECO SUB TOTAL</i> |                                     | 366        | 3        | (14)        | 355        |
| <b>PERDIDO SUBTOTAL</b>          |                                     | <b>366</b> | <b>3</b> | <b>(14)</b> | <b>355</b> |
|                                  | 304 - CONTINGENCY                   |            |          |             |            |
|                                  | 0000 - CONTINGENCY                  | 37         |          | (1)         | 35         |
| <b>PERDIDO GRAND TOTAL</b>       |                                     | <b>402</b> | <b>3</b> | <b>(15)</b> | <b>390</b> |

**SCHERER**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA                              | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|---------------------------------------|-------------------------------------|---------|----------|---------|----------|
| SCHERER ASH POND                      |                                     |         |          |         |          |
|                                       | 311 -STRUCTURES & IMPROVEMENTS      | 687     |          |         | 687      |
| <i>SCHERER ASH POND SUB TOTAL</i>     |                                     | 687     |          |         | 687      |
| SCHERER ECO                           |                                     |         |          |         |          |
|                                       | 307 -CONSTRUCTION CLEARING ACCOUNTS |         |          |         |          |
|                                       | 308 -ENGINEERING                    |         |          |         |          |
|                                       | 309 -OVERHEADS                      |         |          |         |          |
|                                       | 312 -BOILER PLANT EQUIPMENT         | 174     |          | (79)    | 95       |
| <i>SCHERER ECO SUB TOTAL</i>          |                                     | 175     |          | (79)    | 96       |
| SCHERER ECO-BAGHOUSE                  |                                     |         |          |         |          |
|                                       | 307 -CONSTRUCTION CLEARING ACCOUNTS |         |          |         |          |
|                                       | 308 -ENGINEERING                    |         |          |         |          |
|                                       | 309 -OVERHEADS                      |         |          |         |          |
|                                       | 312 -BOILER PLANT EQUIPMENT         | 131     |          | (59)    | 72       |
| <i>SCHERER ECO-BAGHOUSE SUB TOTAL</i> |                                     | 131     |          | (59)    | 72       |
| SCHERER ECO-FGD                       |                                     |         |          |         |          |
|                                       | 307 -CONSTRUCTION CLEARING ACCOUNTS |         |          |         |          |
|                                       | 308 -ENGINEERING                    |         |          |         |          |
|                                       | 309 -OVERHEADS                      |         |          |         |          |
|                                       | 312 -BOILER PLANT EQUIPMENT         | 150     |          | (34)    | 116      |
| <i>SCHERER ECO-FGD SUB TOTAL</i>      |                                     | 151     |          | (34)    | 117      |
| SCHERER ECO-SCR                       |                                     |         |          |         |          |
|                                       | 307 -CONSTRUCTION CLEARING ACCOUNTS |         |          |         |          |
|                                       | 308 -ENGINEERING                    |         |          |         |          |
|                                       | 309 -OVERHEADS                      |         |          |         |          |
|                                       | 312 -BOILER PLANT EQUIPMENT         | 179     |          | (75)    | 104      |
| <i>SCHERER ECO-SCR SUB TOTAL</i>      |                                     | 179     |          | (75)    | 105      |

**SCHERER**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA               | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|------------------------|-------------------------------------|---------|----------|---------|----------|
| <b>SCHERER NON-ECO</b> |                                     |         |          |         |          |
|                        | 307 -CONSTRUCTION CLEARING ACCOUNTS | 318     |          |         | 318      |
|                        | 308 -ENGINEERING                    | 52      |          |         | 52       |
|                        | 309 -OVERHEADS                      | 1       |          |         | 1        |
|                        | 311 -STRUCTURES & IMPROVEMENTS      | 941     | 25       | (371)   | 596      |
|                        | 312 -BOILER PLANT EQUIPMENT         | 356     | 38       | (214)   | 180      |
|                        | 314 -TURBOGENERATOR UNITS           | 778     |          | (405)   | 373      |
|                        | 315 -ACCESSORY ELEC EQUIPMENT       | 118     |          | (214)   | (96)     |
|                        | 341 -STRUCTURES & IMPROVEMENTS      |         | 1        |         | 1        |
|                        | 343 -PRIME MOVERS                   |         | 12       |         | 12       |
|                        | <i>SCHERER NON-ECO SUB TOTAL</i>    | 2,565   | 76       | (1,203) | 1,438    |
|                        | SCHERER SUBTOTAL                    | 3,888   | 76       | (1,449) | 2,516    |
|                        | 304 - CONTINGENCY                   |         |          |         |          |
|                        | 0000 - CONTINGENCY                  | 389     | 8        | (145)   | 252      |
|                        | SCHERER GRAND TOTAL                 | 4,277   | 84       | (1,594) | 2,767    |

**SCHOLZ**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA               | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|------------------------|-------------------------------------|---------|----------|---------|----------|
| <b>SCHOLZ ASBESTOS</b> |                                     |         |          |         |          |
|                        | 307 -CONSTRUCTION CLEARING ACCOUNTS | 15      |          |         | 15       |
|                        | 308 -ENGINEERING                    | 25      |          |         | 25       |
|                        | 309 -OVERHEADS                      | 15      |          |         | 15       |
|                        | 312 -BOILER PLANT EQUIPMENT         | 1,501   | 108      |         | 1,609    |
|                        | <i>SCHOLZ ASBESTOS SUB TOTAL</i>    | 1,556   | 108      |         | 1,664    |
| <b>SCHOLZ ECO</b>      |                                     |         |          |         |          |
|                        | 307 -CONSTRUCTION CLEARING ACCOUNTS | 3       |          |         | 3        |
|                        | 308 -ENGINEERING                    | 6       |          |         | 6        |
|                        | 309 -OVERHEADS                      | 2       |          |         | 2        |
|                        | 312 -BOILER PLANT EQUIPMENT         | 168     |          | (126)   | 42       |
|                        | <i>SCHOLZ ECO SUB TOTAL</i>         | 179     |          | (126)   | 53       |
| <b>SCHOLZ NON-ECO</b>  |                                     |         |          |         |          |
|                        | 307 -CONSTRUCTION CLEARING ACCOUNTS | 339     |          |         | 339      |
|                        | 308 -ENGINEERING                    | 504     |          |         | 504      |
|                        | 309 -OVERHEADS                      | 26      |          |         | 26       |
|                        | 311 -STRUCTURES & IMPROVEMENTS      | 1,958   | 289      | (291)   | 1,957    |
|                        | 312 -BOILER PLANT EQUIPMENT         | 253     | 162      | (163)   | 251      |
|                        | 314 -TURBOGENERATOR UNITS           | 341     |          | (162)   | 179      |
|                        | 315 -ACCESSORY ELEC EQUIPMENT       | 80      |          | (175)   | (95)     |
|                        | 341 -STRUCTURES & IMPROVEMENTS      |         | 1        |         | 1        |
|                        | 343 -PRIME MOVERS                   |         | 65       |         | 65       |
|                        | <i>SCHOLZ NON-ECO SUB TOTAL</i>     | 3,502   | 517      | (791)   | 3,227    |

**SCHOLZ**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA | DESCRIPTION | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|----------|-------------|---------|----------|---------|----------|
| SCHOLZ   | SUBTOTAL    | 5,237   | 625      | (918)   | 4,944    |
| 304 -    | CONTINGENCY |         |          |         |          |
| 0000 -   | CONTINGENCY | 524     | 63       | (92)    | 494      |
| SCHOLZ   | GRAND TOTAL | 5,760   | 688      | (1,009) | 5,439    |

**SMITH**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA              | DESCRIPTION                         | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|-----------------------|-------------------------------------|---------|----------|---------|----------|
| <b>SMITH ASBESTOS</b> |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 21      |          |         | 21       |
|                       | 308 -ENGINEERING                    | 35      |          |         | 35       |
|                       | 309 -OVERHEADS                      | 21      |          |         | 21       |
|                       | 312 -BOILER PLANT EQUIPMENT         | 2,107   | 120      |         | 2,226    |
|                       | <i>SMITH ASBESTOS SUB TOTAL</i>     | 2,184   | 120      |         | 2,304    |
| <b>SMITH ECO</b>      |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 7       |          |         | 7        |
|                       | 308 -ENGINEERING                    | 13      |          |         | 13       |
|                       | 309 -OVERHEADS                      | 4       |          |         | 4        |
|                       | 312 -BOILER PLANT EQUIPMENT         | 360     |          | (271)   | 89       |
|                       | <i>SMITH ECO SUB TOTAL</i>          | 384     |          | (271)   | 113      |
| <b>SMITH NON-ECO</b>  |                                     |         |          |         |          |
|                       | 307 -CONSTRUCTION CLEARING ACCOUNTS | 1,597   |          |         | 1,597    |
|                       | 308 -ENGINEERING                    | 793     |          |         | 793      |
|                       | 309 -OVERHEADS                      | 98      |          |         | 98       |
|                       | 311 -STRUCTURES & IMPROVEMENTS      | 5,821   | 535      | (1,769) | 4,587    |
|                       | 312 -BOILER PLANT EQUIPMENT         | 1,415   | 75       | (1,053) | 438      |
|                       | 314 -TURBOGENERATOR UNITS           | 1,291   |          | (971)   | 320      |
|                       | 315 -ACCESSORY ELEC EQUIPMENT       | 383     |          | (807)   | (424)    |
|                       | 341 -STRUCTURES & IMPROVEMENTS      | 512     | 9        | (226)   | 294      |
|                       | 343 -PRIME MOVERS                   | 171     | 115      | (108)   | 178      |
|                       | 344 -GENERATORS                     | 128     |          | (57)    | 71       |
|                       | 345 -ACCESSORY ELEC EQUIPMENT       | 88      |          | (158)   | (70)     |
|                       | <i>SMITH NON-ECO SUB TOTAL</i>      | 12,296  | 734      | (5,148) | 7,882    |

**SMITH**  
**SITE SUMMARY LEVEL EXHIBIT M.1**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA | DESCRIPTION | REMOVAL | DISPOSAL | SALVAGE | TOTAL \$ |
|----------|-------------|---------|----------|---------|----------|
| SMITH    | SUBTOTAL    | 14,865  | 854      | (5,419) | 10,300   |
| 304 -    | CONTINGENCY |         |          |         |          |
| 0000 -   | CONTINGENCY | 1,486   | 85       | (542)   | 1,030    |
| SMITH    | GRAND TOTAL | 16,351  | 939      | (5,961) | 11,329   |

**EXHIBIT M.2 - Plant Detail**

**CRIST ASBESTOS COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                     | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|---------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                 | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                 |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES | 1.00 %   | 37   |          |      |          |      | 37       |
| 308 - ENGINEERING                            |                                 |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                 | 1.00 %   | 37   |          |      |          |      | 37       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                 | 1.00 LT  | 3    |          |      |          |      | 3        |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE  | 0.60 %   | 22   |          |      |          |      | 22       |
| 308 - FERC ACCOUNT TOTAL                     |                                 |          | 62   |          |      |          |      | 62       |
| CRIST ASBESTOS COMMON SUBTOTAL               |                                 |          | 99   |          |      |          |      | 99       |
| 304 - CONTINGENCY                            |                                 |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                 |          | 10   |          |      |          |      | 10       |
| CRIST ASBESTOS COMMON GRAND TOTAL            |                                 |          | 109  |          |      |          |      | 109      |

**CRIST ASBESTOS UNIT 4  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |      | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |      |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 287  | 114.28 TN | 22   |          |      | 309      |
| CRIST ASBESTOS UNIT 4 SUBTOTAL          |                       |          | 287  |           | 22   |          |      | 309      |
| 304 - CONTINGENCY                       |                       |          |      |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 29   |           | 2    |          |      | 31       |
| CRIST ASBESTOS UNIT 4 GRAND TOTAL       |                       |          | 316  |           | 24   |          |      | 339      |

**CRIST ASBESTOS UNIT 5  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |      | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |      |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 287  | 114.28 TN | 22   |          |      | 309      |
| CRIST ASBESTOS UNIT 5 SUBTOTAL          |                       |          | 287  |           | 22   |          |      | 309      |
| 304 - CONTINGENCY                       |                       |          |      |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 29   |           | 2    |          |      | 31       |
| CRIST ASBESTOS UNIT 5 GRAND TOTAL       |                       |          | 316  |           | 24   |          |      | 339      |

**CRIST ASBESTOS UNIT 6  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL       |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|---------------|-------|----------|------|----------|------|----------|
|   |                       | QUANTITY      | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |               |       |          |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) | 195,067.38 SF | 1,224 |          | 93   |          |      | 1,317    |
| CRIST ASBESTOS UNIT 6 SUBTOTAL          |                       |               |       | 1,224    |      | 93       |      | 1,317    |
| 304 - CONTINGENCY                       |                       |               |       |          |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |               | 122   |          | 9    |          |      | 132      |
| CRIST ASBESTOS UNIT 6 GRAND TOTAL       |                       |               |       | 1,346    |      | 102      |      | 1,448    |

**CRIST ASBESTOS UNIT 7  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |       | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|-------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST  | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |       |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 1,912 | 761.86 TN | 145  |          |      | 2,057    |
| CRIST ASBESTOS UNIT 7 SUBTOTAL          |                       |          | 1,912 |           | 145  |          |      | 2,057    |
| 304 - CONTINGENCY                       |                       |          |       |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 191   |           | 14   |          |      | 206      |
| CRIST ASBESTOS UNIT 7 GRAND TOTAL       |                       |          | 2,104 |           | 159  |          |      | 2,263    |

**CRIST ASH POND COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|--------------------------|----------|--------|----------|------|----------|------|----------|
|                                 |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST |          |
| 311 - STRUCTURES & IMPROVEMENTS |                          |          |        |          |      |          |      |          |
| 2080 - PONDS                    |                          |          |        |          |      |          |      |          |
|                                 | Crist CCP Landfills      | 68.00 AC | 16,851 |          |      |          |      | 16,851   |
|                                 | Crist Gypsum Landfill    | 14.00 AC | 3,271  |          |      |          |      | 3,271    |
|                                 | 2080 - COA ACCOUNT TOTAL |          | 20,122 |          |      |          |      | 20,122   |
| CRIST ASH POND COMMON           | SUBTOTAL                 |          | 20,122 |          |      |          |      | 20,122   |
| 304 - CONTINGENCY               |                          |          |        |          |      |          |      |          |
| 0000 - CONTINGENCY              |                          |          | 2,012  |          |      |          |      | 2,012    |
| CRIST ASH POND COMMON           | GRAND TOTAL              |          | 22,134 |          |      |          |      | 22,134   |

**CRIST ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %   | 13   |          |      |          |      | 13       |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %   | 20   |          |      |          |      | 20       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  | 1    |          |      |          |      | 1        |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 4    |          |      |          |      | 4        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 25   |          |      |          |      | 25       |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 7    |          |      |          |      | 7        |
| CRIST ECO COMMON SUBTOTAL                    |                                   |          | 45   |          |      |          |      | 45       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 4    |          |      |          |      | 4        |
| CRIST ECO COMMON GRAND TOTAL                 |                                   |          | 49   |          |      |          |      | 49       |

**CRIST ECO UNIT 4  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|---------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST    |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |         |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |         |          |
|                              | Precipitators - DEMO     | 450.00   | nt 113 |          |      |          |         | 113      |
|                              | Precipitators - FE Sales |          |        |          |      | 900      | nt (81) | (81)     |
|                              | 0000 - COA ACCOUNT TOTAL |          | 113    |          |      |          | (81)    | 31       |
| CRIST ECO UNIT 4 SUBTOTAL    |                          |          |        | 113      |      |          | (81)    | 31       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |         |          |
| 0000 - CONTINGENCY           |                          |          | 11     |          |      |          | (8)     | 3        |
| CRIST ECO UNIT 4 GRAND TOTAL |                          |          |        | 124      |      |          | (89)    | 34       |

**CRIST ECO UNIT 5  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|---------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST    |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |         |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |         |          |
|                              | Precipitators - DEMO     | 450.00   | nt 113 |          |      |          |         | 113      |
|                              | Precipitators - FE Sales |          |        |          |      | 900      | nt (81) | (81)     |
|                              | 0000 - COA ACCOUNT TOTAL |          | 113    |          |      |          | (81)    | 31       |
| CRIST ECO UNIT 5 SUBTOTAL    |                          |          | 113    |          |      |          | (81)    | 31       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |         |          |
| 0000 - CONTINGENCY           |                          |          | 11     |          |      |          | (8)     | 3        |
| CRIST ECO UNIT 5 GRAND TOTAL |                          |          | 124    |          |      |          | (89)    | 34       |

**CRIST ECO UNIT 6**  
**PLANT DETAIL EXHIBIT M.2**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |          |          |
|                              | Precipitators - DEMO     | 750.00   | nt 180 |          |      |          |          | 180      |
|                              | Precipitators - FE Sales |          |        |          |      | 750      | nt (135) | (135)    |
|                              | 0000 - COA ACCOUNT TOTAL |          | 180    |          |      |          | (135)    | 45       |
| CRIST ECO UNIT 6 SUBTOTAL    |                          |          | 180    |          |      |          | (135)    | 45       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY           |                          |          | 18     |          |      |          | (14)     | 4        |
| CRIST ECO UNIT 6 GRAND TOTAL |                          |          | 198    |          |      |          | (149)    | 49       |

**CRIST ECO UNIT 7  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |          |          |
|                              | Precipitators - DEMO     | 1,100.00 | nt 264 |          |      |          |          | 264      |
|                              | Precipitators - FE Sales |          |        |          |      | 1,100    | nt (199) | (199)    |
|                              | 0000 - COA ACCOUNT TOTAL |          | 264    |          |      |          | (199)    | 65       |
| CRIST ECO UNIT 7 SUBTOTAL    |                          |          |        | 264      |      |          | (199)    | 65       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY           |                          |          | 26     |          |      |          | (20)     | 7        |
| CRIST ECO UNIT 7 GRAND TOTAL |                          |          |        | 290      |      |          | (218)    | 72       |

**CRIST ECO-FGD COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                         | REMOVAL     |      | DISPOSAL |      | SALVAGE  |       | TOTAL \$ |
|--|-------------------------------------|-------------|------|----------|------|----------|-------|----------|
|  |                                     | QUANTITY    | COST | QUANTITY | COST | QUANTITY | COST  |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                     |             |      |          |      |          |       |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES     | 2.00 %      | 12   |          |      |          |       | 12       |
| 308 - ENGINEERING                            |                                     |             |      |          |      |          |       |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                     | 3.00 %      | 18   |          |      |          |       | 18       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                     | 1.00 LT     |      |          |      |          |       |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE      | 0.60 %      | 4    |          |      |          |       | 4        |
| 308 - FERC ACCOUNT TOTAL                     |                                     |             | 23   |          |      |          |       | 23       |
| 309 - OVERHEADS                              |                                     |             |      |          |      |          |       |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD   | 1.00 %      | 6    |          |      |          |       | 6        |
| 312 - BOILER PLANT EQUIPMENT                 |                                     |             |      |          |      |          |       |          |
| 0000 - UNDEFINED                             | SO2 SCRUBBER - 450' Stack (felling) | 1.00 ea     | 350  |          |      |          |       | 350      |
|  | SO2 SCRUBBER - Demo FE              | 1,100.00 nt | 264  |          |      |          |       | 264      |
|  | SO2 SCRUBBER - FE Sales             |             |      |          |      | 1,100 nt | (199) | (199)    |
| 0000 - COA ACCOUNT TOTAL                     |                                     |             | 614  |          |      |          | (199) | 415      |
| CRIST ECO-FGD COMMON SUBTOTAL                |                                     |             | 655  |          |      |          | (199) | 456      |
| 304 - CONTINGENCY                            |                                     |             |      |          |      |          |       |          |
| 0000 - CONTINGENCY                           |                                     |             | 66   |          |      |          | (20)  | 46       |
| CRIST ECO-FGD COMMON GRAND TOTAL             |                                     |             | 721  |          |      |          | (218) | 502      |

**CRIST ECO-SCR UNIT 6  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL   |      | DISPOSAL |      | SALVAGE  |       | TOTAL \$ |
|--|-----------------------------------|-----------|------|----------|------|----------|-------|----------|
|  |                                   | QUANTITY  | COST | QUANTITY | COST | QUANTITY | COST  |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |           |      |          |      |          |       |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %    | 3    |          |      |          |       | 3        |
| 308 - ENGINEERING                            |                                   |           |      |          |      |          |       |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %    | 5    |          |      |          |       | 5        |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT   |      |          |      |          |       |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %    | 1    |          |      |          |       | 1        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |           | 6    |          |      |          |       | 6        |
| 309 - OVERHEADS                              |                                   |           |      |          |      |          |       |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %    | 2    |          |      |          |       | 2        |
| 312 - BOILER PLANT EQUIPMENT                 |                                   |           |      |          |      |          |       |          |
| 0000 - UNDEFINED                             | SCR DEMO                          | 650.00 nt | 169  |          |      |          |       | 169      |
|  | SCR FE SALES                      |           |      |          |      | 650 nt   | (117) | (117)    |
| 0000 - COA ACCOUNT TOTAL                     |                                   |           | 169  |          |      |          | (117) | 52       |
| CRIST ECO-SCR UNIT 6 SUBTOTAL                |                                   |           | 180  |          |      |          | (117) | 63       |
| 304 - CONTINGENCY                            |                                   |           |      |          |      |          |       |          |
| 0000 - CONTINGENCY                           |                                   |           | 18   |          |      |          | (12)  | 6        |
| CRIST ECO-SCR UNIT 6 GRAND TOTAL             |                                   |           | 198  |          |      |          | (129) | 69       |

**CRIST ECO-SCR UNIT 7  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL     |      | DISPOSAL |      | SALVAGE  |       | TOTAL \$ |
|--|-----------------------------------|-------------|------|----------|------|----------|-------|----------|
|  |                                   | QUANTITY    | COST | QUANTITY | COST | QUANTITY | COST  |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |             |      |          |      |          |       |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %      | 5    |          |      |          |       | 5        |
| 308 - ENGINEERING                            |                                   |             |      |          |      |          |       |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %      | 8    |          |      |          |       | 8        |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT     |      |          |      |          |       |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %      | 2    |          |      |          |       | 2        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |             | 10   |          |      |          |       | 10       |
| 309 - OVERHEADS                              |                                   |             |      |          |      |          |       |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %      | 3    |          |      |          |       | 3        |
| 312 - BOILER PLANT EQUIPMENT                 |                                   |             |      |          |      |          |       |          |
| 0000 - UNDEFINED                             | SCR DEMO                          | 1,050.00 nt | 273  |          |      |          |       | 273      |
|  | SCR FE SALES                      |             |      |          |      | 1,050 nt | (190) | (190)    |
| 0000 - COA ACCOUNT TOTAL                     |                                   |             | 273  |          |      |          | (190) | 83       |
| CRIST ECO-SCR UNIT 7 SUBTOTAL                |                                   |             | 291  |          |      |          | (190) | 102      |
| 304 - CONTINGENCY                            |                                   |             |      |          |      |          |       |          |
| 0000 - CONTINGENCY                           |                                   |             | 29   |          |      |          | (19)  | 10       |
| CRIST ECO-SCR UNIT 7 GRAND TOTAL             |                                   |             | 320  |          |      |          | (209) | 112      |

**CRIST NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |        | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|--------|----------|------|----------|------|----------|
|                       |  | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |        |          |      |          |      |          |
|                       | - UNDEFINED  |          |        |          |      |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 1.00     | 1s 200 |          |      |          |      | 200      |
| 0040 -                | PRODUCTION COSTS                                       |          |        |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 5.00     | MY 675 |          |      |          |      | 675      |
| 0200 -                | TEMPORARY SERVICES                                     |          |        |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 1.00     | LT 250 |          |      |          |      | 250      |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | % 102  |          |      |          |      | 102      |
| 0200 -                | COA ACCOUNT TOTAL                                      |          |        |          |      |          |      | 352      |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |        |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 15.00    | MY 761 |          |      |          |      | 761      |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          | 1,989  |          |      |          |      | 1,989    |
| 308 -                 | ENGINEERING  |          |        |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |        |          |      |          |      |          |
|                       | Design bulkhead for intake and discharge tunnel        | 1.00     | 1s 50  |          |      |          |      | 50       |
|                       | SCS ENGINEERING  | 3.00     | % 453  |          |      |          |      | 453      |
|                       | Storm Water Prevention Plan                            | 1.00     | 1s 30  |          |      |          |      | 30       |
| 0240 -                | COA ACCOUNT TOTAL                                      |          | 533    |          |      |          |      | 533      |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |        |          |      |          |      |          |
|                       | APC ENGINEERING  | 2,000.00 | M 203  |          |      |          |      | 203      |
|                       | Perform environmental survey of above grade structures | 1.00     | 1s 250 |          |      |          |      | 250      |
|                       | PERMITS  | 1.00     | LT 12  |          |      |          |      | 12       |
| 0260 -                | COA ACCOUNT TOTAL                                      |          | 465    |          |      |          |      | 465      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |        |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | % 91   |          |      |          |      | 91       |

**CRIST NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION  | REMOVAL         |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|--|-----------------|-------|----------|------|----------|------|----------|
|                                 |  | QUANTITY        | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 308 - ENGINEERING               |  |                 |       |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL        |  |                 | 1,089 |          |      |          |      | 1,089    |
| 309 - OVERHEADS                 |  |                 |       |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD         | ADMINISTRATIVE & GENERAL OVERHEAD                  | 1.00 %          | 151   |          |      |          |      | 151      |
| 311 - STRUCTURES & IMPROVEMENTS |  |                 |       |          |      |          |      |          |
| - UNDEFINED                     | ANCILLARY BUILDINGS - Demo                         | 450.00 nt       | 108   |          |      |          |      | 108      |
|                                 | ANCILLARY BUILDINGS - FE SALES                     |                 |       |          |      | 450 nt   | (81) | (81)     |
|                                 | Main Power Block - Backfill Basement               | 7,407.41 cy     | 711   |          |      |          |      | 711      |
|                                 | Transport & Dispose of Combustibles                | 16.50 nt        | 3     |          |      |          |      | 3        |
|                                 | Utility Disconnects                                | 1.00 ls         | 100   |          |      |          |      | 100      |
| - COA ACCOUNT TOTAL             |  |                 | 922   |          |      |          | (81) | 841      |
| 2020 - SITE PREPARATION         | Grade and Seeding                                  | 1,200,000.00 sf | 300   |          |      |          |      | 300      |
| 2040 - SITE IMPROVEMENTS        | Pavement Repairs                                   | 100,000.00 sf   | 450   |          |      |          |      | 450      |
| 2340 - STEAM GENERATOR BUILDING | Process, haul and backfill brick & block           | 6,000.00 nt     | 270   |          |      |          |      | 270      |
| 311 - FERC ACCOUNT TOTAL        |  |                 | 1,942 |          |      |          | (81) | 1,861    |
| 312 - BOILER PLANT EQUIPMENT    |  |                 |       |          |      |          |      |          |
| 0000 - UNDEFINED                | Main Power Block - Stack                           | 0.33 ea         | 100   |          |      |          |      | 100      |
| 314 - TURBOGENERATOR UNITS      |  |                 |       |          |      |          |      |          |
| - UNDEFINED                     | Main Power Block - Turbine Foundations<br>Concrete | 100.00 cy       | 32    |          |      |          |      | 32       |

**CRIST NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION                                   | REMOVAL  |        | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|----------------------------------|---|----------|--------|----------|------|----------|------|----------|
|                                  |   | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST |          |
| 314 - TURBOGENERATOR UNITS       |   |          |        |          |      |          |      |          |
| 7740 - COOLING WTR SYSTEM        |   |          |        |          |      |          |      |          |
|                                  | Install Bulkhead in Intake & Discharge Tunnel | 1.00     | ls 350 |          |      |          |      | 350      |
| 314 - FERC ACCOUNT TOTAL         |   |          | 382    |          |      |          |      | 382      |
| 341 - STRUCTURES & IMPROVEMENTS  |   |          |        |          |      |          |      |          |
| 0000 - UNDEFINED                 |   |          |        |          |      |          |      |          |
|                                  | Transport & Dispose of Combustibles           | 300.00   | nt 20  |          |      |          |      | 20       |
| CRIST NON-ECO COMMON SUBTOTAL    |   |          |        | 5,672    |      |          | (81) | 5,590    |
| 304 - CONTINGENCY                |   |          |        |          |      |          |      |          |
| 0000 - CONTINGENCY               |   |          | 567    |          |      |          | (8)  | 559      |
| CRIST NON-ECO COMMON GRAND TOTAL |   |          |        | 6,239    |      |          | (89) | 6,149    |

**CRIST NON-ECO UNIT 4  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION   | REMOVAL      |      | DISPOSAL    |      | SALVAGE    |       | TOTAL \$ |
|---------------------------------|---|--------------|------|-------------|------|------------|-------|----------|
|                                 |   | QUANTITY     | COST | QUANTITY    | COST | QUANTITY   | COST  |          |
| 311 - STRUCTURES & IMPROVEMENTS |   |              |      |             |      |            |       |          |
| - UNDEFINED                     |   |              |      |             |      |            |       |          |
|                                 | Main Power Block - Backfill Basement                    | 15,740.74 cy | 504  |             |      |            |       | 504      |
|                                 | Main Power Block - DEMO                                 | 1,440.90 nt  | 368  |             |      |            |       | 368      |
|                                 | Main Power Block - FE Sales                             |              |      |             |      | 1,441 nt   | (156) | (156)    |
|                                 | Transport & Dispose of Combustibles                     |              |      | 54.88 nt    | 4    |            |       | 4        |
|                                 | - COA ACCOUNT TOTAL                                     |              | 871  |             | 4    |            | (156) | 719      |
| 2340 - STEAM GENERATOR BUILDING |   |              |      |             |      |            |       |          |
|                                 | Process, haul and backfill brick & block                |              |      | 9,000.00 nt | 135  |            |       | 135      |
| 311 - FERC ACCOUNT TOTAL        |   |              | 871  |             | 139  |            | (156) | 854      |
| 312 - BOILER PLANT EQUIPMENT    |   |              |      |             |      |            |       |          |
| 0000 - UNDEFINED                |   |              |      |             |      |            |       |          |
|                                 | Dispose of Refractory in Subtitle D Landfill            |              |      | 1,400.00 nt | 91   |            |       | 91       |
|                                 | Main Power Block - 450' Concrete Stack                  | 0.50 ea      | 175  |             |      |            |       | 175      |
|                                 | Main Power Block - AL Sales                             |              |      |             |      | 21,951 lbs | (9)   | (9)      |
|                                 | Main Power Block - CU Sales                             |              |      |             |      | 41,463 lbs | (15)  | (15)     |
|                                 | Main Power Block - DEMO                                 | 480.30 nt    | 123  |             |      |            |       | 123      |
|                                 | Main Power Block - FE Sales                             |              |      |             |      | 600 nt     | (65)  | (65)     |
|                                 | Main Power Block - SS Sales                             |              |      |             |      | 29,268 lbs | (5)   | (5)      |
|                                 | 0000 - COA ACCOUNT TOTAL                                |              | 298  |             | 91   |            | (94)  | 294      |
| 314 - TURBOGENERATOR UNITS      |   |              |      |             |      |            |       |          |
| - UNDEFINED                     |   |              |      |             |      |            |       |          |
|                                 | Main Power Block - Condenser Tubes<br>(Admiralty Brass) |              |      |             |      | 67,500 lbs | (118) | (118)    |
|                                 | Main Power Block - DEMO                                 | 360.23 nt    | 92   |             |      |            |       | 92       |
|                                 | Main Power Block - FE Sales                             |              |      |             |      | 360 nt     | (39)  | (39)     |

**CRIST NON-ECO UNIT 4  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL   |       | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|----------------------------------|--|-----------|-------|-------------|------|-------------|-------|----------|
|                                  |  | QUANTITY  | COST  | QUANTITY    | COST | QUANTITY    | COST  |          |
| 314 -                            | TURBOGENERATOR UNITS                               |           |       |             |      |             |       |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 462.96 cy | 49    |             |      |             |       | 49       |
|                                  | - COA ACCOUNT TOTAL                                |           | 141   |             |      |             | (157) | (17)     |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |           |       |             |      |             |       |          |
|                                  | - UNDEFINED  |           |       |             |      |             |       |          |
|                                  | Main Power Block - CU Sales                        |           |       |             |      | 165,852 lbs | (61)  | (61)     |
|                                  | Main Power Block - DEMO                            | 120.08 nt | 31    |             |      |             |       | 31       |
|                                  | Unit & Service Transformers - CU Sales             |           |       |             |      | 55,029 lbs  | (17)  | (17)     |
|                                  | Unit & Service Transformers - Demo                 | 37.50 nt  | 10    |             |      |             |       | 10       |
|                                  | Unit & Service Transformers - FE Sales             |           |       |             |      | 38 nt       | (4)   | (4)      |
|                                  | - COA ACCOUNT TOTAL                                |           | 40    |             |      |             | (83)  | (43)     |
| 343 -                            | PRIME MOVERS                                       |           |       |             |      |             |       |          |
| 4000 -                           | ENVIRONMENTAL CLEANUP                              |           |       |             |      |             |       |          |
|                                  | Universal Wastes, Grease & Oil Removal             |           |       | 3,021.69 nt | 19   |             |       | 19       |
| CRIST NON-ECO UNIT 4 SUBTOTAL    |  |           | 1,350 | 248         |      |             | (491) | 1,107    |
| 304 -                            | CONTINGENCY  |           |       |             |      |             |       |          |
| 0000 -                           | CONTINGENCY  |           | 135   |             | 25   |             | (49)  | 111      |
| CRIST NON-ECO UNIT 4 GRAND TOTAL |  |           | 1,484 | 273         |      |             | (540) | 1,218    |

**CRIST NON-ECO UNIT 5  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION   | REMOVAL      |      | DISPOSAL    |      | SALVAGE    |       | TOTAL \$ |
|-----------------------|---|--------------|------|-------------|------|------------|-------|----------|
|                       |   | QUANTITY     | COST | QUANTITY    | COST | QUANTITY   | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                               |              |      |             |      |            |       |          |
|                       | - UNDEFINED   |              |      |             |      |            |       |          |
|                       | Main Power Block - Backfill Basement                    | 15,740.74 cy | 504  |             |      |            |       | 504      |
|                       | Main Power Block - DEMO                                 | 1,440.90 nt  | 368  |             |      |            |       | 368      |
|                       | Main Power Block - FE Sales                             |              |      |             |      | 1,441 nt   | (156) | (156)    |
|                       | Transport & Dispose of Combustibles                     |              |      | 54.88 nt    | 4    |            |       | 4        |
|                       | - COA ACCOUNT TOTAL                                     |              | 871  |             | 4    |            | (156) | 719      |
| 2340 -                | STEAM GENERATOR BUILDING                                |              |      |             |      |            |       |          |
|                       | Process, haul and backfill brick & block                |              |      | 9,000.00 nt | 135  |            |       | 135      |
| 311 -                 | FERC ACCOUNT TOTAL                                      |              | 871  |             | 139  |            | (156) | 854      |
| 312 -                 | BOILER PLANT EQUIPMENT                                  |              |      |             |      |            |       |          |
| 0000 -                | UNDEFINED   |              |      |             |      |            |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill            |              |      | 1,400.00 nt | 91   |            |       | 91       |
|                       | Main Power Block - 450' Concrete Stack                  | 0.50 ea      | 175  |             |      |            |       | 175      |
|                       | Main Power Block - AL Sales                             |              |      |             |      | 21,951 lbs | (9)   | (9)      |
|                       | Main Power Block - CU Sales                             |              |      |             |      | 41,463 lbs | (15)  | (15)     |
|                       | Main Power Block - DEMO                                 | 480.30 nt    | 123  |             |      |            |       | 123      |
|                       | Main Power Block - FE Sales                             |              |      |             |      | 600 nt     | (65)  | (65)     |
|                       | Main Power Block - SS Sales                             |              |      |             |      | 29,268 lbs | (5)   | (5)      |
| 0000 -                | COA ACCOUNT TOTAL                                       |              | 298  |             | 91   |            | (94)  | 294      |
| 314 -                 | TURBOGENERATOR UNITS                                    |              |      |             |      |            |       |          |
|                       | - UNDEFINED   |              |      |             |      |            |       |          |
|                       | Main Power Block - Condenser Tubes<br>(Admiralty Brass) |              |      |             |      | 67,500 lbs | (118) | (118)    |
|                       | Main Power Block - DEMO                                 | 360.23 nt    | 92   |             |      |            |       | 92       |
|                       | Main Power Block - FE Sales                             |              |      |             |      | 360 nt     | (39)  | (39)     |

**CRIST NON-ECO UNIT 5  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL   |       | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|----------------------------------|--|-----------|-------|-------------|------|-------------|-------|----------|
|                                  |  | QUANTITY  | COST  | QUANTITY    | COST | QUANTITY    | COST  |          |
| 314 -                            | TURBOGENERATOR UNITS                               |           |       |             |      |             |       |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 462.96 cy | 49    |             |      |             |       | 49       |
|                                  | - COA ACCOUNT TOTAL                                |           | 141   |             |      |             | (157) | (17)     |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |           |       |             |      |             |       |          |
|                                  | - UNDEFINED  |           |       |             |      |             |       |          |
|                                  | Main Power Block - CU Sales                        |           |       |             |      | 165,852 lbs | (61)  | (61)     |
|                                  | Main Power Block - DEMO                            | 120.08 nt | 31    |             |      |             |       | 31       |
|                                  | Unit & Service Transformers - CU Sales             |           |       |             |      | 55,029 lbs  | (17)  | (17)     |
|                                  | Unit & Service Transformers - Demo                 | 37.50 nt  | 10    |             |      |             |       | 10       |
|                                  | Unit & Service Transformers - FE Sales             |           |       |             |      | 38 nt       | (4)   | (4)      |
|                                  | - COA ACCOUNT TOTAL                                |           | 40    |             |      |             | (83)  | (43)     |
| 343 -                            | PRIME MOVERS                                       |           |       |             |      |             |       |          |
| 4000 -                           | ENVIRONMENTAL CLEANUP                              |           |       |             |      |             |       |          |
|                                  | Universal Wastes, Grease & Oil Removal             |           |       | 3,021.69 nt | 19   |             |       | 19       |
| CRIST NON-ECO UNIT 5 SUBTOTAL    |  |           | 1,350 | 248         |      |             | (491) | 1,107    |
| 304 -                            | CONTINGENCY  |           |       |             |      |             |       |          |
| 0000 -                           | CONTINGENCY  |           | 135   |             | 25   |             | (49)  | 111      |
| CRIST NON-ECO UNIT 5 GRAND TOTAL |  |           | 1,484 | 273         |      |             | (540) | 1,218    |

**CRIST NON-ECO UNIT 6  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                                  | REMOVAL      |       | DISPOSAL     |      | SALVAGE     |       | TOTAL \$ |
|-----------------------|--|--------------|-------|--------------|------|-------------|-------|----------|
|                       |  | QUANTITY     | COST  | QUANTITY     | COST | QUANTITY    | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                    |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                  |              |       |              |      |             |       |          |
|                       | Main Power Block - Backfill Basement         | 31,481.48 cy | 1,007 |              |      |             |       | 1,007    |
|                       | Main Power Block - DEMO                      | 6,828.00 nt  | 1,742 |              |      |             |       | 1,742    |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 6,828 nt    | (740) | (740)    |
|                       | Transport & Dispose of Combustibles          |              |       | 316.25 nt    | 21   |             |       | 21       |
|                       | - COA ACCOUNT TOTAL                          |              | 2,749 |              | 21   |             | (740) | 2,030    |
| 2340 -                | STEAM GENERATOR BUILDING                     |              |       |              |      |             |       |          |
|                       | Process, haul and backfill brick & block     |              |       | 22,000.00 nt | 330  |             |       | 330      |
| 311 -                 | FERC ACCOUNT TOTAL                           |              | 2,749 |              | 351  |             | (740) | 2,360    |
| 312 -                 | BOILER PLANT EQUIPMENT                       |              |       |              |      |             |       |          |
| 0000 -                | UNDEFINED                                    |              |       |              |      |             |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill |              |       | 4,900.00 nt  | 319  |             |       | 319      |
|                       | Main Power Block - 450' Concrete Stack       | 0.50 ea      | 175   |              |      |             |       | 175      |
|                       | Main Power Block - AL Sales                  |              |       |              |      | 103,500 lbs | (40)  | (40)     |
|                       | Main Power Block - CU Sales                  |              |       |              |      | 195,500 lbs | (72)  | (72)     |
|                       | Main Power Block - DEMO                      | 2,276.00 nt  | 581   |              |      |             |       | 581      |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 2,845 nt    | (308) | (308)    |
|                       | Main Power Block - SS Sales                  |              |       |              |      | 138,000 lbs | (25)  | (25)     |
| 0000 -                | COA ACCOUNT TOTAL                            |              | 756   |              | 319  |             | (446) | 628      |
| 314 -                 | TURBOGENERATOR UNITS                         |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                  |              |       |              |      |             |       |          |
|                       | Main Power Block - Condenser Tubes (305 SS)  |              |       |              |      | 288,000 lbs | (64)  | (64)     |
|                       | Main Power Block - DEMO                      | 1,707.00 nt  | 435   |              |      |             |       | 435      |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 1,707 nt    | (185) | (185)    |

**CRIST NON-ECO UNIT 6  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL     |       | DISPOSAL     |      | SALVAGE     |         | TOTAL \$ |
|----------------------------------|--|-------------|-------|--------------|------|-------------|---------|----------|
|                                  |  | QUANTITY    | COST  | QUANTITY     | COST | QUANTITY    | COST    |          |
| 314 -                            | TURBOGENERATOR UNITS                               |             |       |              |      |             |         |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 1,111.11 cy | 117   |              |      |             |         | 117      |
|                                  | - COA ACCOUNT TOTAL                                |             | 552   |              |      |             | (249)   | 303      |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |             |       |              |      |             |         |          |
|                                  | - UNDEFINED  |             |       |              |      |             |         |          |
|                                  | Main Power Block - CU Sales                        |             |       |              |      | 782,000 lbs | (289)   | (289)    |
|                                  | Main Power Block - DEMO                            | 569.00 nt   | 145   |              |      |             |         | 145      |
|                                  | Unit & Service Transformers - CU Sales             |             |       |              |      | 252,113 lbs | (79)    | (79)     |
|                                  | Unit & Service Transformers - Demo                 | 120.00 nt   | 31    |              |      |             |         | 31       |
|                                  | Unit & Service Transformers - FE Sales             |             |       |              |      | 120 nt      | (13)    | (13)     |
|                                  | - COA ACCOUNT TOTAL                                |             | 176   |              |      |             | (382)   | (206)    |
| 343 -                            | PRIME MOVERS                                       |             |       |              |      |             |         |          |
| 4000 -                           | ENVIRONMENTAL CLEANUP                              |             |       |              |      |             |         |          |
|                                  | Universal Wastes, Grease & Oil Removal             |             |       | 10,575.92 nt | 65   |             |         | 65       |
| CRIST NON-ECO UNIT 6 SUBTOTAL    |  |             | 4,233 | 734          |      |             | (1,818) | 3,149    |
| 304 -                            | CONTINGENCY  |             |       |              |      |             |         |          |
| 0000 -                           | CONTINGENCY  |             | 423   |              | 73   |             | (182)   | 315      |
| CRIST NON-ECO UNIT 6 GRAND TOTAL |  |             | 4,656 | 807          |      |             | (1,999) | 3,464    |

**CRIST NON-ECO UNIT 7  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                                  | REMOVAL      |       | DISPOSAL     |      | SALVAGE     |       | TOTAL \$ |
|-----------------------|--|--------------|-------|--------------|------|-------------|-------|----------|
|                       |  | QUANTITY     | COST  | QUANTITY     | COST | QUANTITY    | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                    |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                  |              |       |              |      |             |       |          |
|                       | Main Power Block - Backfill Basement         | 54,814.81 cy | 1,754 |              |      |             |       | 1,754    |
|                       | Main Power Block - DEMO                      | 9,210.00 nt  | 2,349 |              |      |             |       | 2,349    |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 9,210 nt    | (998) | (998)    |
|                       | Transport & Dispose of Combustibles          |              |       | 426.25 nt    | 28   |             |       | 28       |
|                       | - COA ACCOUNT TOTAL                          |              | 4,104 |              | 28   |             | (998) | 3,133    |
| 2340 -                | STEAM GENERATOR BUILDING                     |              |       |              |      |             |       |          |
|                       | Process, haul and backfill brick & block     |              |       | 27,000.00 nt | 405  |             |       | 405      |
| 311 -                 | FERC ACCOUNT TOTAL                           |              | 4,104 |              | 433  |             | (998) | 3,538    |
| 312 -                 | BOILER PLANT EQUIPMENT                       |              |       |              |      |             |       |          |
| 0000 -                | UNDEFINED                                    |              |       |              |      |             |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill |              |       | 6,300.00 nt  | 410  |             |       | 410      |
|                       | Main Power Block - 450' Concrete Stack       | 0.50 ea      | 175   |              |      |             |       | 175      |
|                       | Main Power Block - AL Sales                  |              |       |              |      | 139,500 lbs | (54)  | (54)     |
|                       | Main Power Block - CU Sales                  |              |       |              |      | 263,500 lbs | (98)  | (98)     |
|                       | Main Power Block - DEMO                      | 3,070.00 nt  | 783   |              |      |             |       | 783      |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 3,838 nt    | (416) | (416)    |
|                       | Main Power Block - SS Sales                  |              |       |              |      | 186,000 lbs | (34)  | (34)     |
| 0000 -                | COA ACCOUNT TOTAL                            |              | 958   |              | 410  |             | (602) | 766      |
| 314 -                 | TURBOGENERATOR UNITS                         |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                  |              |       |              |      |             |       |          |
|                       | Main Power Block - Condenser Tubes (Ti)      |              |       |              |      | 468,000 lbs | (168) | (168)    |
|                       | Main Power Block - DEMO                      | 2,302.50 nt  | 587   |              |      |             |       | 587      |
|                       | Main Power Block - FE Sales                  |              |       |              |      | 2,303 nt    | (250) | (250)    |

**CRIST NON-ECO UNIT 7  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL     |       | DISPOSAL     |         | SALVAGE       |       | TOTAL \$ |
|----------------------------------|--|-------------|-------|--------------|---------|---------------|-------|----------|
|                                  |  | QUANTITY    | COST  | QUANTITY     | COST    | QUANTITY      | COST  |          |
| 314 -                            | TURBOGENERATOR UNITS                               |             |       |              |         |               |       |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 1,388.89 cy | 146   |              |         |               |       | 146      |
|                                  | - COA ACCOUNT TOTAL                                |             | 733   |              |         |               | (418) | 315      |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |             |       |              |         |               |       |          |
|                                  | - UNDEFINED  |             |       |              |         |               |       |          |
|                                  | Main Power Block - CU Sales                        |             |       |              |         | 1,054,000 lbs | (390) | (390)    |
|                                  | Main Power Block - DEMO                            | 767.50 nt   | 196   |              |         |               |       | 196      |
|                                  | Unit & Service Transformers - CU Sales             |             |       |              |         | 315,142 lbs   | (99)  | (99)     |
|                                  | Unit & Service Transformers - Demo                 | 150.00 nt   | 38    |              |         |               |       | 38       |
|                                  | Unit & Service Transformers - FE Sales             |             |       |              |         | 150 nt        | (16)  | (16)     |
|                                  | - COA ACCOUNT TOTAL                                |             | 234   |              |         |               | (505) | (271)    |
| 343 -                            | PRIME MOVERS                                       |             |       |              |         |               |       |          |
| 4000 -                           | ENVIRONMENTAL CLEANUP                              |             |       |              |         |               |       |          |
|                                  | Universal Wastes, Grease & Oil Removal             |             |       | 13,597.61 nt | 83      |               |       | 83       |
| CRIST NON-ECO UNIT 7 SUBTOTAL    |  |             | 6,029 | 925          | (2,524) | 4,431         |       |          |
| 304 -                            | CONTINGENCY  |             |       |              |         |               |       |          |
| 0000 -                           | CONTINGENCY  |             | 603   |              | 93      |               | (252) | 443      |
| CRIST NON-ECO UNIT 7 GRAND TOTAL |  |             | 6,632 | 1,018        | (2,776) | 4,874         |       |          |

**DANIEL12 ASH POND COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                | DESCRIPTION                      | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--------------------------------------|----------------------------------|----------|-------|----------|------|----------|------|----------|
|                                      |                                  | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 311 - STRUCTURES & IMPROVEMENTS      |                                  |          |       |          |      |          |      |          |
| 2080 - PONDS                         |                                  |          |       |          |      |          |      |          |
|                                      | Daniel Bottom Ash Pond Closure   | 9.50 AC  | 3,806 |          |      |          |      | 3,806    |
|                                      | Daniel Gypsum Facility           | 18.50 AC | 2,145 |          |      |          |      | 2,145    |
|                                      | Daniel NAMU Ash Landfill Closure | 15.00 AC | 1,605 |          |      |          |      | 1,605    |
| 2080 - COA ACCOUNT TOTAL             |                                  |          |       | 7,556    |      |          |      | 7,556    |
| DANIEL12 ASH POND COMMON SUBTOTAL    |                                  |          |       | 7,556    |      |          |      | 7,556    |
| 304 - CONTINGENCY                    |                                  |          |       |          |      |          |      |          |
| 0000 - CONTINGENCY                   |                                  |          |       | 756      |      |          |      | 756      |
| DANIEL12 ASH POND COMMON GRAND TOTAL |                                  |          |       | 8,311    |      |          |      | 8,311    |

**DANIEL12 ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %   | 28   |          |      |          |      | 28       |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %   | 42   |          |      |          |      | 42       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  | 1    |          |      |          |      | 1        |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 8    |          |      |          |      | 8        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 52   |          |      |          |      | 52       |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 14   |          |      |          |      | 14       |
| DANIEL12 ECO COMMON SUBTOTAL                 |                                   |          | 94   |          |      |          |      | 94       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 9    |          |      |          |      | 9        |
| DANIEL12 ECO COMMON GRAND TOTAL              |                                   |          | 103  |          |      |          |      | 103      |

**DANIEL12 ECO UNIT 1**  
**PLANT DETAIL EXHIBIT M.2**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|---------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                                 |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT    |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED                |                          |          |        |          |      |          |          |          |
|                                 | Precipitators - DEMO     | 2,870.58 | nt 703 |          |      |          |          | 703      |
|                                 | Precipitators - FE Sales |          |        |          |      | 2,871    | nt (311) | (311)    |
|                                 | 0000 - COA ACCOUNT TOTAL |          | 703    |          |      |          | (311)    | 392      |
| DANIEL12 ECO UNIT 1 SUBTOTAL    |                          |          | 703    |          |      |          | (311)    | 392      |
| 304 - CONTINGENCY               |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY              |                          |          | 70     |          |      |          | (31)     | 39       |
| DANIEL12 ECO UNIT 1 GRAND TOTAL |                          |          | 773    |          |      |          | (342)    | 431      |

**DANIEL12 ECO UNIT 2**  
**PLANT DETAIL EXHIBIT M.2**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|---------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                                 |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT    |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED                |                          |          |        |          |      |          |          |          |
|                                 | Precipitators - DEMO     | 2,870.58 | nt 703 |          |      |          |          | 703      |
|                                 | Precipitators - FE Sales |          |        |          |      | 2,871    | nt (311) | (311)    |
|                                 | 0000 - COA ACCOUNT TOTAL |          | 703    |          |      |          | (311)    | 392      |
| DANIEL12 ECO UNIT 2 SUBTOTAL    |                          |          | 703    |          |      |          | (311)    | 392      |
| 304 - CONTINGENCY               |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY              |                          |          | 70     |          |      |          | (31)     | 39       |
| DANIEL12 ECO UNIT 2 GRAND TOTAL |                          |          | 773    |          |      |          | (342)    | 431      |

**DANIEL12 ECO-FGD COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION   | REMOVAL   |      | DISPOSAL    |      | SALVAGE   |       | TOTAL \$ |
|--|---|-----------|------|-------------|------|-----------|-------|----------|
|  |   | QUANTITY  | COST | QUANTITY    | COST | QUANTITY  | COST  |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |   |           |      |             |      |           |       |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES                         | 2.00 %    | 12   |             |      |           |       | 12       |
| 308 - ENGINEERING                            |   |           |      |             |      |           |       |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING   | 3.00 %    | 18   |             |      |           |       | 18       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |   | 1.00 LT   |      |             |      |           |       |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE                          | 0.60 %    | 4    |             |      |           |       | 4        |
| 308 - FERC ACCOUNT TOTAL                     |   |           | 22   |             |      |           |       | 22       |
| 309 - OVERHEADS                              |   |           |      |             |      |           |       |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD                       | 1.00 %    | 6    |             |      |           |       | 6        |
| 311 - STRUCTURES & IMPROVEMENTS              |   |           |      |             |      |           |       |          |
| - UNDEFINED                                  | SO2 SCRUBBER - Transport & Dispose of Combustibles      |           |      | 12.66 nt    | 2    |           |       | 2        |
| 2340 - STEAM GENERATOR BUILDING              | SO2 SCRUBBER - Process, haul and backfill brick & block |           |      | 1,744.44 nt | 52   |           |       | 52       |
| 311 - FERC ACCOUNT TOTAL                     |   |           |      |             | 54   |           |       | 54       |
| 312 - BOILER PLANT EQUIPMENT                 |   |           |      |             |      |           |       |          |
| 0000 - UNDEFINED                             | SO2 SCRUBBER - AL Sales                                 |           |      |             |      | 3,038 lbs | (2)   | (2)      |
|  | SO2 SCRUBBER - 600' Stack (felling)                     | 0.25 ea   | 425  |             |      |           |       | 425      |
|  | SO2 SCRUBBER - Demo FE                                  | 337.50 nt | 162  |             |      |           |       | 162      |
|  | SO2 SCRUBBER - FE Sales                                 |           |      |             |      | 338 nt    | (122) | (122)    |

**DANIEL12 ECO-FGD COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS               | DESCRIPTION                               | REMOVAL  |      | DISPOSAL |      | SALVAGE   |       | TOTAL \$ |
|-------------------------------------|---|----------|------|----------|------|-----------|-------|----------|
|                                     |   | QUANTITY | COST | QUANTITY | COST | QUANTITY  | COST  |          |
| 312 - BOILER PLANT EQUIPMENT        | SO2 SCRUBBER - SS Sales                   |          |      |          |      | 4,050 lbs | (1)   | (1)      |
| 0000 - COA ACCOUNT TOTAL            |   |          | 587  |          |      |           | (126) | 461      |
| 314 - TURBOGENERATOR UNITS          | - UNDEFINED                               |          |      |          |      |           |       |          |
|                                     | SO2 SCRUBBER - Stack Foundations Concrete | 56.25 cy | 12   |          |      |           |       | 12       |
| 315 - ACCESSORY ELEC EQUIPMENT      | - UNDEFINED                               |          |      |          |      |           |       |          |
|                                     | SO2 SCRUBBER - CU Sales                   |          |      |          |      | 6,750 lbs | (5)   | (5)      |
| DANIEL12 ECO-FGD COMMON SUBTOTAL    |   |          | 639  |          | 54   |           | (131) | 562      |
| 304 - CONTINGENCY                   | 0000 - CONTINGENCY                        |          | 64   |          | 5    |           | (13)  | 56       |
| DANIEL12 ECO-FGD COMMON GRAND TOTAL |   |          | 703  |          | 59   |           | (144) | 618      |

**DANIEL12 NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |        | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|--------|----------|------|----------|------|----------|
|                       |  | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |        |          |      |          |      |          |
|                       | - UNDEFINED  |          |        |          |      |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 1.00     | 1s 100 |          |      |          |      | 100      |
| 0040 -                | PRODUCTION COSTS                                       |          |        |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 1.50     | MY 172 |          |      |          |      | 172      |
| 0200 -                | TEMPORARY SERVICES                                     |          |        |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 0.50     | LT 125 |          |      |          |      | 125      |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | % 115  |          |      |          |      | 115      |
| 0200 -                | COA ACCOUNT TOTAL                                      |          |        |          |      |          |      | 240      |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |        |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 3.00     | MY 129 |          |      |          |      | 129      |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          |        |          |      |          |      | 641      |
| 308 -                 | ENGINEERING  |          |        |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |        |          |      |          |      |          |
|                       | Design bulkhead for intake and discharge tunnel        | 0.50     | 1s 25  |          |      |          |      | 25       |
|                       | SCS ENGINEERING  | 3.00     | % 172  |          |      |          |      | 172      |
|                       | Storm Water Prevention Plan                            |          | 1s 15  |          |      |          |      | 15       |
| 0240 -                | COA ACCOUNT TOTAL                                      |          |        |          |      |          |      | 212      |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |        |          |      |          |      |          |
|                       | MPC ENGINEERING  | 850.00   | M 86   |          |      |          |      | 86       |
|                       | Perform environmental survey of above grade structures | 0.50     | 1s 125 |          |      |          |      | 125      |
|                       | PERMITS  | 1.00     | LT 2   |          |      |          |      | 2        |
| 0260 -                | COA ACCOUNT TOTAL                                      |          |        |          |      |          |      | 213      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |        |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | % 34   |          |      |          |      | 34       |

**DANIEL12 NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                   | REMOVAL       |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|---|---------------|------|----------|------|----------|------|----------|
|                                 |   | QUANTITY      | COST | QUANTITY | COST | QUANTITY | COST |          |
| 308 - ENGINEERING               |   |               |      |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL        |   |               | 460  |          |      |          |      | 460      |
| 309 - OVERHEADS                 |   |               |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD         | ADMINISTRATIVE & GENERAL OVERHEAD             | 1.00 %        | 57   |          |      |          |      | 57       |
| 311 - STRUCTURES & IMPROVEMENTS |   |               |      |          |      |          |      |          |
| - UNDEFINED                     | ANCILLARY BUILDINGS - Demo                    | 85.00 nt      | 31   |          |      |          |      | 31       |
|                                 | ANCILLARY BUILDINGS - FE SALES                |               |      |          |      | 85 nt    | (9)  | (9)      |
|                                 | Utility Disconnects                           | 0.50 ls       | 50   |          |      |          |      | 50       |
| - COA ACCOUNT TOTAL             |   |               | 81   |          |      |          | (9)  | 72       |
| 2020 - SITE PREPARATION         |   |               |      |          |      |          |      |          |
|                                 | Grade and Seeding                             | 400,000.00 sf | 51   |          |      |          |      | 51       |
| 2040 - SITE IMPROVEMENTS        |   |               |      |          |      |          |      |          |
|                                 | Pavement Repairs                              | 50,000.00 sf  | 230  |          |      |          |      | 230      |
| 311 - FERC ACCOUNT TOTAL        |   |               | 362  |          |      |          | (9)  | 353      |
| 314 - TURBOGENERATOR UNITS      |   |               |      |          |      |          |      |          |
| 7740 - COOLING WTR SYSTEM       | Install Bulkhead in Intake & Discharge Tunnel | 1.00 ls       | 125  |          |      |          |      | 125      |
| 341 - STRUCTURES & IMPROVEMENTS |   |               |      |          |      |          |      |          |
| 0000 - UNDEFINED                | Transport & Dispose of Combustibles           |               |      | 27.63 nt | 2    |          |      | 2        |

**DANIEL12 NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION                         | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---|-------------------------------------|----------|-------|----------|------|----------|------|----------|
|   |                                     | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
|   | DANIEL12 NON-ECO COMMON SUBTOTAL    |          | 1,645 | 2        |      | (9)      |      | 1,637    |
| 304 - CONTINGENCY<br>0000 - CONTINGENCY |                                     |          | 164   |          |      | (1)      |      | 164      |
|   | DANIEL12 NON-ECO COMMON GRAND TOTAL |          | 1,809 | 2        |      | (10)     |      | 1,801    |

**DANIEL12 NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                      | REMOVAL     |       | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|---------------------------------|--|-------------|-------|-------------|------|-------------|-------|----------|
|                                 |  | QUANTITY    | COST  | QUANTITY    | COST | QUANTITY    | COST  |          |
| 311 - STRUCTURES & IMPROVEMENTS |  |             |       |             |      |             |       |          |
| - UNDEFINED                     |  |             |       |             |      |             |       |          |
|                                 | Main Power Block - DEMO                          | 5,794.69 nt | 1,419 |             |      |             |       | 1,419    |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 5,795 nt    | (628) | (628)    |
|                                 | Transport & Dispose of Combustibles              |             |       | 217.98 nt   | 14   |             |       | 14       |
|                                 | - COA ACCOUNT TOTAL                              |             | 1,419 |             | 14   |             | (628) | 806      |
| 2340 - STEAM GENERATOR BUILDING |  |             |       |             |      |             |       |          |
|                                 | Process, haul and backfill brick & block         |             |       | 4,500.00 nt | 69   |             |       | 69       |
| 311 - FERC ACCOUNT TOTAL        |  |             | 1,419 |             | 83   |             | (628) | 874      |
| 312 - BOILER PLANT EQUIPMENT    |  |             |       |             |      |             |       |          |
| 0000 - UNDEFINED                |  |             |       |             |      |             |       |          |
|                                 | Dispose of Refractory in Subtitle D Landfill     |             |       | 1,777.78 nt | 118  |             |       | 118      |
|                                 | Main Power Block - (1) each 350' Stack (felling) | 0.25 ea     | 88    |             |      |             |       | 88       |
|                                 | Main Power Block - AL Sales                      |             |       |             |      | 87,190 lbs  | (34)  | (34)     |
|                                 | Main Power Block - CU Sales                      |             |       |             |      | 164,693 lbs | (52)  | (52)     |
|                                 | Main Power Block - DEMO                          | 1,931.56 nt | 473   |             |      |             |       | 473      |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 2,414 nt    | (262) | (262)    |
|                                 | Main Power Block - SS Sales                      |             |       |             |      | 116,254 lbs | (16)  | (16)     |
|                                 | 0000 - COA ACCOUNT TOTAL                         |             | 561   |             | 118  |             | (363) | 315      |
| 314 - TURBOGENERATOR UNITS      |  |             |       |             |      |             |       |          |
| - UNDEFINED                     |  |             |       |             |      |             |       |          |
|                                 | Main Power Block - Condenser Tubes (Titanium)    |             |       |             |      | 225,000 lbs | (37)  | (37)     |
|                                 | Main Power Block - DEMO                          | 1,448.67 nt | 355   |             |      |             |       | 355      |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 1,449 nt    | (157) | (157)    |

**DANIEL12 NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS               | DESCRIPTION  | REMOVAL     |       | DISPOSAL    |      | SALVAGE     |         | TOTAL \$ |
|-------------------------------------|--|-------------|-------|-------------|------|-------------|---------|----------|
|                                     |  | QUANTITY    | COST  | QUANTITY    | COST | QUANTITY    | COST    |          |
| 314 -                               | TURBOGENERATOR UNITS                               |             |       |             |      |             |         |          |
|                                     | Main Power Block - Turbine Foundations<br>Concrete | 1,490.74 cy | 160   |             |      |             |         | 160      |
|                                     | - COA ACCOUNT TOTAL                                |             | 514   |             |      |             | (194)   | 321      |
| 315 -                               | ACCESSORY ELEC EQUIPMENT                           |             |       |             |      |             |         |          |
|                                     | - UNDEFINED  |             |       |             |      |             |         |          |
|                                     | Main Power Block - CU Sales                        |             |       |             |      | 658,772 lbs | (207)   | (207)    |
|                                     | Main Power Block - DEMO                            | 482.89 nt   | 118   |             |      |             |         | 118      |
|                                     | Unit & Service Transformers - CU Sales             |             |       |             |      | 63,028 lbs  | (20)    | (20)     |
|                                     | Unit & Service Transformers - Demo                 | 30.00 nt    | 7     |             |      |             |         | 7        |
|                                     | Unit & Service Transformers - FE Sales             |             |       |             |      | 30 nt       | (3)     | (3)      |
|                                     | - COA ACCOUNT TOTAL                                |             | 126   |             |      |             | (230)   | (104)    |
| 343 -                               | PRIME MOVERS                                       |             |       |             |      |             |         |          |
|                                     | 4000 - ENVIRONMENTAL CLEANUP                       |             |       |             |      |             |         |          |
|                                     | Universal Wastes, Grease & Oil Removal             |             |       | 8,719.04 nt | 53   |             |         | 53       |
| DANIEL12 NON-ECO UNIT 1 SUBTOTAL    |  |             | 2,620 | 255         |      |             | (1,415) | 1,459    |
| 304 -                               | CONTINGENCY  |             |       |             |      |             |         |          |
|                                     | 0000 - CONTINGENCY                                 |             | 262   |             | 25   |             | (142)   | 146      |
| DANIEL12 NON-ECO UNIT 1 GRAND TOTAL |  |             | 2,882 | 280         |      |             | (1,557) | 1,605    |

**DANIEL12 NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                      | REMOVAL     |       | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|---------------------------------|--|-------------|-------|-------------|------|-------------|-------|----------|
|                                 |  | QUANTITY    | COST  | QUANTITY    | COST | QUANTITY    | COST  |          |
| 311 - STRUCTURES & IMPROVEMENTS |  |             |       |             |      |             |       |          |
| - UNDEFINED                     |  |             |       |             |      |             |       |          |
|                                 | Main Power Block - DEMO                          | 5,794.69 nt | 1,419 |             |      |             |       | 1,419    |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 5,795 nt    | (628) | (628)    |
|                                 | Transport & Dispose of Combustibles              |             |       | 217.98 nt   | 14   |             |       | 14       |
|                                 | - COA ACCOUNT TOTAL                              |             | 1,419 |             | 14   |             | (628) | 806      |
| 2340 - STEAM GENERATOR BUILDING |  |             |       |             |      |             |       |          |
|                                 | Process, haul and backfill brick & block         |             |       | 4,500.00 nt | 69   |             |       | 69       |
| 311 - FERC ACCOUNT TOTAL        |  |             | 1,419 |             | 83   |             | (628) | 874      |
| 312 - BOILER PLANT EQUIPMENT    |  |             |       |             |      |             |       |          |
| 0000 - UNDEFINED                |  |             |       |             |      |             |       |          |
|                                 | Dispose of Refractory in Subtitle D Landfill     |             |       | 1,777.78 nt | 118  |             |       | 118      |
|                                 | Main Power Block - (1) each 350' Stack (felling) | 0.25 ea     | 88    |             |      |             |       | 88       |
|                                 | Main Power Block - AL Sales                      |             |       |             |      | 87,190 lbs  | (34)  | (34)     |
|                                 | Main Power Block - CU Sales                      |             |       |             |      | 164,693 lbs | (52)  | (52)     |
|                                 | Main Power Block - DEMO                          | 1,931.56 nt | 473   |             |      |             |       | 473      |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 2,414 nt    | (262) | (262)    |
|                                 | Main Power Block - SS Sales                      |             |       |             |      | 116,254 lbs | (16)  | (16)     |
|                                 | 0000 - COA ACCOUNT TOTAL                         |             | 561   |             | 118  |             | (363) | 315      |
| 314 - TURBOGENERATOR UNITS      |  |             |       |             |      |             |       |          |
| - UNDEFINED                     |  |             |       |             |      |             |       |          |
|                                 | Main Power Block - Condenser Tubes (Titanium)    |             |       |             |      | 225,000 lbs | (37)  | (37)     |
|                                 | Main Power Block - DEMO                          | 1,448.67 nt | 355   |             |      |             |       | 355      |
|                                 | Main Power Block - FE Sales                      |             |       |             |      | 1,449 nt    | (157) | (157)    |

**DANIEL12 NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS               | DESCRIPTION  | REMOVAL     |       | DISPOSAL    |      | SALVAGE     |         | TOTAL \$ |
|-------------------------------------|--|-------------|-------|-------------|------|-------------|---------|----------|
|                                     |  | QUANTITY    | COST  | QUANTITY    | COST | QUANTITY    | COST    |          |
| 314 -                               | TURBOGENERATOR UNITS                               |             |       |             |      |             |         |          |
|                                     | Main Power Block - Turbine Foundations<br>Concrete | 1,490.74 cy | 160   |             |      |             |         | 160      |
|                                     | - COA ACCOUNT TOTAL                                |             | 514   |             |      |             | (194)   | 321      |
| 315 -                               | ACCESSORY ELEC EQUIPMENT                           |             |       |             |      |             |         |          |
|                                     | - UNDEFINED  |             |       |             |      |             |         |          |
|                                     | Main Power Block - CU Sales                        |             |       |             |      | 658,772 lbs | (207)   | (207)    |
|                                     | Main Power Block - DEMO                            | 482.89 nt   | 118   |             |      |             |         | 118      |
|                                     | Unit & Service Transformers - CU Sales             |             |       |             |      | 63,028 lbs  | (20)    | (20)     |
|                                     | Unit & Service Transformers - Demo                 | 30.00 nt    | 7     |             |      |             |         | 7        |
|                                     | Unit & Service Transformers - FE Sales             |             |       |             |      | 30 nt       | (3)     | (3)      |
|                                     | - COA ACCOUNT TOTAL                                |             | 126   |             |      |             | (230)   | (104)    |
| 343 -                               | PRIME MOVERS                                       |             |       |             |      |             |         |          |
| 4000 -                              | ENVIRONMENTAL CLEANUP                              |             |       |             |      |             |         |          |
|                                     | Universal Wastes, Grease & Oil Removal             |             |       | 8,719.04 nt | 53   |             |         | 53       |
| DANIEL12 NON-ECO UNIT 2 SUBTOTAL    |  |             | 2,620 | 255         |      |             | (1,415) | 1,459    |
| 304 -                               | CONTINGENCY  |             |       |             |      |             |         |          |
| 0000 -                              | CONTINGENCY  |             | 262   |             | 25   |             | (142)   | 146      |
| DANIEL12 NON-ECO UNIT 2 GRAND TOTAL |  |             | 2,882 | 280         |      |             | (1,557) | 1,605    |

**PEA RIDGE NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|-------|----------|------|----------|------|----------|
|                       |  | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |       |          |      |          |      |          |
|                       | - UNDEFINED  |          |       |          |      |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 1.00     | 10    |          |      |          |      | 10       |
| 0040 -                | PRODUCTION COSTS                                       |          |       |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 1.00     | 135   |          |      |          |      | 135      |
| 0200 -                | TEMPORARY SERVICES                                     |          |       |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 1.00     | 50    |          |      |          |      | 50       |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | (196) |          |      |          |      | (196)    |
| 0200 -                | COA ACCOUNT TOTAL                                      |          | (146) |          |      |          |      | (146)    |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |       |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 1.00     | 51    |          |      |          |      | 51       |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          | 50    |          |      |          |      | 50       |
| 308 -                 | ENGINEERING  |          |       |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |       |          |      |          |      |          |
|                       | SCS ENGINEERING  | 3.00     | 6     |          |      |          |      | 6        |
|                       | Storm Water Prevention Plan                            | 1.00     | 25    |          |      |          |      | 25       |
| 0240 -                | COA ACCOUNT TOTAL                                      |          | 31    |          |      |          |      | 31       |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |       |          |      |          |      |          |
|                       | APC ENGINEERING  | 2,000.00 | 203   |          |      |          |      | 203      |
|                       | Perform environmental survey of above grade structures | 1.00     | 25    |          |      |          |      | 25       |
|                       | PERMITS  | 1.00     |       |          |      |          |      |          |
| 0260 -                | COA ACCOUNT TOTAL                                      |          | 228   |          |      |          |      | 228      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |       |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | 1     |          |      |          |      | 1        |
| 308 -                 | FERC ACCOUNT TOTAL                                     |          | 260   |          |      |          |      | 260      |

**PEA RIDGE NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                | DESCRIPTION   | REMOVAL      |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--------------------------------------|---|--------------|------|----------|------|----------|------|----------|
|                                      |   | QUANTITY     | COST | QUANTITY | COST | QUANTITY | COST |          |
| 309 - OVERHEADS                      |   |              |      |          |      |          |      |          |
| 0480 -                               | GENERAL OVERHEAD<br>ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %       | 2    |          |      |          |      | 2        |
| 311 - STRUCTURES & IMPROVEMENTS      |   |              |      |          |      |          |      |          |
| - UNDEFINED                          |   |              |      |          |      |          |      |          |
|                                      | ANCILLARY BUILDINGS - Demo                            | 10.00 nt     | 2    |          |      |          |      | 2        |
|                                      | ANCILLARY BUILDINGS - FE SALES                        |              |      |          |      | 10 nt    | (2)  | (2)      |
|                                      | Utility Disconnects                                   | 1.00 ls      | 25   |          |      |          |      | 25       |
| - COA ACCOUNT TOTAL                  |   |              | 27   |          |      |          | (2)  | 26       |
| 2040 -                               | SITE IMPROVEMENTS<br>Pavement Repairs                 | 10,000.00 sf | 45   |          |      |          |      | 45       |
| 311 - FERC ACCOUNT TOTAL             |   |              | 72   |          |      |          | (2)  | 71       |
| 341 - STRUCTURES & IMPROVEMENTS      |   |              |      |          |      |          |      |          |
| 0000 - UNDEFINED                     |   |              |      |          |      |          |      |          |
|                                      | Transport & Dispose of Combustibles                   |              |      | 35.00 nt | 4    |          |      | 4        |
| PEA RIDGE NON-ECO COMMON SUBTOTAL    |   |              | 385  |          | 4    |          | (2)  | 386      |
| 304 - CONTINGENCY                    |   |              |      |          |      |          |      |          |
| 0000 -                               | CONTINGENCY   |              | 38   |          |      |          |      | 39       |
| PEA RIDGE NON-ECO COMMON GRAND TOTAL |   |              | 423  |          | 4    |          | (2)  | 425      |

**PEA RIDGE NON-ECO UNIT 1 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                      | DESCRIPTION                         | REMOVAL   |      | DISPOSAL |      | SALVAGE    |      | TOTAL \$ |
|--|-------------------------------------|-----------|------|----------|------|------------|------|----------|
|  |                                     | QUANTITY  | COST | QUANTITY | COST | QUANTITY   | COST |          |
| <b>341 - STRUCTURES &amp; IMPROVEMENTS</b> |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 54.00 nt  | 25   |          |      |            |      | 25       |
|  | CTs - FE Sales                      |           |      |          |      | 54 nt      | (6)  | (6)      |
|  | Transport & Dispose of Combustibles |           |      | 5.00 nt  | 1    |            |      | 1        |
|  | 0000 - COA ACCOUNT TOTAL            |           | 25   |          | 1    |            | (6)  | 19       |
| <b>343 - PRIME MOVERS</b>                  |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 1,700 lbs  | (1)  | (1)      |
|  | CTs - DEMO                          | 18.00 nt  | 8    |          |      |            |      | 8        |
|  | CTs - FE Sales                      |           |      |          |      | 23 nt      | (2)  | (2)      |
|  | 0000 - COA ACCOUNT TOTAL            |           | 8    |          |      |            | (3)  | 5        |
| <b>344 - GENERATORS</b>                    |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 13.50 nt  | 6    |          |      |            |      | 6        |
|  | CTs - FE Sales                      |           |      |          |      | 14 nt      | (1)  | (1)      |
|  | 0000 - COA ACCOUNT TOTAL            |           | 6    |          |      |            | (1)  | 5        |
| <b>345 - ACCESSORY ELEC EQUIPMENT</b>      |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 6,800 lbs  | (3)  | (3)      |
|  | CTs - DEMO                          | 4.50 nt   | 2    |          |      |            |      | 2        |
|  | CTs Transformers - CU Sales         |           |      |          |      | 21,009 lbs | (7)  | (7)      |
|  | CTs Transformers - Demo             | 10.00 lbs | 5    |          |      |            |      | 5        |
|  | CTs Transformers - FE Sales         |           |      |          |      | 10 lbs     | (1)  | (1)      |
|  | 0000 - COA ACCOUNT TOTAL            |           | 7    |          |      |            | (10) | (4)      |

**PEA RIDGE NON-ECO UNIT 1 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                 | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|-----------------------------|----------|------|----------|------|----------|------|----------|
|                       |                             | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
|                       | PEA RIDGE NON-ECO UNIT 1 CT |          | 46   |          | 1    |          | (21) | 26       |
| 304 - CONTINGENCY     |                             |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY    |                             |          | 5    |          |      |          | (2)  | 3        |
|                       | PEA RIDGE NON-ECO UNIT 1 CT |          | 51   |          | 1    |          | (23) | 28       |

**PEA RIDGE NON-ECO UNIT 2 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                      | DESCRIPTION                         | REMOVAL   |      | DISPOSAL |      | SALVAGE    |      | TOTAL \$ |
|--|-------------------------------------|-----------|------|----------|------|------------|------|----------|
|  |                                     | QUANTITY  | COST | QUANTITY | COST | QUANTITY   | COST |          |
| <b>341 - STRUCTURES &amp; IMPROVEMENTS</b> |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 54.00 nt  | 25   |          |      |            |      | 25       |
|  | CTs - FE Sales                      |           |      |          |      | 54 nt      | (6)  | (6)      |
|  | Transport & Dispose of Combustibles |           |      | 5.00 nt  | 1    |            |      | 1        |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 25   |          | 1    |            | (6)  | 19       |
| <b>343 - PRIME MOVERS</b>                  |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 1,700 lbs  | (1)  | (1)      |
|  | CTs - DEMO                          | 18.00 nt  | 8    |          |      |            |      | 8        |
|  | CTs - FE Sales                      |           |      |          |      | 23 nt      | (2)  | (2)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 8    |          |      |            | (3)  | 5        |
| <b>344 - GENERATORS</b>                    |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 13.50 nt  | 6    |          |      |            |      | 6        |
|  | CTs - FE Sales                      |           |      |          |      | 14 nt      | (1)  | (1)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 6    |          |      |            | (1)  | 5        |
| <b>345 - ACCESSORY ELEC EQUIPMENT</b>      |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 6,800 lbs  | (3)  | (3)      |
|  | CTs - DEMO                          | 4.50 nt   | 2    |          |      |            |      | 2        |
|  | CTs Transformers - CU Sales         |           |      |          |      | 21,009 lbs | (7)  | (7)      |
|  | CTs Transformers - Demo             | 10.00 lbs | 5    |          |      |            |      | 5        |
|  | CTs Transformers - FE Sales         |           |      |          |      | 10 lbs     | (1)  | (1)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 7    |          |      |            | (10) | (4)      |

**PEA RIDGE NON-ECO UNIT 2 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                 | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|-----------------------------|----------|------|----------|------|----------|------|----------|
|                       |                             | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
|                       | PEA RIDGE NON-ECO UNIT 2 CT |          | 46   |          | 1    |          | (21) | 26       |
| 304 - CONTINGENCY     |                             |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY    |                             |          | 5    |          |      |          | (2)  | 3        |
|                       | PEA RIDGE NON-ECO UNIT 2 CT |          | 51   |          | 1    |          | (23) | 28       |

**PEA RIDGE NON-ECO UNIT 3 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                      | DESCRIPTION                         | REMOVAL   |      | DISPOSAL |      | SALVAGE    |      | TOTAL \$ |
|--|-------------------------------------|-----------|------|----------|------|------------|------|----------|
|  |                                     | QUANTITY  | COST | QUANTITY | COST | QUANTITY   | COST |          |
| <b>341 - STRUCTURES &amp; IMPROVEMENTS</b> |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 54.00 nt  | 25   |          |      |            |      | 25       |
|  | CTs - FE Sales                      |           |      |          |      | 54 nt      | (6)  | (6)      |
|  | Transport & Dispose of Combustibles |           |      | 5.00 nt  | 1    |            |      | 1        |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 25   |          | 1    |            | (6)  | 19       |
| <b>343 - PRIME MOVERS</b>                  |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 1,700 lbs  | (1)  | (1)      |
|  | CTs - DEMO                          | 18.00 nt  | 8    |          |      |            |      | 8        |
|  | CTs - FE Sales                      |           |      |          |      | 23 nt      | (2)  | (2)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 8    |          |      |            | (3)  | 5        |
| <b>344 - GENERATORS</b>                    |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - DEMO                          | 13.50 nt  | 6    |          |      |            |      | 6        |
|  | CTs - FE Sales                      |           |      |          |      | 14 nt      | (1)  | (1)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 6    |          |      |            | (1)  | 5        |
| <b>345 - ACCESSORY ELEC EQUIPMENT</b>      |                                     |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                           | CTs - CU Sales                      |           |      |          |      | 6,800 lbs  | (3)  | (3)      |
|  | CTs - DEMO                          | 4.50 nt   | 2    |          |      |            |      | 2        |
|  | CTs Transformers - CU Sales         |           |      |          |      | 21,009 lbs | (7)  | (7)      |
|  | CTs Transformers - Demo             | 10.00 lbs | 5    |          |      |            |      | 5        |
|  | CTs Transformers - FE Sales         |           |      |          |      | 10 lbs     | (1)  | (1)      |
| 0000 - COA ACCOUNT TOTAL                   |                                     |           | 7    |          |      |            | (10) | (4)      |

**PEA RIDGE NON-ECO UNIT 3 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                 | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|-----------------------------|----------|------|----------|------|----------|------|----------|
|                       |                             | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
|                       | PEA RIDGE NON-ECO UNIT 3 CT |          | 46   |          | 1    |          | (21) | 26       |
| 304 - CONTINGENCY     |                             |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY    |                             |          | 5    |          |      |          | (2)  | 3        |
|                       | PEA RIDGE NON-ECO UNIT 3 CT |          | 51   |          | 1    |          | (23) | 28       |

**PERDIDO NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL    |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|------------|-------|----------|------|----------|------|----------|
|                       |  | QUANTITY   | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |            |       |          |      |          |      |          |
| 0040 -                | PRODUCTION COSTS                                       |            |       |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 1.00 MY    | 135   |          |      |          |      | 135      |
| 0200 -                | TEMPORARY SERVICES                                     |            |       |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 1.00 LT    | 45    |          |      |          |      | 45       |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00 %     | (198) |          |      |          |      | (198)    |
| 0200 -                | COA ACCOUNT TOTAL                                      |            | (153) |          |      |          |      | (153)    |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |            |       |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 1.00 MY    | 51    |          |      |          |      | 51       |
| 307 -                 | FERC ACCOUNT TOTAL                                     |            | 32    |          |      |          |      | 32       |
| 308 -                 | ENGINEERING  |            |       |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |            |       |          |      |          |      |          |
|                       | SCS ENGINEERING  | 3.00 %     | 2     |          |      |          |      | 2        |
|                       | Storm Water Prevention Plan                            | 1.00 ls    | 25    |          |      |          |      | 25       |
| 0240 -                | COA ACCOUNT TOTAL                                      |            | 27    |          |      |          |      | 27       |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |            |       |          |      |          |      |          |
|                       | APC ENGINEERING  | 2,000.00 M | 203   |          |      |          |      | 203      |
|                       | Perform environmental survey of above grade structures | 1.00 ls    | 25    |          |      |          |      | 25       |
|                       | PERMITS  | 1.00 LT    |       |          |      |          |      |          |
| 0260 -                | COA ACCOUNT TOTAL                                      |            | 228   |          |      |          |      | 228      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |            |       |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60 %     |       |          |      |          |      |          |
| 308 -                 | FERC ACCOUNT TOTAL                                     |            | 255   |          |      |          |      | 255      |

**PERDIDO NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION   | REMOVAL      |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|---|--------------|------|----------|------|----------|------|----------|
|                                 |   | QUANTITY     | COST | QUANTITY | COST | QUANTITY | COST |          |
| 309 - OVERHEADS                 |   |              |      |          |      |          |      |          |
| 0480 -                          | GENERAL OVERHEAD<br>ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %       | 1    |          |      |          |      | 1        |
| 311 - STRUCTURES & IMPROVEMENTS |   |              |      |          |      |          |      |          |
| - UNDEFINED                     |   |              |      |          |      |          |      |          |
|                                 | ANCILLARY BUILDINGS - Demo                            | 7.00 nt      | 5    |          |      |          |      | 5        |
|                                 | ANCILLARY BUILDINGS - FE SALES                        |              |      |          |      | 7 nt     | (1)  | (1)      |
|                                 | Utility Disconnects                                   | 1.00 ls      | 15   |          |      |          |      | 15       |
| - COA ACCOUNT TOTAL             |   |              | 20   |          |      |          | (1)  | 18       |
| 2020 -                          | SITE PREPARATION<br>Grade and Seeding                 | 45,000.00 sf | 11   |          |      |          |      | 11       |
| 311 - FERC ACCOUNT TOTAL        |   |              | 31   |          |      |          | (1)  | 30       |
| 341 - STRUCTURES & IMPROVEMENTS |   |              |      |          |      |          |      |          |
| 0000 - UNDEFINED                |   |              |      |          |      |          |      |          |
|                                 | Transport & Dispose of Combustibles                   |              |      | 5.00 nt  | 1    |          |      | 1        |
| PERDIDO NON-ECO COMMON          | SUBTOTAL  |              | 319  |          | 1    |          | (1)  | 318      |
| 304 - CONTINGENCY               |   |              |      |          |      |          |      |          |
| 0000 -                          | CONTINGENCY   |              | 32   |          |      |          |      | 32       |
| PERDIDO NON-ECO COMMON          | GRAND TOTAL   |              | 351  |          | 1    |          | (1)  | 350      |

**PERDIDO NON-ECO UNIT 1 GS  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                 | DESCRIPTION                           | REMOVAL  |      | DISPOSAL |      | SALVAGE   |      | TOTAL \$ |
|---------------------------------------|---------------------------------------|----------|------|----------|------|-----------|------|----------|
|                                       |                                       | QUANTITY | COST | QUANTITY | COST | QUANTITY  | COST |          |
| 341 - STRUCTURES & IMPROVEMENTS       |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set - DEMO                  | 33.00 nt | 22   |          |      |           |      | 22       |
|                                       | Generator Set - FE Sales              |          |      |          |      | 33 nt     | (4)  | (4)      |
|                                       | Transport & Dispose of Combustibles   |          |      | 12.50 nt | 1    |           |      | 1        |
|                                       | 0000 - COA ACCOUNT TOTAL              |          | 22   |          | 1    |           | (4)  | 20       |
| 343 - PRIME MOVERS                    |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set - CU Sales              |          |      |          |      | 2,975 lbs | (1)  | (1)      |
| 345 - ACCESSORY ELEC EQUIPMENT        |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set Transformers - CU Sales |          |      |          |      | 4,202 lbs | (1)  | (1)      |
|                                       | Generator Set Transformers - Demo     | 2.00 lbs | 1    |          |      |           |      | 1        |
|                                       | Generator Set Transformers - FE Sales |          |      |          |      | 2 lbs     |      |          |
|                                       | 0000 - COA ACCOUNT TOTAL              |          | 1    |          |      |           | (2)  |          |
| PERDIDO NON-ECO UNIT 1 GS SUBTOTAL    |                                       |          | 23   | 1        |      |           | (6)  | 18       |
| 304 - CONTINGENCY                     |                                       |          |      |          |      |           |      |          |
| 0000 - CONTINGENCY                    |                                       |          | 2    |          |      |           | (1)  | 2        |
| PERDIDO NON-ECO UNIT 1 GS GRAND TOTAL |                                       |          | 26   | 1        |      |           | (7)  | 20       |

**PERDIDO NON-ECO UNIT 2 GS  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                 | DESCRIPTION                           | REMOVAL  |      | DISPOSAL |      | SALVAGE   |      | TOTAL \$ |
|---------------------------------------|---------------------------------------|----------|------|----------|------|-----------|------|----------|
|                                       |                                       | QUANTITY | COST | QUANTITY | COST | QUANTITY  | COST |          |
| 341 - STRUCTURES & IMPROVEMENTS       |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set - DEMO                  | 33.00 nt | 22   |          |      |           |      | 22       |
|                                       | Generator Set - FE Sales              |          |      |          |      | 33 nt     | (4)  | (4)      |
|                                       | Transport & Dispose of Combustibles   |          |      | 12.50 nt | 1    |           |      | 1        |
|                                       | 0000 - COA ACCOUNT TOTAL              |          | 22   |          | 1    |           | (4)  | 20       |
| 343 - PRIME MOVERS                    |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set - CU Sales              |          |      |          |      | 2,975 lbs | (1)  | (1)      |
| 345 - ACCESSORY ELEC EQUIPMENT        |                                       |          |      |          |      |           |      |          |
| 0000 - UNDEFINED                      | Generator Set Transformers - CU Sales |          |      |          |      | 4,202 lbs | (1)  | (1)      |
|                                       | Generator Set Transformers - Demo     | 2.00 lbs | 1    |          |      |           |      | 1        |
|                                       | Generator Set Transformers - FE Sales |          |      |          |      | 2 lbs     |      |          |
|                                       | 0000 - COA ACCOUNT TOTAL              |          | 1    |          |      |           | (2)  |          |
| PERDIDO NON-ECO UNIT 2 GS SUBTOTAL    |                                       |          | 23   | 1        |      |           | (6)  | 18       |
| 304 - CONTINGENCY                     |                                       |          |      |          |      |           |      |          |
| 0000 - CONTINGENCY                    |                                       |          | 2    |          |      |           | (1)  | 2        |
| PERDIDO NON-ECO UNIT 2 GS GRAND TOTAL |                                       |          | 26   | 1        |      |           | (7)  | 20       |

**SCHERER ASH POND COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS               | DESCRIPTION                 | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-------------------------------------|-----------------------------|----------|------|----------|------|----------|------|----------|
|                                     |                             | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 311 - STRUCTURES & IMPROVEMENTS     |                             |          |      |          |      |          |      |          |
| 2080 - PONDS                        |                             |          |      |          |      |          |      |          |
|                                     | Scherer Ash Pond            | 33.31 AC | 653  |          |      |          |      | 653      |
|                                     | Scherer CD Landfill         | 1.75 AC  | 3    |          |      |          |      | 3        |
|                                     | Scherer Gypsum Storage Cell | 4.31 AC  | 18   |          |      |          |      | 18       |
|                                     | Scherer PAC/Ash Cell        | 0.69 AC  | 13   |          |      |          |      | 13       |
| 2080 - COA ACCOUNT TOTAL            |                             |          |      | 687      |      |          |      | 687      |
| SCHERER ASH POND COMMON SUBTOTAL    |                             |          |      | 687      |      |          |      | 687      |
| 304 - CONTINGENCY                   |                             |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                  |                             |          |      | 69       |      |          |      | 69       |
| SCHERER ASH POND COMMON GRAND TOTAL |                             |          |      | 756      |      |          |      | 756      |

**SCHERER ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00     | %    |          |      |          |      |          |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00     | %    |          |      |          |      |          |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 0.06     | LT   |          |      |          |      |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60     | %    |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          |      |          |      |          |      |          |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00     | %    |          |      |          |      |          |
| SCHERER ECO COMMON SUBTOTAL                  |                                   |          |      | 1        |      |          |      | 1        |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          |      |          |      |          |      |          |
| SCHERER ECO COMMON GRAND TOTAL               |                                   |          |      | 1        |      |          |      | 1        |

**SCHERER ECO UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS          | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|--------------------------------|--------------------------|----------|--------|----------|------|----------|---------|----------|
|                                |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST    |          |
| 312 - BOILER PLANT EQUIPMENT   |                          |          |        |          |      |          |         |          |
| 0000 - UNDEFINED               |                          |          |        |          |      |          |         |          |
|                                | Precipitators - DEMO     | 725.00   | nt 174 |          |      |          |         | 174      |
|                                | Precipitators - FE Sales |          |        |          |      | 725      | nt (79) | (79)     |
|                                | 0000 - COA ACCOUNT TOTAL |          | 174    |          |      |          | (79)    | 95       |
| SCHERER ECO UNIT 3 SUBTOTAL    |                          |          | 174    |          |      |          | (79)    | 95       |
| 304 - CONTINGENCY              |                          |          |        |          |      |          |         |          |
| 0000 - CONTINGENCY             |                          |          | 17     |          |      |          | (8)     | 10       |
| SCHERER ECO UNIT 3 GRAND TOTAL |                          |          | 191    |          |      |          | (86)    | 105      |

**SCHERER ECO-BAGHOUSE UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00     | %    |          |      |          |      |          |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00     | %    |          |      |          |      |          |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 0.06     | LT   |          |      |          |      |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60     | %    |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          |      |          |      |          |      |          |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00     | %    |          |      |          |      |          |
| 312 - BOILER PLANT EQUIPMENT                 |                                   |          |      |          |      |          |      |          |
| 0000 - UNDEFINED                             | Baghouses - DEMO                  | 543.75   | nt   | 131      |      |          |      | 131      |
|  | Baghouses - FE Sales              |          |      |          |      | 544      | nt   | (59)     |
| 0000 - COA ACCOUNT TOTAL                     |                                   |          |      | 131      |      |          |      | 72       |
| SCHERER ECO-BAGHOUSE UNIT 3 SUBTOTAL         |                                   |          |      | 131      |      |          |      | 72       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          |      | 13       |      |          |      | 7        |
| SCHERER ECO-BAGHOUSE UNIT 3 GRAND TOTAL      |                                   |          |      | 144      |      |          |      | 79       |

**SCHERER ECO-FGD UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00     | %    |          |      |          |      |          |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00     | %    |          |      |          |      |          |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 0.06     | LT   |          |      |          |      |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60     | %    |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          |      |          |      |          |      |          |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00     | %    |          |      |          |      |          |
| 312 - BOILER PLANT EQUIPMENT                 |                                   |          |      |          |      |          |      |          |
| 0000 - UNDEFINED                             | SO2 SCRUBBER - 2 (ea) Stacks      | 0.13     | ea   | 69       |      |          |      | 69       |
|  | SO2 SCRUBBER - Demo FE            | 314.00   | nt   | 82       |      |          |      | 82       |
|  | SO2 SCRUBBER - FE Sales           |          |      |          |      | 314      | nt   | (34)     |
| 0000 - COA ACCOUNT TOTAL                     |                                   |          |      | 150      |      |          |      | (34)     |
| SCHERER ECO-FGD UNIT 3 SUBTOTAL              |                                   |          |      | 151      |      |          |      | (34)     |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          |      | 15       |      |          |      | (3)      |
| SCHERER ECO-FGD UNIT 3 GRAND TOTAL           |                                   |          |      | 166      |      |          |      | (37)     |

**SCHERER ECO-SCR UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|---------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST    |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |         |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00     | %    |          |      |          |         |          |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |         |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00     | %    |          |      |          |         |          |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 0.06     | LT   |          |      |          |         |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60     | %    |          |      |          |         |          |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          |      |          |      |          |         |          |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |         |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00     | %    |          |      |          |         |          |
| 312 - BOILER PLANT EQUIPMENT                 |                                   |          |      |          |      |          |         |          |
| 0000 - UNDEFINED                             | SCR DEMO                          | 687.50   | nt   |          | 179  |          |         | 179      |
|  | SCR FE SALES                      |          |      |          |      | 688      | nt (75) | (75)     |
| 0000 - COA ACCOUNT TOTAL                     |                                   |          |      |          | 179  |          | (75)    | 104      |
| SCHERER ECO-SCR UNIT 3 SUBTOTAL              |                                   |          |      | 179      |      |          | (75)    | 105      |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |         |          |
| 0000 - CONTINGENCY                           |                                   |          |      | 18       |      |          | (7)     | 10       |
| SCHERER ECO-SCR UNIT 3 GRAND TOTAL           |                                   |          |      | 197      |      |          | (82)    | 115      |

**SCHERER NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|------|----------|------|----------|------|----------|
|                       |  | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |      |          |      |          |      |          |
|                       | - UNDEFINED  |          |      |          |      |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 0.06     | 13   |          |      |          |      | 13       |
| 0040 -                | PRODUCTION COSTS                                       |          |      |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 1.00     | 135  |          |      |          |      | 135      |
| 0200 -                | TEMPORARY SERVICES                                     |          |      |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 0.06     | 28   |          |      |          |      | 28       |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | 3    |          |      |          |      | 3        |
| 0200 -                | COA ACCOUNT TOTAL                                      |          | 31   |          |      |          |      | 31       |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |      |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 2.75     | 140  |          |      |          |      | 140      |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          | 318  |          |      |          |      | 318      |
| 308 -                 | ENGINEERING  |          |      |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |      |          |      |          |      |          |
|                       | Design bulkhead for intake and discharge tunnel        | 0.06     | 3    |          |      |          |      | 3        |
|                       | SCS ENGINEERING  | 3.00     | 4    |          |      |          |      | 4        |
|                       | Storm Water Prevention Plan                            | 0.06     | 3    |          |      |          |      | 3        |
| 0240 -                | COA ACCOUNT TOTAL                                      |          | 10   |          |      |          |      | 10       |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |      |          |      |          |      |          |
|                       | GPC ENGINEERING  | 125.00   | 13   |          |      |          |      | 13       |
|                       | Perform environmental survey of above grade structures | 0.06     | 28   |          |      |          |      | 28       |
|                       | PERMITS  | 0.06     |      |          |      |          |      |          |
| 0260 -                | COA ACCOUNT TOTAL                                      |          | 41   |          |      |          |      | 41       |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |      |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | 1    |          |      |          |      | 1        |

**SCHERER NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                   | REMOVAL      |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|---|--------------|------|----------|------|----------|------|----------|
|                                 |   | QUANTITY     | COST | QUANTITY | COST | QUANTITY | COST |          |
| 308 - ENGINEERING               |   |              |      |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL        |   |              | 52   |          |      |          |      | 52       |
| 309 - OVERHEADS                 |   |              |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD         | ADMINISTRATIVE & GENERAL OVERHEAD             | 1.00 %       | 1    |          |      |          |      | 1        |
| 311 - STRUCTURES & IMPROVEMENTS |   |              |      |          |      |          |      |          |
| - UNDEFINED                     | ANCILLARY BUILDINGS - Demo                    | 40.63 nt     | 10   |          |      |          |      | 10       |
|                                 | ANCILLARY BUILDINGS - FE SALES                |              |      |          |      | 41 nt    | (4)  | (4)      |
|                                 | Utility Disconnects                           | 0.06 ls      | 16   |          |      |          |      | 16       |
| - COA ACCOUNT TOTAL             |   |              | 25   |          |      |          | (4)  | 21       |
| 2020 - SITE PREPARATION         | Grade and Seeding                             | 31,250.00 sf | 11   |          |      |          |      | 11       |
| 2040 - SITE IMPROVEMENTS        | Pavement Repairs                              | 9,375.00 sf  | 42   |          |      |          |      | 42       |
| 311 - FERC ACCOUNT TOTAL        |   |              | 79   |          |      |          | (4)  | 74       |
| 314 - TURBOGENERATOR UNITS      |   |              |      |          |      |          |      |          |
| 7740 - COOLING WTR SYSTEM       | Install Bulkhead in Intake & Discharge Tunnel | 0.06 ls      | 41   |          |      |          |      | 41       |
| 341 - STRUCTURES & IMPROVEMENTS |   |              |      |          |      |          |      |          |
| 0000 - UNDEFINED                | Transport & Dispose of Combustibles           |              |      | 21.88 nt | 1    |          |      | 1        |

**SCHERER NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                        | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|------------------------------------|----------|------|----------|------|----------|------|----------|
|                       |                                    | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
|                       | SCHERER NON-ECO COMMON SUBTOTAL    |          | 491  | 1        |      | (4)      |      | 488      |
| 304 - CONTINGENCY     |                                    |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY    |                                    |          | 49   |          |      |          |      | 49       |
|                       | SCHERER NON-ECO COMMON GRAND TOTAL |          | 540  | 2        |      | (5)      |      | 536      |

**SCHERER NON-ECO UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION   | REMOVAL     |      | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|---------------------------------|---|-------------|------|-------------|------|-------------|-------|----------|
|                                 |   | QUANTITY    | COST | QUANTITY    | COST | QUANTITY    | COST  |          |
| 311 - STRUCTURES & IMPROVEMENTS |   |             |      |             |      |             |       |          |
| - UNDEFINED                     |   |             |      |             |      |             |       |          |
|                                 | Main Power Block - DEMO                               | 3,381.59 nt | 863  |             |      |             |       | 863      |
|                                 | Main Power Block - FE Sales                           |             |      |             |      | 3,382 nt    | (366) | (366)    |
|                                 | Transport & Dispose of Combustibles                   |             |      | 130.84 nt   | 9    |             |       | 9        |
|                                 | - COA ACCOUNT TOTAL                                   |             | 863  |             | 9    |             | (366) | 505      |
| 2340 - STEAM GENERATOR BUILDING |   |             |      |             |      |             |       |          |
|                                 | Process, haul and backfill brick & block              |             |      | 1,125.00 nt | 17   |             |       | 17       |
| 311 - FERC ACCOUNT TOTAL        |   |             | 863  |             | 25   |             | (366) | 522      |
| 312 - BOILER PLANT EQUIPMENT    |   |             |      |             |      |             |       |          |
| 0000 - UNDEFINED                |   |             |      |             |      |             |       |          |
|                                 | Dispose of Refractory in Subtitle D Landfill          |             |      | 581.50 nt   | 38   |             |       | 38       |
|                                 | Main Power Block - (1) each 1000' Stack (felling)     | 0.13 ea     | 69   |             |      |             |       | 69       |
|                                 | Main Power Block - AL Sales                           |             |      |             |      | 52,335 lbs  | (20)  | (20)     |
|                                 | Main Power Block - CU Sales                           |             |      |             |      | 98,855 lbs  | (31)  | (31)     |
|                                 | Main Power Block - DEMO                               | 1,127.20 nt | 288  |             |      |             |       | 288      |
|                                 | Main Power Block - FE Sales                           |             |      |             |      | 1,409 nt    | (153) | (153)    |
|                                 | Main Power Block - SS Sales                           |             |      |             |      | 69,780 lbs  | (10)  | (10)     |
|                                 | 0000 - COA ACCOUNT TOTAL                              |             | 356  |             | 38   |             | (214) | 180      |
| 314 - TURBOGENERATOR UNITS      |   |             |      |             |      |             |       |          |
| - UNDEFINED                     |   |             |      |             |      |             |       |          |
|                                 | Main Power Block - Condenser Tubes (90-10 CU-NI)      |             |      |             |      | 205,875 lbs | (313) | (313)    |
|                                 | Main Power Block - DEMO                               | 845.40 nt   | 216  |             |      |             |       | 216      |
|                                 | Main Power Block - Demo (2) Hyperbolic Cooling Towers | 0.25 ea     | 413  |             |      |             |       | 413      |

**SCHERER NON-ECO UNIT 3  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS              | DESCRIPTION  | REMOVAL     |       | DISPOSAL |      | SALVAGE     |         | TOTAL \$ |
|------------------------------------|--|-------------|-------|----------|------|-------------|---------|----------|
|                                    |  | QUANTITY    | COST  | QUANTITY | COST | QUANTITY    | COST    |          |
| 314 -                              | TURBOGENERATOR UNITS                               |             |       |          |      |             |         |          |
|                                    | Main Power Block - FE Sales                        |             |       |          |      | 845 nt      | (92)    | (92)     |
|                                    | Main Power Block - Turbine Foundations<br>Concrete | 1,041.67 cy | 109   |          |      |             |         | 109      |
|                                    | - COA ACCOUNT TOTAL                                |             | 738   |          |      |             | (405)   | 333      |
| 315 -                              | ACCESSORY ELEC EQUIPMENT                           |             |       |          |      |             |         |          |
|                                    | - UNDEFINED  |             |       |          |      |             |         |          |
|                                    | Main Power Block - CU Sales                        |             |       |          |      | 395,420 lbs | (124)   | (124)    |
|                                    | Main Power Block - DEMO                            | 281.80 nt   | 72    |          |      |             |         | 72       |
|                                    | Unit & Service Transformers - CU Sales             |             |       |          |      | 222,935 lbs | (70)    | (70)     |
|                                    | Unit & Service Transformers - Demo                 | 179.02 nt   | 46    |          |      |             |         | 46       |
|                                    | Unit & Service Transformers - FE Sales             |             |       |          |      | 179 nt      | (19)    | (19)     |
|                                    | - COA ACCOUNT TOTAL                                |             | 118   |          |      |             | (214)   | (96)     |
| 343 -                              | PRIME MOVERS                                       |             |       |          |      |             |         |          |
|                                    | 4000 - ENVIRONMENTAL CLEANUP                       |             |       |          |      |             |         |          |
|                                    | Universal Wastes, Grease & Oil Removal             |             |       | 0.06 ls  | 12   |             |         | 12       |
| SCHERER NON-ECO UNIT 3 SUBTOTAL    |  |             | 2,074 | 75       |      |             | (1,198) | 950      |
| 304 -                              | CONTINGENCY  |             |       |          |      |             |         |          |
|                                    | 0000 - CONTINGENCY                                 |             | 207   |          | 7    |             | (120)   | 95       |
| SCHERER NON-ECO UNIT 3 GRAND TOTAL |  |             | 2,281 | 82       |      |             | (1,318) | 1,045    |

**SCHOLZ ASBESTOS COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 1.00 %   | 15   |          |      |          |      | 15       |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 1.00 %   | 15   |          |      |          |      | 15       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  | 1    |          |      |          |      | 1        |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 9    |          |      |          |      | 9        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 25   |          |      |          |      | 25       |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 15   |          |      |          |      | 15       |
| SCHOLZ ASBESTOS COMMON SUBTOTAL              |                                   |          | 55   |          |      |          |      | 55       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 6    |          |      |          |      | 6        |
| SCHOLZ ASBESTOS COMMON GRAND TOTAL           |                                   |          | 61   |          |      |          |      | 61       |

**SCHOLZ ASBESTOS UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |      | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |      |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 750  | 285.00 TN | 54   |          |      | 804      |
| SCHOLZ ASBESTOS UNIT 1 SUBTOTAL         |                       |          | 750  |           | 54   |          |      | 804      |
| 304 - CONTINGENCY                       |                       |          |      |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 75   |           | 5    |          |      | 80       |
| SCHOLZ ASBESTOS UNIT 1 GRAND TOTAL      |                       |          | 825  |           | 60   |          |      | 885      |

**SCHOLZ ASBESTOS UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |      | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |      |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 750  | 285.00 TN | 54   |          |      | 804      |
| SCHOLZ ASBESTOS UNIT 2 SUBTOTAL         |                       |          | 750  |           | 54   |          |      | 804      |
| 304 - CONTINGENCY                       |                       |          |      |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 75   |           | 5    |          |      | 80       |
| SCHOLZ ASBESTOS UNIT 2 GRAND TOTAL      |                       |          | 825  |           | 60   |          |      | 885      |

**SCHOLZ ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %   | 3    |          |      |          |      | 3        |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %   | 5    |          |      |          |      | 5        |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  |      |          |      |          |      |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 1    |          |      |          |      | 1        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 6    |          |      |          |      | 6        |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 2    |          |      |          |      | 2        |
| SCHOLZ ECO COMMON SUBTOTAL                   |                                   |          | 11   |          |      |          |      | 11       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 1    |          |      |          |      | 1        |
| SCHOLZ ECO COMMON GRAND TOTAL                |                                   |          | 12   |          |      |          |      | 12       |

**SCHOLZ ECO UNIT 1**  
**PLANT DETAIL EXHIBIT M.2**  
**DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS         | DESCRIPTION              | REMOVAL  |       | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|-------------------------------|--------------------------|----------|-------|----------|------|----------|---------|----------|
|                               |                          | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST    |          |
| 312 - BOILER PLANT EQUIPMENT  |                          |          |       |          |      |          |         |          |
| 0000 - UNDEFINED              |                          |          |       |          |      |          |         |          |
|                               | Precipitators - DEMO     | 350.00   | nt 84 |          |      |          |         | 84       |
|                               | Precipitators - FE Sales |          |       |          |      | 350      | nt (63) | (63)     |
|                               | 0000 - COA ACCOUNT TOTAL |          | 84    |          |      |          | (63)    | 21       |
| SCHOLZ ECO UNIT 1 SUBTOTAL    |                          |          | 84    |          |      |          | (63)    | 21       |
| 304 - CONTINGENCY             |                          |          |       |          |      |          |         |          |
| 0000 - CONTINGENCY            |                          |          | 8     |          |      |          | (6)     | 2        |
| SCHOLZ ECO UNIT 1 GRAND TOTAL |                          |          | 92    |          |      |          | (70)    | 23       |

**SCHOLZ ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS         | DESCRIPTION              | REMOVAL  |       | DISPOSAL |      | SALVAGE  |         | TOTAL \$ |
|-------------------------------|--------------------------|----------|-------|----------|------|----------|---------|----------|
|                               |                          | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST    |          |
| 312 - BOILER PLANT EQUIPMENT  |                          |          |       |          |      |          |         |          |
| 0000 - UNDEFINED              |                          |          |       |          |      |          |         |          |
|                               | Precipitators - DEMO     | 350.00   | nt 84 |          |      |          |         | 84       |
|                               | Precipitators - FE Sales |          |       |          |      | 350      | nt (63) | (63)     |
|                               | 0000 - COA ACCOUNT TOTAL |          | 84    |          |      |          | (63)    | 21       |
| SCHOLZ ECO UNIT 2 SUBTOTAL    |                          |          | 84    |          |      |          | (63)    | 21       |
| 304 - CONTINGENCY             |                          |          |       |          |      |          |         |          |
| 0000 - CONTINGENCY            |                          |          | 8     |          |      |          | (6)     | 2        |
| SCHOLZ ECO UNIT 2 GRAND TOTAL |                          |          | 92    |          |      |          | (70)    | 23       |

**SCHOLZ NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |      | DISPOSAL |       | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|------|----------|-------|----------|------|----------|
|                       |  | QUANTITY | COST | QUANTITY | COST  | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |      |          |       |          |      |          |
|                       | - UNDEFINED  |          |      |          |       |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 1.00     | 1s   |          | 100   |          |      | 100      |
| 0040 -                | PRODUCTION COSTS                                       |          |      |          |       |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 1.00     | MY   |          | 135   |          |      | 135      |
| 0200 -                | TEMPORARY SERVICES                                     |          |      |          |       |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 1.00     | LT   |          | 150   |          |      | 150      |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | %    |          | (147) |          |      | (147)    |
| 0200 -                | COA ACCOUNT TOTAL                                      |          |      |          | 3     |          |      | 3        |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |      |          |       |          |      |          |
|                       | SECURITY SERVICES                                      | 2.00     | MY   |          | 102   |          |      | 102      |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          |      |          | 339   |          |      | 339      |
| 308 -                 | ENGINEERING  |          |      |          |       |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |      |          |       |          |      |          |
|                       | Design bulkhead for intake and discharge tunnel        | 1.00     | 1s   |          | 50    |          |      | 50       |
|                       | SCS ENGINEERING  | 3.00     | %    |          | 79    |          |      | 79       |
|                       | Storm Water Prevention Plan                            | 1.00     | 1s   |          | 30    |          |      | 30       |
| 0240 -                | COA ACCOUNT TOTAL                                      |          |      |          | 159   |          |      | 159      |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |      |          |       |          |      |          |
|                       | APC ENGINEERING  | 2,000.00 | M    |          | 203   |          |      | 203      |
|                       | Perform environmental survey of above grade structures | 1.00     | 1s   |          | 125   |          |      | 125      |
|                       | PERMITS  | 1.00     | LT   |          | 2     |          |      | 2        |
| 0260 -                | COA ACCOUNT TOTAL                                      |          |      |          | 330   |          |      | 330      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |      |          |       |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | %    |          | 16    |          |      | 16       |

**SCHOLZ NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                   | REMOVAL       |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|---|---------------|------|----------|------|----------|------|----------|
|                                 |   | QUANTITY      | COST | QUANTITY | COST | QUANTITY | COST |          |
| 308 - ENGINEERING               |   |               |      |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL        |   |               | 504  |          |      |          |      | 504      |
| 309 - OVERHEADS                 |   |               |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD         | ADMINISTRATIVE & GENERAL OVERHEAD             | 1.00 %        | 26   |          |      |          |      | 26       |
| 311 - STRUCTURES & IMPROVEMENTS |   |               |      |          |      |          |      |          |
| - UNDEFINED                     | ANCILLARY BUILDINGS - Demo                    | 120.00 nt     | 29   |          |      |          |      | 29       |
|                                 | ANCILLARY BUILDINGS - FE SALES                |               |      |          |      | 120 nt   | (22) | (22)     |
|                                 | Utility Disconnects                           | 1.00 ls       |      |          |      |          |      |          |
| - COA ACCOUNT TOTAL             |   |               | 29   |          |      |          | (22) | 7        |
| 2020 - SITE PREPARATION         |   |               |      |          |      |          |      |          |
|                                 | Grade and Seeding                             | 550,000.00 sf | 138  |          |      |          |      | 138      |
| 2040 - SITE IMPROVEMENTS        |   |               |      |          |      |          |      |          |
|                                 | Pavement Repairs                              | 100,000.00 sf |      |          |      |          |      |          |
| 311 - FERC ACCOUNT TOTAL        |   |               | 166  |          |      |          | (22) | 145      |
| 314 - TURBOGENERATOR UNITS      |   |               |      |          |      |          |      |          |
| 7740 - COOLING WTR SYSTEM       | Install Bulkhead in Intake & Discharge Tunnel | 1.00 ls       | 150  |          |      |          |      | 150      |
| 341 - STRUCTURES & IMPROVEMENTS |   |               |      |          |      |          |      |          |
| 0000 - UNDEFINED                | Transport & Dispose of Combustibles           |               |      | 23.00 nt | 1    |          |      | 1        |

**SCHOLZ NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---|-------------|----------|-------|----------|------|----------|------|----------|
|   |             | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
| SCHOLZ NON-ECO COMMON SUBTOTAL          |             |          | 1,186 | 1        |      | (22)     |      | 1,166    |
| 304 - CONTINGENCY<br>0000 - CONTINGENCY |             |          | 119   |          |      | (2)      |      | 117      |
| SCHOLZ NON-ECO COMMON GRAND TOTAL       |             |          | 1,305 | 2        |      | (24)     |      | 1,283    |

**SCHOLZ NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                                      | REMOVAL      |      | DISPOSAL    |      | SALVAGE    |       | TOTAL \$ |
|-----------------------|--|--------------|------|-------------|------|------------|-------|----------|
|                       |  | QUANTITY     | COST | QUANTITY    | COST | QUANTITY   | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                        |              |      |             |      |            |       |          |
|                       | - UNDEFINED                                      |              |      |             |      |            |       |          |
|                       | Main Power Block - Backfill Basement             | 16,923.11 cy | 592  |             |      |            |       | 592      |
|                       | Main Power Block - DEMO                          | 1,240.45 nt  | 304  |             |      |            |       | 304      |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 1,240 nt   | (134) | (134)    |
|                       | Transport & Dispose of Combustibles              |              |      | 143.60 nt   | 9    |            |       | 9        |
|                       | - COA ACCOUNT TOTAL                              |              | 896  |             | 9    |            | (134) | 771      |
| 2340 -                | STEAM GENERATOR BUILDING                         |              |      |             |      |            |       |          |
|                       | Process, haul and backfill brick & block         |              |      | 9,000.00 nt | 135  |            |       | 135      |
| 311 -                 | FERC ACCOUNT TOTAL                               |              | 896  |             | 144  |            | (134) | 906      |
| 312 -                 | BOILER PLANT EQUIPMENT                           |              |      |             |      |            |       |          |
| 0000 -                | UNDEFINED  |              |      |             |      |            |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill     |              |      | 1,244.50 nt | 81   |            |       | 81       |
|                       | Main Power Block - 150' Stacks                   | 0.50 ea      | 25   |             |      |            |       | 25       |
|                       | Main Power Block - AL Sales                      |              |      |             |      | 19,147 lbs | (7)   | (7)      |
|                       | Main Power Block - CU Sales                      |              |      |             |      | 36,166 lbs | (13)  | (13)     |
|                       | Main Power Block - DEMO                          | 413.48 nt    | 101  |             |      |            |       | 101      |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 517 nt     | (56)  | (56)     |
|                       | Main Power Block - SS Sales                      |              |      |             |      | 25,529 lbs | (5)   | (5)      |
| 0000 -                | COA ACCOUNT TOTAL                                |              | 126  |             | 81   |            | (82)  | 126      |
| 314 -                 | TURBOGENERATOR UNITS                             |              |      |             |      |            |       |          |
|                       | - UNDEFINED                                      |              |      |             |      |            |       |          |
|                       | Main Power Block - Condenser Tubes (90-10 Cu Ni) |              |      |             |      | 30,000 lbs | (47)  | (47)     |
|                       | Main Power Block - DEMO                          | 310.11 nt    | 76   |             |      |            |       | 76       |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 310 nt     | (34)  | (34)     |

**SCHOLZ NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS             | DESCRIPTION  | REMOVAL   |       | DISPOSAL |      | SALVAGE     |       | TOTAL \$ |
|-----------------------------------|--|-----------|-------|----------|------|-------------|-------|----------|
|                                   |  | QUANTITY  | COST  | QUANTITY | COST | QUANTITY    | COST  |          |
| 314 -                             | TURBOGENERATOR UNITS                               |           |       |          |      |             |       |          |
|                                   | Main Power Block - Turbine Foundations<br>Concrete | 185.19 cy | 19    |          |      |             |       | 19       |
|                                   | - COA ACCOUNT TOTAL                                |           | 95    |          |      |             | (81)  | 14       |
| 315 -                             | ACCESSORY ELEC EQUIPMENT                           |           |       |          |      |             |       |          |
|                                   | - UNDEFINED  |           |       |          |      |             |       |          |
|                                   | Main Power Block - CU Sales                        |           |       |          |      | 144,665 lbs | (54)  | (54)     |
|                                   | Main Power Block - DEMO                            | 103.37 nt | 25    |          |      |             |       | 25       |
|                                   | Unit & Service Transformers - CU Sales             |           |       |          |      | 88,046 lbs  | (28)  | (28)     |
|                                   | Unit & Service Transformers - Demo                 | 60.00 nt  | 15    |          |      |             |       | 15       |
|                                   | Unit & Service Transformers - FE Sales             |           |       |          |      | 60 nt       | (7)   | (7)      |
|                                   | - COA ACCOUNT TOTAL                                |           | 40    |          |      |             | (88)  | (48)     |
| 343 -                             | PRIME MOVERS                                       |           |       |          |      |             |       |          |
| 4000 -                            | ENVIRONMENTAL CLEANUP                              |           |       |          |      |             |       |          |
|                                   | Universal Wastes, Grease & Oil Removal             |           |       |          | 33   |             |       | 33       |
| SCHOLZ NON-ECO UNIT 1 SUBTOTAL    |  |           | 1,158 | 258      |      |             | (385) | 1,031    |
| 304 -                             | CONTINGENCY  |           |       |          |      |             |       |          |
| 0000 -                            | CONTINGENCY  |           | 116   |          | 26   |             | (38)  | 103      |
| SCHOLZ NON-ECO UNIT 1 GRAND TOTAL |  |           | 1,274 | 283      |      |             | (423) | 1,134    |

**SCHOLZ NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                                      | REMOVAL      |      | DISPOSAL    |      | SALVAGE    |       | TOTAL \$ |
|-----------------------|--|--------------|------|-------------|------|------------|-------|----------|
|                       |  | QUANTITY     | COST | QUANTITY    | COST | QUANTITY   | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                        |              |      |             |      |            |       |          |
|                       | - UNDEFINED                                      |              |      |             |      |            |       |          |
|                       | Main Power Block - Backfill Basement             | 16,923.11 cy | 592  |             |      |            |       | 592      |
|                       | Main Power Block - DEMO                          | 1,240.45 nt  | 304  |             |      |            |       | 304      |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 1,240 nt   | (134) | (134)    |
|                       | Transport & Dispose of Combustibles              |              |      | 143.60 nt   | 9    |            |       | 9        |
|                       | - COA ACCOUNT TOTAL                              |              | 896  |             | 9    |            | (134) | 771      |
| 2340 -                | STEAM GENERATOR BUILDING                         |              |      |             |      |            |       |          |
|                       | Process, haul and backfill brick & block         |              |      | 9,000.00 nt | 135  |            |       | 135      |
| 311 -                 | FERC ACCOUNT TOTAL                               |              | 896  |             | 144  |            | (134) | 906      |
| 312 -                 | BOILER PLANT EQUIPMENT                           |              |      |             |      |            |       |          |
| 0000 -                | UNDEFINED  |              |      |             |      |            |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill     |              |      | 1,244.50 nt | 81   |            |       | 81       |
|                       | Main Power Block - 150' Stacks                   | 0.50 ea      | 25   |             |      |            |       | 25       |
|                       | Main Power Block - AL Sales                      |              |      |             |      | 19,147 lbs | (7)   | (7)      |
|                       | Main Power Block - CU Sales                      |              |      |             |      | 36,166 lbs | (13)  | (13)     |
|                       | Main Power Block - DEMO                          | 413.48 nt    | 101  |             |      |            |       | 101      |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 517 nt     | (56)  | (56)     |
|                       | Main Power Block - SS Sales                      |              |      |             |      | 25,529 lbs | (5)   | (5)      |
| 0000 -                | COA ACCOUNT TOTAL                                |              | 126  |             | 81   |            | (82)  | 126      |
| 314 -                 | TURBOGENERATOR UNITS                             |              |      |             |      |            |       |          |
|                       | - UNDEFINED                                      |              |      |             |      |            |       |          |
|                       | Main Power Block - Condenser Tubes (90-10 Cu Ni) |              |      |             |      | 30,000 lbs | (47)  | (47)     |
|                       | Main Power Block - DEMO                          | 310.11 nt    | 76   |             |      |            |       | 76       |
|                       | Main Power Block - FE Sales                      |              |      |             |      | 310 nt     | (34)  | (34)     |

**SCHOLZ NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS             | DESCRIPTION  | REMOVAL   |       | DISPOSAL    |      | SALVAGE     |       | TOTAL \$ |
|-----------------------------------|--|-----------|-------|-------------|------|-------------|-------|----------|
|                                   |  | QUANTITY  | COST  | QUANTITY    | COST | QUANTITY    | COST  |          |
| 314 -                             | TURBOGENERATOR UNITS                               |           |       |             |      |             |       |          |
|                                   | Main Power Block - Turbine Foundations<br>Concrete | 185.19 cy | 19    |             |      |             |       | 19       |
|                                   | - COA ACCOUNT TOTAL                                |           | 95    |             |      |             | (81)  | 14       |
| 315 -                             | ACCESSORY ELEC EQUIPMENT                           |           |       |             |      |             |       |          |
|                                   | - UNDEFINED  |           |       |             |      |             |       |          |
|                                   | Main Power Block - CU Sales                        |           |       |             |      | 144,665 lbs | (54)  | (54)     |
|                                   | Main Power Block - DEMO                            | 103.37 nt | 25    |             |      |             |       | 25       |
|                                   | Unit & Service Transformers - CU Sales             |           |       |             |      | 88,046 lbs  | (28)  | (28)     |
|                                   | Unit & Service Transformers - Demo                 | 60.00 nt  | 15    |             |      |             |       | 15       |
|                                   | Unit & Service Transformers - FE Sales             |           |       |             |      | 60 nt       | (7)   | (7)      |
|                                   | - COA ACCOUNT TOTAL                                |           | 40    |             |      |             | (88)  | (48)     |
| 343 -                             | PRIME MOVERS                                       |           |       |             |      |             |       |          |
| 4000 -                            | ENVIRONMENTAL CLEANUP                              |           |       |             |      |             |       |          |
|                                   | Universal Wastes, Grease & Oil Removal             |           |       | 5,308.38 nt | 33   |             |       | 33       |
| SCHOLZ NON-ECO UNIT 2 SUBTOTAL    |  |           | 1,158 | 258         |      |             | (385) | 1,031    |
| 304 -                             | CONTINGENCY  |           |       |             |      |             |       |          |
| 0000 -                            | CONTINGENCY  |           | 116   |             | 26   |             | (38)  | 103      |
| SCHOLZ NON-ECO UNIT 2 GRAND TOTAL |  |           | 1,274 | 283         |      |             | (423) | 1,134    |

**SMITH ASBESTOS COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 1.00 %   | 21   |          |      |          |      | 21       |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 1.00 %   | 21   |          |      |          |      | 21       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  | 2    |          |      |          |      | 2        |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 13   |          |      |          |      | 13       |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 35   |          |      |          |      | 35       |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 21   |          |      |          |      | 21       |
| SMITH ASBESTOS COMMON SUBTOTAL               |                                   |          | 78   |          |      |          |      | 78       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 8    |          |      |          |      | 8        |
| SMITH ASBESTOS COMMON GRAND TOTAL            |                                   |          | 85   |          |      |          |      | 85       |

**SMITH ASBESTOS UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS  | DESCRIPTION | REMOVAL       |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-------------|---------------|-------|----------|------|----------|------|----------|
|  |             | QUANTITY      | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT                                     |             |               |       |          |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS)<br>INSULATION (ASBESTOS) |             | 126,091.00 SF | 1,053 |          | 60   |          |      | 1,113    |
| SMITH ASBESTOS UNIT 1  | SUBTOTAL    |               | 1,053 |          | 60   |          |      | 1,113    |
| 304 - CONTINGENCY  |             |               |       |          |      |          |      |          |
| 0000 - CONTINGENCY   |             |               | 105   |          | 6    |          |      | 111      |
| SMITH ASBESTOS UNIT 1  | GRAND TOTAL |               | 1,159 |          | 66   |          |      | 1,224    |

**SMITH ASBESTOS UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                   | DESCRIPTION           | REMOVAL  |       | DISPOSAL  |      | SALVAGE  |      | TOTAL \$ |
|---|-----------------------|----------|-------|-----------|------|----------|------|----------|
|   |                       | QUANTITY | COST  | QUANTITY  | COST | QUANTITY | COST |          |
| 312 - BOILER PLANT EQUIPMENT            |                       |          |       |           |      |          |      |          |
| 4000 - ENVIRONMENTAL CLEANUP (ASBESTOS) | INSULATION (ASBESTOS) |          | 1,053 | 315.00 TN | 60   |          |      | 1,113    |
| SMITH ASBESTOS UNIT 2 SUBTOTAL          |                       |          | 1,053 |           | 60   |          |      | 1,113    |
| 304 - CONTINGENCY                       |                       |          |       |           |      |          |      |          |
| 0000 - CONTINGENCY                      |                       |          | 105   |           | 6    |          |      | 111      |
| SMITH ASBESTOS UNIT 2 GRAND TOTAL       |                       |          | 1,159 |           | 66   |          |      | 1,224    |

**SMITH ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS                        | DESCRIPTION                       | REMOVAL  |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|--|-----------------------------------|----------|------|----------|------|----------|------|----------|
|  |                                   | QUANTITY | COST | QUANTITY | COST | QUANTITY | COST |          |
| 307 - CONSTRUCTION CLEARING ACCOUNTS         |                                   |          |      |          |      |          |      |          |
| 0200 - TEMPORARY SERVICES                    | TEMPORARY CONSTRUCTION SERVICES   | 2.00 %   | 7    |          |      |          |      | 7        |
| 308 - ENGINEERING                            |                                   |          |      |          |      |          |      |          |
| 0240 - ENGINEERING SCS                       | SCS ENGINEERING                   | 3.00 %   | 11   |          |      |          |      | 11       |
| 0260 - ENGINEERING-OPERATING COMPANY PERMITS |                                   | 1.00 LT  |      |          |      |          |      |          |
| 0360 - CONSTRUCTION INSURANCE                | WRAP-UP AND ALL-RISK INSURANCE    | 0.60 %   | 2    |          |      |          |      | 2        |
| 308 - FERC ACCOUNT TOTAL                     |                                   |          | 13   |          |      |          |      | 13       |
| 309 - OVERHEADS                              |                                   |          |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD                      | ADMINISTRATIVE & GENERAL OVERHEAD | 1.00 %   | 4    |          |      |          |      | 4        |
| SMITH ECO COMMON SUBTOTAL                    |                                   |          | 24   |          |      |          |      | 24       |
| 304 - CONTINGENCY                            |                                   |          |      |          |      |          |      |          |
| 0000 - CONTINGENCY                           |                                   |          | 2    |          |      |          |      | 2        |
| SMITH ECO COMMON GRAND TOTAL                 |                                   |          | 26   |          |      |          |      | 26       |

**SMITH ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |          |          |
|                              | Precipitators - DEMO     | 750.00   | nt 180 |          |      |          |          | 180      |
|                              | Precipitators - FE Sales |          |        |          |      | 750      | nt (135) | (135)    |
|                              | 0000 - COA ACCOUNT TOTAL |          | 180    |          |      |          | (135)    | 45       |
| SMITH ECO UNIT 1             | SUBTOTAL                 |          | 180    |          |      |          | (135)    | 45       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY           |                          |          | 18     |          |      |          | (14)     | 4        |
| SMITH ECO UNIT 1             | GRAND TOTAL              |          | 198    |          |      |          | (149)    | 49       |

**SMITH ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS        | DESCRIPTION              | REMOVAL  |        | DISPOSAL |      | SALVAGE  |          | TOTAL \$ |
|------------------------------|--------------------------|----------|--------|----------|------|----------|----------|----------|
|                              |                          | QUANTITY | COST   | QUANTITY | COST | QUANTITY | COST     |          |
| 312 - BOILER PLANT EQUIPMENT |                          |          |        |          |      |          |          |          |
| 0000 - UNDEFINED             |                          |          |        |          |      |          |          |          |
|                              | Precipitators - DEMO     | 750.00   | nt 180 |          |      |          |          | 180      |
|                              | Precipitators - FE Sales |          |        |          |      | 750      | nt (135) | (135)    |
|                              | 0000 - COA ACCOUNT TOTAL |          | 180    |          |      |          | (135)    | 45       |
| SMITH ECO UNIT 2             | SUBTOTAL                 |          | 180    |          |      |          | (135)    | 45       |
| 304 - CONTINGENCY            |                          |          |        |          |      |          |          |          |
| 0000 - CONTINGENCY           |                          |          | 18     |          |      |          | (14)     | 4        |
| SMITH ECO UNIT 2             | GRAND TOTAL              |          | 198    |          |      |          | (149)    | 49       |

**SMITH NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION  | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|--|----------|-------|----------|------|----------|------|----------|
|                       |  | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
| 307 -                 | CONSTRUCTION CLEARING ACCOUNTS                         |          |       |          |      |          |      |          |
|                       | - UNDEFINED  |          |       |          |      |          |      |          |
|                       | Install Electrical for Decommissioning Work            | 1.00     | 150   |          |      |          |      | 150      |
| 0040 -                | PRODUCTION COSTS                                       |          |       |          |      |          |      |          |
|                       | POWER GENERATION SUPERVISION                           | 4.00     | 540   |          |      |          |      | 540      |
| 0200 -                | TEMPORARY SERVICES                                     |          |       |          |      |          |      |          |
|                       | CONTRACTOR MOBILIZATION                                | 1.00     | 200   |          |      |          |      | 200      |
|                       | TEMPORARY CONSTRUCTION SERVICES                        | 2.00     | (4)   |          |      |          |      | (4)      |
| 0200 -                | COA ACCOUNT TOTAL                                      |          | 196   |          |      |          |      | 196      |
| 0220 -                | SAFETY & SECURITY FACILITIES                           |          |       |          |      |          |      |          |
|                       | SECURITY SERVICES                                      | 14.00    | 711   |          |      |          |      | 711      |
| 307 -                 | FERC ACCOUNT TOTAL                                     |          | 1,597 |          |      |          |      | 1,597    |
| 308 -                 | ENGINEERING  |          |       |          |      |          |      |          |
| 0240 -                | ENGINEERING SCS  |          |       |          |      |          |      |          |
|                       | Design bulkhead for intake and discharge tunnel        | 1.00     | 50    |          |      |          |      | 50       |
|                       | SCS ENGINEERING  | 3.00     | 294   |          |      |          |      | 294      |
|                       | Storm Water Prevention Plan                            | 1.00     | 30    |          |      |          |      | 30       |
| 0240 -                | COA ACCOUNT TOTAL                                      |          | 374   |          |      |          |      | 374      |
| 0260 -                | ENGINEERING-OPERATING COMPANY                          |          |       |          |      |          |      |          |
|                       | APC ENGINEERING  | 2,000.00 | 203   |          |      |          |      | 203      |
|                       | Perform environmental survey of above grade structures | 1.00     | 150   |          |      |          |      | 150      |
|                       | PERMITS  | 1.00     | 8     |          |      |          |      | 8        |
| 0260 -                | COA ACCOUNT TOTAL                                      |          | 360   |          |      |          |      | 360      |
| 0360 -                | CONSTRUCTION INSURANCE                                 |          |       |          |      |          |      |          |
|                       | WRAP-UP AND ALL-RISK INSURANCE                         | 0.60     | 59    |          |      |          |      | 59       |

**SMITH NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                   | REMOVAL         |      | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|---------------------------------|---|-----------------|------|----------|------|----------|------|----------|
|                                 |   | QUANTITY        | COST | QUANTITY | COST | QUANTITY | COST |          |
| 308 - ENGINEERING               |   |                 |      |          |      |          |      |          |
| 308 - FERC ACCOUNT TOTAL        |   |                 | 793  |          |      |          |      | 793      |
| 309 - OVERHEADS                 |   |                 |      |          |      |          |      |          |
| 0480 - GENERAL OVERHEAD         | ADMINISTRATIVE & GENERAL OVERHEAD             | 1.00 %          | 98   |          |      |          |      | 98       |
| 311 - STRUCTURES & IMPROVEMENTS |   |                 |      |          |      |          |      |          |
| - UNDEFINED                     | ANCILLARY BUILDINGS - Demo                    | 125.00 nt       | 30   |          |      |          |      | 30       |
|                                 | ANCILLARY BUILDINGS - FE SALES                |                 |      |          |      | 125 nt   | (23) | (23)     |
|                                 | Utility Disconnects                           | 1.00 ls         | 100  |          |      |          |      | 100      |
| - COA ACCOUNT TOTAL             |   |                 | 130  |          |      |          | (23) | 107      |
| 2020 - SITE PREPARATION         | Grade and Seeding                             | 2,500,000.00 sf | 625  |          |      |          |      | 625      |
| 2040 - SITE IMPROVEMENTS        | Pavement Repairs                              | 50,000.00 sf    | 225  |          |      |          |      | 225      |
| 311 - FERC ACCOUNT TOTAL        |   |                 | 980  |          |      |          | (23) | 957      |
| 314 - TURBOGENERATOR UNITS      |   |                 |      |          |      |          |      |          |
| 7740 - COOLING WTR SYSTEM       | Install Bulkhead in Intake & Discharge Tunnel | 1.00 ls         | 150  |          |      |          |      | 150      |
| 341 - STRUCTURES & IMPROVEMENTS |   |                 |      |          |      |          |      |          |
| 0000 - UNDEFINED                | Transport & Dispose of Combustibles           |                 |      | 35.00 nt | 2    |          |      | 2        |

**SMITH NON-ECO COMMON  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                      | REMOVAL  |       | DISPOSAL |      | SALVAGE  |      | TOTAL \$ |
|-----------------------|----------------------------------|----------|-------|----------|------|----------|------|----------|
|                       |                                  | QUANTITY | COST  | QUANTITY | COST | QUANTITY | COST |          |
|                       | SMITH NON-ECO COMMON SUBTOTAL    |          | 3,618 | 2        |      | (23)     |      | 3,598    |
| 304 - CONTINGENCY     |                                  |          |       |          |      |          |      |          |
| 0000 - CONTINGENCY    |                                  |          | 362   |          |      | (2)      |      | 360      |
|                       | SMITH NON-ECO COMMON GRAND TOTAL |          | 3,980 | 3        |      | (25)     |      | 3,958    |

**SMITH NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                       | REMOVAL      |       | DISPOSAL     |      | SALVAGE     |       | TOTAL \$ |
|---------------------------------|---|--------------|-------|--------------|------|-------------|-------|----------|
|                                 |   | QUANTITY     | COST  | QUANTITY     | COST | QUANTITY    | COST  |          |
| 311 - STRUCTURES & IMPROVEMENTS |   |              |       |              |      |             |       |          |
| - UNDEFINED                     |   |              |       |              |      |             |       |          |
|                                 | Main Power Block - Backfill Basement              | 10,481.48 cy | 419   |              |      |             |       | 419      |
|                                 | Main Power Block - DEMO                           | 7,549.44 nt  | 1,849 |              |      |             |       | 1,849    |
|                                 | Main Power Block - FE Sales                       |              |       |              |      | 7,549 nt    | (818) | (818)    |
|                                 | Transport & Dispose of Combustibles               |              |       | 285.35 nt    | 19   |             |       | 19       |
|                                 | - COA ACCOUNT TOTAL                               |              | 2,268 |              | 19   |             | (818) | 1,469    |
| 2340 - STEAM GENERATOR BUILDING |   |              |       |              |      |             |       |          |
|                                 | Process, haul and backfill brick & block          |              |       | 18,000.00 nt | 270  |             |       | 270      |
| 311 - FERC ACCOUNT TOTAL        |   |              | 2,268 |              | 289  |             | (818) | 1,739    |
| 312 - BOILER PLANT EQUIPMENT    |   |              |       |              |      |             |       |          |
| 0000 - UNDEFINED                |   |              |       |              |      |             |       |          |
|                                 | Dispose of Refractory in Subtitle D Landfill      |              |       | 486.11 nt    | 32   |             |       | 32       |
|                                 | Main Power Block - AL Sales                       |              |       |              |      | 114,142 lbs | (45)  | (45)     |
|                                 | Main Power Block - Brick Stack                    | 0.50 ea      | 50    |              |      |             |       | 50       |
|                                 | Main Power Block - CU Sales                       |              |       |              |      | 215,601 lbs | (80)  | (80)     |
|                                 | Main Power Block - DEMO                           | 2,516.48 nt  | 616   |              |      |             |       | 616      |
|                                 | Main Power Block - FE Sales                       |              |       |              |      | 3,146 nt    | (341) | (341)    |
|                                 | Main Power Block - SS Sales                       |              |       |              |      | 152,189 lbs | (28)  | (28)     |
|                                 | 0000 - COA ACCOUNT TOTAL                          |              | 666   |              | 32   |             | (493) | 205      |
| 314 - TURBOGENERATOR UNITS      |   |              |       |              |      |             |       |          |
| - UNDEFINED                     |   |              |       |              |      |             |       |          |
|                                 | Main Power Block - Condenser Tubes (90-10, CU Ni) |              |       |              |      | 157,500 lbs | (249) | (249)    |
|                                 | Main Power Block - DEMO                           | 1,887.36 nt  | 462   |              |      |             |       | 462      |
|                                 | Main Power Block - FE Sales                       |              |       |              |      | 1,887 nt    | (205) | (205)    |

**SMITH NON-ECO UNIT 1  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL   |       | DISPOSAL |      | SALVAGE     |         | TOTAL \$ |
|----------------------------------|--|-----------|-------|----------|------|-------------|---------|----------|
|                                  |  | QUANTITY  | COST  | QUANTITY | COST | QUANTITY    | COST    |          |
| 314 -                            | TURBOGENERATOR UNITS                               |           |       |          |      |             |         |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 666.67 cy | 70    |          |      |             |         | 70       |
|                                  | - COA ACCOUNT TOTAL                                |           | 532   |          |      |             | (454)   | 78       |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |           |       |          |      |             |         |          |
|                                  | - UNDEFINED  |           |       |          |      |             |         |          |
|                                  | Main Power Block - CU Sales                        |           |       |          |      | 862,403 lbs | (319)   | (319)    |
|                                  | Main Power Block - DEMO                            | 629.12 nt | 154   |          |      |             |         | 154      |
|                                  | Unit & Service Transformers - CU Sales             |           |       |          |      | 146,743 lbs | (46)    | (46)     |
|                                  | Unit & Service Transformers - Demo                 | 100.00 nt | 24    |          |      |             |         | 24       |
|                                  | Unit & Service Transformers - FE Sales             |           |       |          |      | 100 nt      | (11)    | (11)     |
|                                  | - COA ACCOUNT TOTAL                                |           | 179   |          |      |             | (376)   | (198)    |
| 343 -                            | PRIME MOVERS                                       |           |       |          |      |             |         |          |
|                                  | 4000 - ENVIRONMENTAL CLEANUP                       |           |       |          |      |             |         |          |
|                                  | Universal Wastes, Grease & Oil Removal             |           |       |          | 48   |             |         | 48       |
| SMITH NON-ECO UNIT 1 SUBTOTAL    |  |           | 3,645 | 368      |      |             | (2,141) | 1,872    |
| 304 -                            | CONTINGENCY  |           |       |          |      |             |         |          |
|                                  | 0000 - CONTINGENCY                                 |           | 365   |          | 37   |             | (214)   | 187      |
| SMITH NON-ECO UNIT 1 GRAND TOTAL |  |           | 4,010 | 405      |      |             | (2,355) | 2,059    |

**SMITH NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS | DESCRIPTION                                       | REMOVAL      |       | DISPOSAL     |      | SALVAGE     |       | TOTAL \$ |
|-----------------------|---|--------------|-------|--------------|------|-------------|-------|----------|
|                       |   | QUANTITY     | COST  | QUANTITY     | COST | QUANTITY    | COST  |          |
| 311 -                 | STRUCTURES & IMPROVEMENTS                         |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                       |              |       |              |      |             |       |          |
|                       | Main Power Block - Backfill Basement              | 11,896.48 cy | 476   |              |      |             |       | 476      |
|                       | Main Power Block - DEMO                           | 8,564.71 nt  | 2,097 |              |      |             |       | 2,097    |
|                       | Main Power Block - FE Sales                       |              |       |              |      | 8,565 nt    | (928) | (928)    |
|                       | Transport & Dispose of Combustibles               |              |       | 323.88 nt    | 21   |             |       | 21       |
|                       | - COA ACCOUNT TOTAL                               |              | 2,573 |              | 21   |             | (928) | 1,666    |
| 2340 -                | STEAM GENERATOR BUILDING                          |              |       |              |      |             |       |          |
|                       | Process, haul and backfill brick & block          |              |       | 15,000.00 nt | 225  |             |       | 225      |
| 311 -                 | FERC ACCOUNT TOTAL                                |              | 2,573 |              | 246  |             | (928) | 1,891    |
| 312 -                 | BOILER PLANT EQUIPMENT                            |              |       |              |      |             |       |          |
| 0000 -                | UNDEFINED   |              |       |              |      |             |       |          |
|                       | Dispose of Refractory in Subtitle D Landfill      |              |       | 543.98 nt    | 35   |             |       | 35       |
|                       | Main Power Block - AL Sales                       |              |       |              |      | 129,551 lbs | (51)  | (51)     |
|                       | Main Power Block - Brick Stack                    | 0.50 ea      | 50    |              |      |             |       | 50       |
|                       | Main Power Block - CU Sales                       |              |       |              |      | 244,707 lbs | (91)  | (91)     |
|                       | Main Power Block - DEMO                           | 2,854.90 nt  | 699   |              |      |             |       | 699      |
|                       | Main Power Block - FE Sales                       |              |       |              |      | 3,569 nt    | (387) | (387)    |
|                       | Main Power Block - SS Sales                       |              |       |              |      | 172,734 lbs | (32)  | (32)     |
| 0000 -                | COA ACCOUNT TOTAL                                 |              | 749   |              | 35   |             | (560) | 225      |
| 314 -                 | TURBOGENERATOR UNITS                              |              |       |              |      |             |       |          |
|                       | - UNDEFINED                                       |              |       |              |      |             |       |          |
|                       | Main Power Block - Condenser Tubes (90-10, CU Ni) |              |       |              |      | 180,000 lbs | (285) | (285)    |
|                       | Main Power Block - DEMO                           | 2,141.18 nt  | 524   |              |      |             |       | 524      |
|                       | Main Power Block - FE Sales                       |              |       |              |      | 2,141 nt    | (232) | (232)    |

**SMITH NON-ECO UNIT 2  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS            | DESCRIPTION  | REMOVAL   |       | DISPOSAL |      | SALVAGE     |         | TOTAL \$ |
|----------------------------------|--|-----------|-------|----------|------|-------------|---------|----------|
|                                  |  | QUANTITY  | COST  | QUANTITY | COST | QUANTITY    | COST    |          |
| 314 -                            | TURBOGENERATOR UNITS                               |           |       |          |      |             |         |          |
|                                  | Main Power Block - Turbine Foundations<br>Concrete | 800.00 cy | 84    |          |      |             |         | 84       |
|                                  | - COA ACCOUNT TOTAL                                |           | 608   |          |      |             | (517)   | 91       |
| 315 -                            | ACCESSORY ELEC EQUIPMENT                           |           |       |          |      |             |         |          |
|                                  | - UNDEFINED  |           |       |          |      |             |         |          |
|                                  | Main Power Block - CU Sales                        |           |       |          |      | 978,828 lbs | (362)   | (362)    |
|                                  | Main Power Block - DEMO                            | 713.73 nt | 175   |          |      |             |         | 175      |
|                                  | Unit & Service Transformers - CU Sales             |           |       |          |      | 176,092 lbs | (55)    | (55)     |
|                                  | Unit & Service Transformers - Demo                 | 120.00 nt | 29    |          |      |             |         | 29       |
|                                  | Unit & Service Transformers - FE Sales             |           |       |          |      | 120 nt      | (13)    | (13)     |
|                                  | - COA ACCOUNT TOTAL                                |           | 204   |          |      |             | (431)   | (226)    |
| 343 -                            | PRIME MOVERS                                       |           |       |          |      |             |         |          |
|                                  | 4000 - ENVIRONMENTAL CLEANUP                       |           |       |          |      |             |         |          |
|                                  | Universal Wastes, Grease & Oil Removal             |           |       |          | 54   |             |         | 54       |
| SMITH NON-ECO UNIT 2 SUBTOTAL    |  |           | 4,135 | 335      |      |             | (2,435) | 2,035    |
| 304 -                            | CONTINGENCY  |           |       |          |      |             |         |          |
|                                  | 0000 - CONTINGENCY                                 |           | 414   |          | 34   |             | (244)   | 204      |
| SMITH NON-ECO UNIT 2 GRAND TOTAL |  |           | 4,549 | 369      |      |             | (2,679) | 2,239    |

**SMITH NON-ECO UNIT 3 CC  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                  | REMOVAL     |      | DISPOSAL  |      | SALVAGE     |       | TOTAL \$ |
|---------------------------------|--|-------------|------|-----------|------|-------------|-------|----------|
|                                 |  | QUANTITY    | COST | QUANTITY  | COST | QUANTITY    | COST  |          |
| 312 - BOILER PLANT EQUIPMENT    |  |             |      |           |      |             |       |          |
| 0000 - UNDEFINED                | Dispose of Refractory in Subtitle D Landfill |             |      | 115.74 nt | 8    |             |       | 8        |
| 341 - STRUCTURES & IMPROVEMENTS |  |             |      |           |      |             |       |          |
| 0000 - UNDEFINED                | CTs - DEMO                                   | 1,914.00 nt | 469  |           |      |             |       | 469      |
|                                 | CTs - FE Sales                               |             |      |           |      | 1,914 nt    | (207) | (207)    |
|                                 | Transport & Dispose of Combustibles          |             |      | 92.00 nt  | 6    |             |       | 6        |
|                                 | 0000 - COA ACCOUNT TOTAL                     |             | 469  |           | 6    |             | (207) | 267      |
| 343 - PRIME MOVERS              |  |             |      |           |      |             |       |          |
| 0000 - UNDEFINED                | CTs - CU Sales                               |             |      |           |      | 30,060 lbs  | (11)  | (11)     |
|                                 | CTs - DEMO                                   | 638.00 nt   | 156  |           |      |             |       | 156      |
|                                 | CTs - FE Sales                               |             |      |           |      | 798 nt      | (86)  | (86)     |
|                                 | 0000 - COA ACCOUNT TOTAL                     |             | 156  |           |      |             | (98)  | 59       |
| 4000 - ENVIRONMENTAL CLEANUP    | Universal Wastes, Grease & Oil Removal       |             |      |           | 12   |             |       | 12       |
| 343 - FERC ACCOUNT TOTAL        |  |             | 156  |           | 12   |             | (98)  | 70       |
| 344 - GENERATORS                |  |             |      |           |      |             |       |          |
| 0000 - UNDEFINED                | CTs - DEMO                                   | 478.50 nt   | 117  |           |      |             |       | 117      |
|                                 | CTs - FE Sales                               |             |      |           |      | 479 nt      | (52)  | (52)     |
|                                 | 0000 - COA ACCOUNT TOTAL                     |             | 117  |           |      |             | (52)  | 65       |
| 345 - ACCESSORY ELEC EQUIPMENT  |  |             |      |           |      |             |       |          |
| 0000 - UNDEFINED                | CTs - CU Sales                               |             |      |           |      | 120,240 lbs | (45)  | (45)     |
|                                 | CTs - DEMO                                   | 159.50 nt   | 39   |           |      |             |       | 39       |

**SMITH NON-ECO UNIT 3 CC  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS          | DESCRIPTION                         | REMOVAL   |      | DISPOSAL |      | SALVAGE     |       | TOTAL \$ |
|--------------------------------|-------------------------------------|-----------|------|----------|------|-------------|-------|----------|
|                                |                                     | QUANTITY  | COST | QUANTITY | COST | QUANTITY    | COST  |          |
| 345 - ACCESSORY ELEC EQUIPMENT |                                     |           |      |          |      |             |       |          |
|                                | CTs Transformers - CU Sales         |           |      |          |      | 220,114 lbs | (69)  | (69)     |
|                                | CTs Transformers - Demo             | 150.00 nt | 37   |          |      |             |       | 37       |
|                                | CTs Transformers - FE Sales         |           |      |          |      | 150 nt      | (16)  | (16)     |
|                                | 0000 - COA ACCOUNT TOTAL            |           | 76   |          |      |             | (130) | (54)     |
|                                | SMITH NON-ECO UNIT 3 CC SUBTOTAL    |           | 818  |          | 25   |             | (487) | 356      |
| 304 - CONTINGENCY              |                                     |           |      |          |      |             |       |          |
|                                | 0000 - CONTINGENCY                  |           | 82   |          | 3    |             | (49)  | 36       |
|                                | SMITH NON-ECO UNIT 3 CC GRAND TOTAL |           | 900  |          | 28   |             | (535) | 392      |

**SMITH NON-ECO UNIT 4 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS           | DESCRIPTION                                  | REMOVAL   |      | DISPOSAL |      | SALVAGE    |      | TOTAL \$ |
|---------------------------------|--|-----------|------|----------|------|------------|------|----------|
|                                 |  | QUANTITY  | COST | QUANTITY | COST | QUANTITY   | COST |          |
| 312 - BOILER PLANT EQUIPMENT    |  |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                | Dispose of Refractory in Subtitle D Landfill |           |      | 11.57 nt | 1    |            |      | 1        |
| 341 - STRUCTURES & IMPROVEMENTS |  |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                | CTs - DEMO                                   | 175.20 nt | 43   |          |      |            |      | 43       |
|                                 | CTs - FE Sales                               |           |      |          |      | 175 nt     | (19) | (19)     |
|                                 | Transport & Dispose of Combustibles          |           |      | 12.00 nt | 1    |            |      | 1        |
|                                 | 0000 - COA ACCOUNT TOTAL                     |           | 43   |          | 1    |            | (19) | 25       |
| 343 - PRIME MOVERS              |  |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                | CTs - CU Sales                               |           |      |          |      | 5,559 lbs  | (2)  | (2)      |
|                                 | CTs - DEMO                                   | 58.40 nt  | 14   |          |      |            |      | 14       |
|                                 | CTs - FE Sales                               |           |      |          |      | 73 nt      | (8)  | (8)      |
|                                 | 0000 - COA ACCOUNT TOTAL                     |           | 14   |          |      |            | (10) | 4        |
| 4000 - ENVIRONMENTAL CLEANUP    | Universal Wastes, Grease & Oil Removal       |           |      |          | 1    |            |      | 1        |
| 343 - FERC ACCOUNT TOTAL        |  |           | 14   |          | 1    |            | (10) | 5        |
| 344 - GENERATORS                |  |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                | CTs - DEMO                                   | 43.80 nt  | 11   |          |      |            |      | 11       |
|                                 | CTs - FE Sales                               |           |      |          |      | 44 nt      | (5)  | (5)      |
|                                 | 0000 - COA ACCOUNT TOTAL                     |           | 11   |          |      |            | (5)  | 6        |
| 345 - ACCESSORY ELEC EQUIPMENT  |  |           |      |          |      |            |      |          |
| 0000 - UNDEFINED                | CTs - CU Sales                               |           |      |          |      | 22,236 lbs | (8)  | (8)      |
|                                 | CTs - DEMO                                   | 14.60 nt  | 4    |          |      |            |      | 4        |

**SMITH NON-ECO UNIT 4 CT  
PLANT DETAIL EXHIBIT M.2  
DECEMBER 31, 2016 \$ X 1000**

| FERC/COA/<br>COMMENTS          | DESCRIPTION                         | REMOVAL  |      | DISPOSAL |      | SALVAGE    |      | TOTAL \$ |
|--------------------------------|-------------------------------------|----------|------|----------|------|------------|------|----------|
|                                |                                     | QUANTITY | COST | QUANTITY | COST | QUANTITY   | COST |          |
| 345 - ACCESSORY ELEC EQUIPMENT |                                     |          |      |          |      |            |      |          |
|                                | CTs Transformers - CU Sales         |          |      |          |      | 51,360 lbs | (16) | (16)     |
|                                | CTs Transformers - Demo             | 35.00 nt | 9    |          |      |            |      | 9        |
|                                | CTs Transformers - FE Sales         |          |      |          |      | 35 nt      | (4)  | (4)      |
|                                | 0000 - COA ACCOUNT TOTAL            |          | 12   |          |      |            | (28) | (16)     |
|                                | SMITH NON-ECO UNIT 4 CT SUBTOTAL    |          | 80   |          | 3    |            | (62) | 21       |
| 304 - CONTINGENCY              |                                     |          |      |          |      |            |      |          |
|                                | 0000 - CONTINGENCY                  |          | 8    |          |      |            | (6)  | 2        |
|                                | SMITH NON-ECO UNIT 4 CT GRAND TOTAL |          | 88   |          | 3    |            | (68) | 23       |

**EXHIBIT 1 - Annual Fossil Dismantlement Cost  
Levelized Expense Calculation**

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT         | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Plant Crist</b> |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 4             | Labor          |                              | 2024 | 817,700               | 1.217             | 995,141                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2025 | 817,700               | 1.246             | 1,018,854                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | 288,600               | 1.752             | 505,627                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor    | 1,924,000                    | 2024 | 1,924,000             |                   | 2,519,622                  | 10,748,883                       | (8,229,261)              | 3.43%                        | (911,447)                 | 1.0526        | (959,389)                       |
|                    | Disposal       |                              | 2024 | 126,225               | 1.200             | 151,470                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2025 | 126,225               | 1.224             | 154,499                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | 44,550                | 1.626             | 72,438                     |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal | 297,000                      | 2024 | 297,000               |                   | 378,407                    | 1,614,311                        | (1,235,904)              | 3.07%                        | (138,619)                 | 1.0471        | (145,148)                       |
|                    | Scrap          |                              | 2024 | (267,325)             | 1.248             | (333,622)                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2025 | (267,325)             | 1.271             | (339,770)                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | (94,350)              | 1.728             | (163,037)                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap    | (629,000)                    | 2024 | (629,000)             |                   | (836,429)                  | (3,568,264)                      | 2,731,835                | 3.63%                        | 300,445                   | 1.0557        | 317,180                         |
| Total Unit 4       |                | 1,592,000                    |      | 1,592,000             |                   | 2,061,600                  | 8,794,930                        | (6,733,330)              |                              | (749,621)                 |               | (787,357)                       |
| Unit 5             | Labor          |                              | 2026 | 817,700               | 1.278             | 1,045,021                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2027 | 817,700               | 1.312             | 1,072,822                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | 288,600               | 1.752             | 505,627                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor    | 1,924,000                    | 2026 | 1,924,000             |                   | 2,623,470                  | 10,568,948                       | (7,945,478)              | 3.15%                        | (688,330)                 | 1.0482        | (721,508)                       |
|                    | Disposal       |                              | 2026 | 126,225               | 1.249             | 157,655                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2027 | 126,225               | 1.274             | 160,811                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | 44,550                | 1.626             | 72,438                     |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal | 297,000                      | 2026 | 297,000               |                   | 390,904                    | 1,574,801                        | (1,183,897)              | 2.79%                        | (104,297)                 | 1.0426        | (108,740)                       |
|                    | Scrap          |                              | 2026 | (267,325)             | 1.295             | (346,186)                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2027 | (267,325)             | 1.321             | (353,136)                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2039 | (94,350)              | 1.728             | (163,037)                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap    | (629,000)                    | 2026 | (629,000)             |                   | (862,359)                  | (3,474,112)                      | 2,611,753                | 3.21%                        | 225,675                   | 1.0491        | 236,756                         |
| Total Unit 5       |                | 1,592,000                    |      | 1,592,000             |                   | 2,152,015                  | 8,669,637                        | (6,517,622)              |                              | (566,952)                 |               | (593,492)                       |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)          | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT   | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Unit 6       |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|              | Labor          |                              | 2035 | 2,719,150             | 1.600             | 4,350,640                  |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2036 | 2,719,150             | 1.637             | 4,451,249                  |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 959,700               | 1.752             | 1,681,394                  |                                  |                          |                              |                           |               |                                 |
|              | Total Labor    | 6,398,000                    | 2035 | 6,398,000             |                   | 10,483,283                 | 26,272,412                       | (15,789,129)             | 2.63%                        | (651,074)                 | 1.0402        | (677,247)                       |
|              | Disposal       |                              | 2035 | 386,325               | 1.499             | 579,101                    |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2036 | 386,325               | 1.530             | 591,077                    |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 136,350               | 1.626             | 221,705                    |                                  |                          |                              |                           |               |                                 |
|              | Total Disposal | 909,000                      | 2035 | 909,000               |                   | 1,391,883                  | 3,599,630                        | (2,207,747)              | 2.27%                        | (94,249)                  | 1.0345        | (97,501)                        |
|              | Scrap          |                              | 2035 | (967,725)             | 1.573             | (1,522,231)                |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2036 | (967,725)             | 1.611             | (1,559,005)                |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | (341,550)             | 1.728             | (590,198)                  |                                  |                          |                              |                           |               |                                 |
|              | Total Scrap    | (2,277,000)                  | 2035 | (2,277,000)           |                   | (3,671,434)                | (8,956,995)                      | 5,285,561                | 2.55%                        | 219,761                   | 1.0388        | 228,288                         |
| Total Unit 6 |                | 5,030,000                    |      | 5,030,000             |                   | 8,203,732                  | 20,915,047                       | (12,711,315)             |                              | (525,562)                 |               | (546,460)                       |
| Unit 7       |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|              | Labor          |                              | 2038 | 3,972,050             | 1.713             | 6,804,122                  |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 3,972,050             | 1.752             | 6,959,032                  |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 1,401,900             | 1.752             | 2,456,129                  |                                  |                          |                              |                           |               |                                 |
|              | Total Labor    | 9,346,000                    | 2038 | 9,346,000             |                   | 16,219,283                 | 36,899,892                       | (20,680,609)             | 2.54%                        | (713,518)                 | 1.0387        | (741,131)                       |
|              | Disposal       |                              | 2038 | 500,225               | 1.593             | 796,858                    |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 500,225               | 1.626             | 813,366                    |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | 176,550               | 1.626             | 287,070                    |                                  |                          |                              |                           |               |                                 |
|              | Total Disposal | 1,177,000                    | 2038 | 1,177,000             |                   | 1,897,294                  | 3,035,882                        | (1,138,588)              | 2.19%                        | (40,820)                  | 1.0334        | (42,183)                        |
|              | Scrap          |                              | 2038 | (1,361,275)           | 1.688             | (2,297,832)                |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | (1,361,275)           | 1.728             | (2,352,283)                |                                  |                          |                              |                           |               |                                 |
|              |                |                              | 2039 | (480,450)             | 1.728             | (830,218)                  |                                  |                          |                              |                           |               |                                 |
|              | Total Scrap    | (3,203,000)                  | 2038 | (3,203,000)           |                   | (5,480,333)                | (15,818,446)                     | 10,338,113               | 2.47%                        | 359,334                   | 1.0377        | 372,881                         |
| Total Unit 7 |                | 7,320,000                    |      | 7,320,000             |                   | 12,636,244                 | 24,117,328                       | (11,481,084)             |                              | (395,004)                 |               | (410,433)                       |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)               | (B)               | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|-------------------|-------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT        | ITEM              | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Common            |                   |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                   | Labor             |                              | 2038 | 12,432,100            | 1.713             | 21,296,187                 |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | 12,432,100            | 1.752             | 21,781,039                 |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | 4,387,800             | 1.752             | 7,687,426                  |                                  |                          |                              |                           |               |                                 |
|                   | Total Labor       | 29,252,000                   | 2038 | 29,252,000            |                   | 50,764,652                 | 50,684,578                       | 80,074                   | 2.54%                        | 2,763                     | 1.0387        | 2,870                           |
|                   | Disposal          |                              | 2038 | 0                     | 1.593             | 0                          |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | 0                     | 1.626             | 0                          |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | 0                     | 1.626             | 0                          |                                  |                          |                              |                           |               |                                 |
|                   | Total Disposal    | 0                            | 2038 | 0                     |                   | 0                          | 0                                | 0                        | 0.00%                        | 0                         | 0.0000        | 0                               |
|                   | Scrap             |                              | 2038 | (130,475)             | 1.688             | (220,242)                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | (130,475)             | 1.728             | (225,461)                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2039 | (46,050)              | 1.728             | (79,574)                   |                                  |                          |                              |                           |               |                                 |
|                   | Total Scrap       | (307,000)                    | 2038 | (307,000)             |                   | (525,277)                  | (11,412,431)                     | 10,887,154               | 2.47%                        | 378,418                   | 1.0377        | 392,684                         |
|                   | Total Common      | 28,945,000                   |      | 28,945,000            |                   | 50,239,375                 | 39,272,147                       | 10,967,228               |                              | 381,181                   |               | 395,554                         |
| Total Plant Crist |                   |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                   | Labor             |                              |      | 20,758,700            |                   | 34,491,111                 |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 20,758,700            |                   | 35,282,996                 |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 7,326,600             |                   | 12,836,203                 |                                  |                          |                              |                           |               |                                 |
|                   | Total Labor       | 48,844,000                   |      | 48,844,000            |                   | 82,610,310                 | 135,174,713                      | (52,564,403)             |                              | (2,961,606)               |               | (3,096,405)                     |
|                   | Disposal          |                              |      | 1,139,000             |                   | 1,685,084                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 1,139,000             |                   | 1,719,753                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 402,000               |                   | 653,651                    |                                  |                          |                              |                           |               |                                 |
|                   | Total Disposal    | 2,680,000                    |      | 2,680,000             |                   | 4,058,488                  | 9,824,624                        | (5,766,136)              |                              | (377,985)                 |               | (393,572)                       |
|                   | Scrap             |                              |      | (2,994,125)           |                   | (4,720,113)                |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | (2,994,125)           |                   | (4,829,655)                |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | (1,056,750)           |                   | (1,826,064)                |                                  |                          |                              |                           |               |                                 |
|                   | Total Scrap       | (7,045,000)                  |      | (7,045,000)           |                   | (11,375,832)               | (43,230,248)                     | 31,854,416               |                              | 1,483,633                 |               | 1,547,789                       |
|                   | Total Plant Crist | 44,479,000                   |      | 44,479,000            |                   | 75,292,966                 | 101,769,089                      | (26,476,123)             |                              | (1,855,958)               |               | (1,942,188)                     |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT         | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Plant Smith</b> |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 1             |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor          |                              | 2016 | 2,280,975             | 1.022             | 2,331,156                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 2,280,975             | 1.049             | 2,392,743                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 805,050               | 1.049             | 844,497                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor    | 5,367,000                    | 2016 | <u>5,367,000</u>      |                   | <u>5,568,396</u>           | 8,899,201                        | (3,330,805)              | 0.93%                        | (821,234)                 | 1.0140        | (832,731)                       |
|                    | Disposal       |                              | 2016 | 200,175               | 1.014             | 202,977                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 200,175               | 1.032             | 206,581                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 70,650                | 1.032             | 72,911                     |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal | 471,000                      | 2016 | <u>471,000</u>        |                   | <u>482,469</u>             | 771,064                          | (288,595)                | 0.60%                        | (71,499)                  | 1.0091        | (72,150)                        |
|                    | Scrap          |                              | 2016 | (1,064,200)           | 0.968             | (1,030,146)                |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | (1,064,200)           | 1.011             | (1,075,906)                |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | (375,600)             | 1.011             | (379,732)                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap    | (2,504,000)                  | 2016 | <u>(2,504,000)</u>    |                   | <u>(2,485,784)</u>         | (3,972,686)                      | 1,486,902                | -0.18%                       | 372,744                   | 0.9973        | 371,738                         |
|                    | Total Unit 1   | <u>3,334,000</u>             |      | <u>3,334,000</u>      |                   | <u>3,565,081</u>           | 5,697,579                        | (2,132,498)              |                              | <u>(519,989)</u>          |               | <u>(533,143)</u>                |
| Unit 2             |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor          |                              | 2016 | 2,510,050             | 1.022             | 2,565,271                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 2,510,050             | 1.049             | 2,633,042                  |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 885,900               | 1.049             | 929,309                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor    | 5,906,000                    | 2016 | <u>5,906,000</u>      |                   | <u>6,127,622</u>           | 9,910,631                        | (3,783,009)              | 0.93%                        | (932,728)                 | 1.0140        | (945,786)                       |
|                    | Disposal       |                              | 2016 | 184,875               | 1.014             | 187,463                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 184,875               | 1.032             | 190,791                    |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | 65,250                | 1.032             | 67,338                     |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal | 435,000                      | 2016 | <u>435,000</u>        |                   | <u>445,592</u>             | 720,687                          | (275,095)                | 0.60%                        | (68,155)                  | 1.0091        | (68,775)                        |
|                    | Scrap          |                              | 2016 | (1,201,900)           | 0.968             | (1,163,439)                |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | (1,201,900)           | 1.011             | (1,215,121)                |                                  |                          |                              |                           |               |                                 |
|                    |                |                              | 2017 | (424,200)             | 1.011             | (428,866)                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap    | (2,828,000)                  | 2016 | <u>(2,828,000)</u>    |                   | <u>(2,807,426)</u>         | (4,540,646)                      | 1,733,220                | -0.18%                       | 434,492                   | 0.9973        | 433,319                         |
|                    | Total Unit 2   | <u>3,513,000</u>             |      | <u>3,513,000</u>      |                   | <u>3,765,788</u>           | 6,090,672                        | (2,324,884)              |                              | <u>(566,391)</u>          |               | <u>(581,242)</u>                |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)               | (B)               | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|-------------------|-------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT        | ITEM              | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Common            |                   |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                   | Labor             |                              | 2016 | 1,738,675             | 1.022             | 1,776,926                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | 1,738,675             | 1.049             | 1,823,870                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | 613,650               | 1.049             | 643,719                    |                                  |                          |                              |                           |               |                                 |
|                   | Total Labor       | 4,091,000                    | 2016 | 4,091,000             |                   | 4,244,515                  | 15,556,212                       | (11,311,697)             | 0.93%                        | (2,788,979)               | 1.0140        | (2,828,025)                     |
|                   | Disposal          |                              | 2016 | 1,275                 | 1.014             | 1,293                      |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | 1,275                 | 1.032             | 1,316                      |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | 450                   | 1.032             | 464                        |                                  |                          |                              |                           |               |                                 |
|                   | Total Disposal    | 3,000                        | 2016 | 3,000                 |                   | 3,073                      | 11,263                           | (8,190)                  | 0.60%                        | (2,029)                   | 1.0089        | (2,047)                         |
|                   | Scrap             |                              | 2016 | (10,625)              | 0.968             | (10,285)                   |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | (10,625)              | 1.011             | (10,742)                   |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              | 2017 | (3,750)               | 1.011             | (3,791)                    |                                  |                          |                              |                           |               |                                 |
|                   | Total Scrap       | (25,000)                     | 2016 | (25,000)              |                   | (24,818)                   | (90,958)                         | 66,140                   | -0.18%                       | 16,580                    | 0.9973        | 16,535                          |
|                   | Total Common      | 4,069,000                    |      | 4,069,000             |                   | 4,222,770                  | 15,476,517                       | (11,253,747)             |                              | (2,774,428)               |               | (2,813,537)                     |
| Total Plant Smith |                   |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                   | Labor             |                              |      | 6,529,700             |                   | 6,673,353                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 6,529,700             |                   | 6,849,655                  |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 2,304,600             |                   | 2,417,525                  |                                  |                          |                              |                           |               |                                 |
|                   | Total Labor       | 15,364,000                   |      | 15,364,000            |                   | 15,940,533                 | 34,366,044                       | (18,425,511)             |                              | (4,542,941)               |               | (4,606,542)                     |
|                   | Disposal          |                              |      | 386,325               |                   | 391,733                    |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 386,325               |                   | 398,688                    |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | 136,350               |                   | 140,713                    |                                  |                          |                              |                           |               |                                 |
|                   | Total Disposal    | 909,000                      |      | 909,000               |                   | 931,134                    | 1,503,014                        | (571,880)                |                              | (141,683)                 |               | (142,972)                       |
|                   | Scrap             |                              |      | (2,276,725)           |                   | (2,203,870)                |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | (2,276,725)           |                   | (2,301,769)                |                                  |                          |                              |                           |               |                                 |
|                   |                   |                              |      | (803,550)             |                   | (812,389)                  |                                  |                          |                              |                           |               |                                 |
|                   | Total Scrap       | (5,357,000)                  |      | (5,357,000)           |                   | (5,318,028)                | (8,604,290)                      | 3,286,262                |                              | 823,816                   |               | 821,592                         |
|                   | Total Plant Smith | 10,916,000                   |      | 10,916,000            |                   | 11,553,639                 | 27,264,768                       | (15,711,129)             |                              | (3,860,808)               |               | (3,927,922)                     |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                 | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|---------------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT          | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Plant Scholz</b> |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 1              |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                     | Labor          |                              | 2015 | 931,175               | 1.000             | 931,175                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 931,175               | 1.022             | 951,661                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 328,650               | 1.022             | 335,880                    |                                  |                          |                              |                           |               |                                 |
|                     | Total Labor    | 2,191,000                    | 2016 | 2,191,000             |                   | 2,218,716                  | 4,332,690                        | (2,113,974)              | 0.31%                        | (526,005)                 | 1.0047        | (528,477)                       |
|                     | Disposal       |                              | 2015 | 145,775               | 1.000             | 145,775                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 145,775               | 1.014             | 147,816                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 51,450                | 1.014             | 52,170                     |                                  |                          |                              |                           |               |                                 |
|                     | Total Disposal | 343,000                      | 2016 | 343,000               |                   | 345,761                    | 675,199                          | (329,438)                | 0.20%                        | (82,112)                  | 1.0030        | (82,358)                        |
|                     | Scrap          |                              | 2015 | (209,525)             | 1.000             | (209,525)                  |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | (209,525)             | 0.968             | (202,820)                  |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | (73,950)              | 0.968             | (71,584)                   |                                  |                          |                              |                           |               |                                 |
|                     | Total Scrap    | (493,000)                    | 2016 | (493,000)             |                   | (483,929)                  | (945,013)                        | 461,084                  | -0.46%                       | 116,075                   | 0.9931        | 115,274                         |
| Total Unit 1        |                | 2,041,000                    |      | 2,041,000             |                   | 2,080,548                  | 4,062,876                        | (1,982,328)              |                              | (492,042)                 |               | (495,561)                       |
| Unit 2              |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                     | Labor          |                              | 2015 | 931,175               | 1.000             | 931,175                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 931,175               | 1.022             | 951,661                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 328,650               | 1.022             | 335,880                    |                                  |                          |                              |                           |               |                                 |
|                     | Total Labor    | 2,191,000                    | 2016 | 2,191,000             |                   | 2,218,716                  | 4,263,493                        | (2,044,777)              | 0.31%                        | (508,787)                 | 1.0047        | (511,178)                       |
|                     | Disposal       |                              | 2015 | 145,775               | 1.000             | 145,775                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 145,775               | 1.014             | 147,816                    |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | 51,450                | 1.014             | 52,170                     |                                  |                          |                              |                           |               |                                 |
|                     | Total Disposal | 343,000                      | 2016 | 343,000               |                   | 345,761                    | 664,416                          | (318,655)                | 0.20%                        | (79,424)                  | 1.0030        | (79,662)                        |
|                     | Scrap          |                              | 2015 | (209,525)             | 1.000             | (209,525)                  |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | (209,525)             | 0.968             | (202,820)                  |                                  |                          |                              |                           |               |                                 |
|                     |                |                              | 2016 | (73,950)              | 0.968             | (71,584)                   |                                  |                          |                              |                           |               |                                 |
|                     | Total Scrap    | (493,000)                    | 2016 | (493,000)             |                   | (483,929)                  | (929,920)                        | 445,991                  | -0.46%                       | 112,275                   | 0.9931        | 111,500                         |
| Total Unit 2        |                | 2,041,000                    |      | 2,041,000             |                   | 2,080,548                  | 3,997,989                        | (1,917,441)              |                              | (475,936)                 |               | (479,340)                       |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                | (B)                | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------------|--------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT         | ITEM               | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Common             |                    |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor              |                              | 2015 | 585,650               | 1.000             | 585,650                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | 585,650               | 1.022             | 598,534                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | 206,700               | 1.022             | 211,247                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor        | 1,378,000                    | 2016 | <u>1,378,000</u>      |                   | <u>1,395,431</u>           | 9,073,138                        | (7,677,707)              | 0.31%                        | <u>(1,910,388)</u>        | 1.0047        | <u>(1,919,367)</u>              |
|                    | Disposal           |                              | 2015 | 850                   | 1.000             | 850                        |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | 850                   | 1.014             | 862                        |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | 300                   | 1.014             | 304                        |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal     | 2,000                        | 2016 | <u>2,000</u>          |                   | <u>2,016</u>               | 13,108                           | (11,092)                 | 0.20%                        | <u>(2,765)</u>            | 1.0033        | <u>(2,774)</u>                  |
|                    | Scrap              |                              | 2015 | (10,200)              | 1.000             | (10,200)                   |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | (10,200)              | 0.968             | (9,874)                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2016 | (3,600)               | 0.968             | (3,485)                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap        | <u>(24,000)</u>              | 2016 | <u>(24,000)</u>       |                   | <u>(23,559)</u>            | (153,181)                        | 129,622                  | -0.46%                       | <u>32,631</u>             | 0.9931        | <u>32,406</u>                   |
|                    | Total Common       | <u>1,356,000</u>             |      | <u>1,356,000</u>      |                   | <u>1,373,888</u>           | 8,933,065                        | (7,559,177)              |                              | <u>(1,880,522)</u>        |               | <u>(1,889,735)</u>              |
| Total Plant Scholz |                    |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor              |                              |      | 2,448,000             |                   | 2,448,000                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 2,448,000             |                   | 2,501,856                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 864,000               |                   | 883,007                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor        | 5,760,000                    |      | <u>5,760,000</u>      |                   | <u>5,832,863</u>           | 17,669,321                       | (11,836,458)             |                              | <u>(2,945,180)</u>        |               | <u>(2,959,022)</u>              |
|                    | Disposal           |                              |      | 292,400               |                   | 292,400                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 292,400               |                   | 296,494                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 103,200               |                   | 104,644                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal     | 688,000                      |      | <u>688,000</u>        |                   | <u>693,538</u>             | 1,352,723                        | (659,185)                |                              | <u>(164,301)</u>          |               | <u>(164,794)</u>                |
|                    | Scrap              |                              |      | (429,250)             |                   | (429,250)                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | (429,250)             |                   | (415,514)                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | (151,500)             |                   | (146,653)                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap        | <u>(1,010,000)</u>           |      | <u>(1,010,000)</u>    |                   | <u>(991,417)</u>           | (2,028,114)                      | 1,036,697                |                              | <u>260,981</u>            |               | <u>259,180</u>                  |
|                    | Total Plant Scholz | <u>5,438,000</u>             |      | <u>5,438,000</u>      |                   | <u>5,534,984</u>           | 16,993,930                       | (11,458,946)             |                              | <u>(2,848,500)</u>        |               | <u>(2,864,636)</u>              |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                          | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|------------------------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT                   | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Plant Daniel (Gulf %)</b> |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 1                       |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                              | Labor          |                              | 2042 | 1,553,375             | 1.876             | 2,914,132                  |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2043 | 1,553,375             | 1.920             | 2,982,480                  |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 548,250               | 2.117             | 1,160,645                  |                                  |                          |                              |                           |               |                                 |
|                              | Total Labor    | 3,655,000                    | 2042 | <u>3,655,000</u>      |                   | <u>7,057,257</u>           | 10,555,351                       | (3,498,094)              | 2.56%                        | (96,313)                  | 1.0391        | (100,079)                       |
|                              | Disposal       |                              | 2042 | 119,000               | 1.729             | 205,751                    |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2043 | 119,000               | 1.765             | 210,035                    |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 42,000                | 1.912             | 80,304                     |                                  |                          |                              |                           |               |                                 |
|                              | Total Disposal | 280,000                      | 2042 | <u>280,000</u>        |                   | <u>496,090</u>             | 741,989                          | (245,899)                | 2.22%                        | (7,087)                   | 1.0339        | (7,327)                         |
|                              | Scrap          |                              | 2042 | (807,075)             | 1.872             | (1,510,844)                |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2043 | (807,075)             | 1.926             | (1,554,426)                |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | (284,850)             | 2.303             | (656,010)                  |                                  |                          |                              |                           |               |                                 |
|                              | Total Scrap    | (1,899,000)                  | 2042 | <u>(1,899,000)</u>    |                   | <u>(3,721,280)</u>         | (5,565,819)                      | 1,844,539                | 2.62%                        | 50,385                    | 1.0400        | 52,400                          |
| Total Unit 1                 |                | <u>2,036,000</u>             |      | <u>2,036,000</u>      |                   | <u>3,832,067</u>           | 5,731,521                        | (1,899,454)              |                              | <u>(53,015)</u>           |               | <u>(55,006)</u>                 |
| Unit 2                       |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                              | Labor          |                              | 2046 | 1,553,375             | 2.066             | 3,209,273                  |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 1,553,375             | 2.117             | 3,288,495                  |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 548,250               | 2.117             | 1,160,645                  |                                  |                          |                              |                           |               |                                 |
|                              | Total Labor    | 3,655,000                    | 2046 | <u>3,655,000</u>      |                   | <u>7,658,413</u>           | 11,826,636                       | (4,168,223)              | 2.50%                        | (94,998)                  | 1.0381        | (98,617)                        |
|                              | Disposal       |                              | 2046 | 119,000               | 1.874             | 223,006                    |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 119,000               | 1.912             | 227,528                    |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | 42,000                | 1.912             | 80,304                     |                                  |                          |                              |                           |               |                                 |
|                              | Total Disposal | 280,000                      | 2046 | <u>280,000</u>        |                   | <u>530,838</u>             | 819,756                          | (288,918)                | 2.16%                        | (6,950)                   | 1.0328        | (7,178)                         |
|                              | Scrap          |                              | 2046 | (807,075)             | 2.198             | (1,773,951)                |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | (807,075)             | 2.303             | (1,858,694)                |                                  |                          |                              |                           |               |                                 |
|                              |                |                              | 2047 | (284,850)             | 2.303             | (656,010)                  |                                  |                          |                              |                           |               |                                 |
|                              | Total Scrap    | (1,899,000)                  | 2046 | <u>(1,899,000)</u>    |                   | <u>(4,288,655)</u>         | (6,622,829)                      | 2,334,174                | 2.75%                        | 51,060                    | 1.0421        | 53,210                          |
| Total Unit 2                 |                | <u>2,036,000</u>             |      | <u>2,036,000</u>      |                   | <u>3,900,596</u>           | 6,023,563                        | (2,122,967)              |                              | <u>(50,888)</u>           |               | <u>(52,585)</u>                 |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                | (B)                | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------------|--------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT         | ITEM               | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Common             |                    |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor              |                              | 2046 | 4,643,550             | 2.066             | 9,593,574                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | 4,643,550             | 2.117             | 9,830,395                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | 1,638,900             | 2.117             | 3,469,551                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor        | 10,926,000                   | 2046 | 10,926,000            |                   | 22,893,520                 | 10,640,966                       | 12,252,554               | 2.50%                        | 279,247                   | 1.0381        | 289,886                         |
|                    | Disposal           |                              | 2046 | 25,925                | 1.874             | 48,583                     |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | 25,925                | 1.912             | 49,569                     |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | 9,150                 | 1.912             | 17,495                     |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal     | 61,000                       | 2046 | 61,000                |                   | 115,647                    | 10,072                           | 105,575                  | 2.16%                        | 2,540                     | 1.0329        | 2,624                           |
|                    | Scrap              |                              | 2046 | (65,450)              | 2.198             | (143,859)                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | (65,450)              | 2.303             | (150,731)                  |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              | 2047 | (23,100)              | 2.303             | (53,199)                   |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap        | (154,000)                    | 2046 | (154,000)             |                   | (347,789)                  | (59,988)                         | (287,801)                | 2.75%                        | (6,296)                   | 1.0420        | (6,560)                         |
|                    | Total Common       | 10,833,000                   |      | 10,833,000            |                   | 22,661,378                 | 10,591,050                       | 12,070,328               |                              | 275,491                   |               | 285,950                         |
| Total Plant Daniel |                    |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                    | Labor              |                              |      | 7,750,300             |                   | 15,716,979                 |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 7,750,300             |                   | 16,101,370                 |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 2,735,400             |                   | 5,790,841                  |                                  |                          |                              |                           |               |                                 |
|                    | Total Labor        | 18,236,000                   |      | 18,236,000            |                   | 37,609,190                 | 33,022,953                       | 4,586,237                |                              | 87,936                    |               | 91,190                          |
|                    | Disposal           |                              |      | 263,925               |                   | 477,340                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 263,925               |                   | 487,132                    |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | 93,150                |                   | 178,103                    |                                  |                          |                              |                           |               |                                 |
|                    | Total Disposal     | 621,000                      |      | 621,000               |                   | 1,142,575                  | 1,571,817                        | (429,242)                |                              | (11,497)                  |               | (11,881)                        |
|                    | Scrap              |                              |      | (1,679,600)           |                   | (3,428,654)                |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | (1,679,600)           |                   | (3,563,851)                |                                  |                          |                              |                           |               |                                 |
|                    |                    |                              |      | (592,800)             |                   | (1,365,219)                |                                  |                          |                              |                           |               |                                 |
|                    | Total Scrap        | (3,952,000)                  |      | (3,952,000)           |                   | (8,357,724)                | (12,248,635)                     | 3,890,912                |                              | 95,149                    |               | 99,050                          |
|                    | Total Plant Daniel | 14,905,000                   |      | 14,905,000            |                   | 30,394,041                 | 22,346,135                       | 8,047,907                |                              | 171,588                   |               | 178,359                         |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                  | (B)            | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|----------------------|----------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT           | ITEM           | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Plant Scherer</b> |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 3               |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                      | Labor          |                              | 2052 | 1,266,075             | 2.392             | 3,028,451                  |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 1,266,075             | 2.451             | 3,103,150                  |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 446,850               | 2.451             | 1,095,229                  |                                  |                          |                              |                           |               |                                 |
|                      | Total Labor    | 2,979,000                    | 2052 | <u>2,979,000</u>      |                   | <u>7,226,830</u>           | 10,533,039                       | (3,306,209)              | 2.49%                        | (57,786)                  | 1.0380        | (59,982)                        |
|                      | Disposal       |                              | 2052 | 34,850                | 2.113             | 73,638                     |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 34,850                | 2.156             | 75,137                     |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 12,300                | 2.156             | 26,519                     |                                  |                          |                              |                           |               |                                 |
|                      | Total Disposal | 82,000                       | 2052 | <u>82,000</u>         |                   | <u>175,294</u>             | 255,489                          | (80,195)                 | 2.13%                        | (1,503)                   | 1.0324        | (1,552)                         |
|                      | Scrap          |                              | 2052 | (674,900)             | 2.909             | (1,963,284)                |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | (674,900)             | 3.048             | (2,057,095)                |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | (238,200)             | 3.048             | (726,034)                  |                                  |                          |                              |                           |               |                                 |
|                      | Total Scrap    | (1,588,000)                  | 2052 | <u>(1,588,000)</u>    |                   | <u>(4,746,413)</u>         | (6,917,854)                      | 2,171,441                | 3.09%                        | 33,715                    | 1.0473        | 35,310                          |
|                      | Total Unit 3   | <u>1,473,000</u>             |      | <u>1,473,000</u>      |                   | <u>2,655,711</u>           | 3,870,674                        | (1,214,963)              |                              | <u>(25,574)</u>           |               | <u>(26,224)</u>                 |
| Common               |                |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                      | Labor          |                              | 2052 | 551,225               | 2.392             | 1,318,530                  |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 551,225               | 2.451             | 1,351,052                  |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 194,550               | 2.451             | 476,842                    |                                  |                          |                              |                           |               |                                 |
|                      | Total Labor    | 1,297,000                    | 2052 | <u>1,297,000</u>      |                   | <u>3,146,424</u>           | 2,618,490                        | 527,934                  | 2.49%                        | 9,227                     | 1.0380        | 9,578                           |
|                      | Disposal       |                              | 2052 | 850                   | 2.113             | 1,796                      |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 850                   | 2.156             | 1,833                      |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | 300                   | 2.156             | 647                        |                                  |                          |                              |                           |               |                                 |
|                      | Total Disposal | 2,000                        | 2052 | <u>2,000</u>          |                   | <u>4,276</u>               | 8,531                            | (4,255)                  | 2.13%                        | (80)                      | 1.0375        | (83)                            |
|                      | Scrap          |                              | 2052 | (2,125)               | 2.909             | (6,182)                    |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | (2,125)               | 3.048             | (6,477)                    |                                  |                          |                              |                           |               |                                 |
|                      |                |                              | 2053 | (750)                 | 3.048             | (2,286)                    |                                  |                          |                              |                           |               |                                 |
|                      | Total Scrap    | (5,000)                      | 2052 | <u>(5,000)</u>        |                   | <u>(14,945)</u>            | (29,818)                         | 14,873                   | 3.09%                        | 231                       | 1.0465        | 242                             |
|                      | Total Common   | <u>1,294,000</u>             |      | <u>1,294,000</u>      |                   | <u>3,135,755</u>           | 2,597,203                        | 538,552                  |                              | <u>9,378</u>              |               | <u>9,737</u>                    |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                                   | (B)                 | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|---------------------------------------|---------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT                            | ITEM                | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Total Plant Scherer</b>            |                     |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                                       | Labor               |                              |      | 1,817,300             |                   | 4,346,981                  |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | 1,817,300             |                   | 4,454,202                  |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | 641,400               |                   | 1,572,071                  |                                  |                          |                              |                           |               |                                 |
|                                       | Total Labor         | 4,276,000                    |      | 4,276,000             |                   | 10,373,254                 | 13,151,529                       | (2,778,275)              |                              | (48,559)                  |               | (50,404)                        |
|                                       | Disposal            |                              |      | 35,700                |                   | 75,434                     |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | 35,700                |                   | 76,970                     |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | 12,600                |                   | 27,166                     |                                  |                          |                              |                           |               |                                 |
|                                       | Total Disposal      | 84,000                       |      | 84,000                |                   | 179,570                    | 264,020                          | (84,450)                 |                              | (1,583)                   |               | (1,635)                         |
|                                       | Scrap               |                              |      | (677,025)             |                   | (1,969,466)                |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | (677,025)             |                   | (2,063,572)                |                                  |                          |                              |                           |               |                                 |
|                                       |                     |                              |      | (238,950)             |                   | (728,320)                  |                                  |                          |                              |                           |               |                                 |
|                                       | Total Scrap         | (1,593,000)                  |      | (1,593,000)           |                   | (4,761,358)                | (6,947,672)                      | 2,186,314                |                              | 33,946                    |               | 35,552                          |
|                                       | Total Plant Scherer | 2,767,000                    |      | 2,767,000             |                   | 5,791,466                  | 6,467,877                        | (676,411)                |                              | (16,196)                  |               | (16,487)                        |
| <b>Plant Smith Combustion Turbine</b> |                     |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                                       | Labor               | 88,000                       | 2027 | 88,000                | 1.312             | 115,456                    | 731,368                          | (615,912)                | 2.50%                        | (49,340)                  | 1.0381        | (51,220)                        |
|                                       | Disposal            | 3,000                        | 2027 | 3,000                 | 1.274             | 3,822                      | 24,211                           | (20,389)                 | 2.23%                        | (1,656)                   | 1.0341        | (1,712)                         |
|                                       | Scrap               | (68,000)                     | 2027 | (68,000)              | 1.321             | (89,828)                   | (569,025)                        | 479,197                  | 2.56%                        | 38,263                    | 1.0391        | 39,759                          |
|                                       | Total Smith CT      | 23,000                       |      | 23,000                |                   | 29,450                     | 186,554                          | (157,104)                |                              | (12,733)                  |               | (13,173)                        |
| <b>Pace (Pea Ridge) Plant</b>         |                     |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
| Unit 1                                |                     |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                                       | Labor               | 192,000                      | 2018 | 192,000               | 1.078             | 206,976                    | 94,302                           | 112,674                  | 1.90%                        | 27,380                    | 1.0288        | 28,169                          |
|                                       | Disposal            | 2,333                        | 2018 | 2,333                 | 1.057             | 2,466                      | 1,124                            | 1,342                    | 1.39%                        | 329                       | 1.0228        | 337                             |
|                                       | Scrap               | (23,667)                     | 2018 | (23,667)              | 1.068             | (25,276)                   | (11,516)                         | (13,760)                 | 1.66%                        | (3,356)                   | 1.0253        | (3,441)                         |
|                                       | Total Unit 1        | 170,667                      |      | 170,667               |                   | 184,166                    | 83,910                           | 100,256                  |                              | 24,353                    |               | 25,065                          |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                                 | (B)      | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|-------------------------------------|----------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT                          | ITEM     | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| Unit 2                              | Labor    | 192,000                      | 2018 | 192,000               | 1.078             | 206,976                    | 94,302                           | 112,674                  | 1.90%                        | 27,380                    | 1.0288        | 28,169                          |
|                                     | Disposal | 2,333                        | 2018 | 2,333                 | 1.057             | 2,466                      | 1,124                            | 1,342                    | 1.39%                        | 329                       | 1.0228        | 337                             |
|                                     | Scrap    | (23,667)                     | 2018 | (23,667)              | 1.068             | (25,276)                   | (11,516)                         | (13,760)                 | 1.66%                        | (3,356)                   | 1.0253        | (3,441)                         |
| Total Unit 2                        |          | <u>170,667</u>               |      | <u>170,667</u>        |                   | <u>184,166</u>             | <u>83,910</u>                    | <u>100,256</u>           |                              | <u>24,353</u>             |               | <u>25,065</u>                   |
| Unit 3                              | Labor    | 192,000                      | 2018 | 192,000               | 1.078             | 206,976                    | 94,302                           | 112,674                  | 1.90%                        | 27,380                    | 1.0288        | 28,169                          |
|                                     | Disposal | 2,333                        | 2018 | 2,333                 | 1.057             | 2,466                      | 1,124                            | 1,342                    | 1.39%                        | 329                       | 1.0228        | 337                             |
|                                     | Scrap    | (23,667)                     | 2018 | (23,667)              | 1.068             | (25,276)                   | (11,516)                         | (13,760)                 | 1.66%                        | (3,356)                   | 1.0253        | (3,441)                         |
| Total Unit 3                        |          | <u>170,667</u>               |      | <u>170,667</u>        |                   | <u>184,166</u>             | <u>83,910</u>                    | <u>100,256</u>           |                              | <u>24,353</u>             |               | <u>25,065</u>                   |
| <b>Total Pace (Pea Ridge) Plant</b> |          |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                                     | Labor    | 576,000                      | 2018 | 576,000               |                   | 620,928                    | 282,907                          | 338,021                  |                              | 82,140                    |               | 84,507                          |
|                                     | Disposal | 7,000                        | 2018 | 7,000                 |                   | 7,398                      | 3,371                            | 4,027                    |                              | 987                       |               | 1,011                           |
|                                     | Scrap    | (71,000)                     | 2018 | (71,000)              |                   | (75,828)                   | (34,549)                         | (41,279)                 |                              | (10,068)                  |               | (10,323)                        |
| Total Pace (Pea Ridge)              |          | <u>512,000</u>               |      | <u>512,000</u>        |                   | <u>552,498</u>             | <u>251,729</u>                   | <u>300,769</u>           |                              | <u>73,059</u>             |               | <u>75,195</u>                   |

**ANNUAL FOSSIL DISMANTLEMENT COST  
LEVELIZED EXPENSE CALCULATION  
GULF POWER COMPANY**

| (A)                      | (B)                              | (C)                          | (D)  | (E)                   | (F)               | (G)                        | (H)                              | (I)                      | (J)                          | (K)                       | (L)           | (M)                             |
|--------------------------|----------------------------------|------------------------------|------|-----------------------|-------------------|----------------------------|----------------------------------|--------------------------|------------------------------|---------------------------|---------------|---------------------------------|
| PLANT/UNIT               | ITEM                             | COST<br>ESTIMATE<br>12/31/16 | DATE | EXPENDITURE<br>AMOUNT | COMPOUND<br>MULT. | FUTURE<br>COST<br>ESTIMATE | ALLOCATED<br>RESERVE<br>12/31/16 | UN-<br>RECOVERED<br>COST | AVERAGE<br>INFLATION<br>RATE | 2016<br>ANNUAL<br>EXPENSE | AVG.<br>MULT. | FOUR YEAR<br>AVERAGE<br>EXPENSE |
| <b>Smith Unit 3 - CC</b> |                                  |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                          | Labor                            | 900,000                      | 2042 | 900,000               | 1.876             | 1,688,400                  | 8,879,737                        | (7,191,337)              | 2.45%                        | (201,069)                 | 1.0373        | (208,569)                       |
|                          | Disposal                         | 28,000                       | 2042 | 28,000                | 1.729             | 48,412                     | 254,611                          | (206,199)                | 2.13%                        | (6,020)                   | 1.0324        | (6,215)                         |
|                          | Scrap                            | (535,000)                    | 2042 | (535,000)             | 1.872             | (1,001,520)                | (5,267,256)                      | 4,265,736                | 2.44%                        | 119,405                   | 1.0372        | 123,847                         |
|                          | <b>Total Smith Unit 3</b>        | <b>393,000</b>               |      | <b>393,000</b>        |                   | <b>735,292</b>             | <b>3,867,093</b>                 | <b>(3,131,801)</b>       |                              | <b>(87,684)</b>           |               | <b>(90,937)</b>                 |
| <b>Perdido Landfill</b>  |                                  |                              |      |                       |                   |                            |                                  |                          |                              |                           |               |                                 |
|                          | Labor                            | 403,000                      | 2029 | 403,000               | 1.384             | 557,752                    | 0                                | 557,752                  | 2.53%                        | 36,767                    | 1.0386        | 38,186                          |
|                          | Disposal                         | 3,000                        | 2029 | 3,000                 | 1.327             | 3,981                      | 0                                | 3,981                    | 2.20%                        | 268                       | 1.0336        | 277                             |
|                          | Scrap                            | (15,000)                     | 2029 | (15,000)              | 1.379             | (20,685)                   | 0                                | (20,685)                 | 2.50%                        | (1,366)                   | 1.0381        | (1,418)                         |
|                          | <b>Total Perdido Landfill</b>    | <b>391,000</b>               |      | <b>391,000</b>        |                   | <b>541,048</b>             | <b>0</b>                         | <b>541,048</b>           |                              | <b>35,669</b>             |               | <b>37,045</b>                   |
|                          | <b>Total Dismantlement Costs</b> | <b>79,824,000</b>            |      | <b>79,824,000</b>     |                   | <b>130,425,384</b>         | <b>179,147,175</b>               | <b>(48,721,790)</b>      |                              | <b>(8,401,563)</b>        |               | <b>(8,564,744)</b>              |

**EXHIBIT 2 - Escalation Rates**

**ESCALATION RATES**  
**"REVIEW OF THE U.S. ECONOMY"**  
**December, 2015 - 25 Year Forecast**

| (A)<br>PERIODS | (B)<br>RET<br>YEAR | (C)<br>COMPENSATION<br>PER HOUR (Labor) |  | (E)<br>GDP<br>DEFLATOR (Disposal)  |  | (G)<br>INTERMEDIATE MATERIALS,<br>SUPPLIES, AND COMPONENTS (Scrap) |  |
|----------------|--------------------|---|--|------------------------------------|--|--|--|
|                |                    | (D)<br>ANNUAL<br>RATE OF<br>CHANGE      | (D)<br>escalation<br>MULTIPLIER<br><br>(D) x (1+(C)) | (E)<br>ANNUAL<br>RATE OF<br>CHANGE | (F)<br>COMPOUNDED<br>MULTIPLIER<br><br>(F) x (1+(E)) | (G)<br>ANNUAL<br>RATE OF<br>CHANGE                                 | (H)<br>COMPOUNDED<br>MULTIPLIER<br><br>(H) x (1+(G)) |
| 0              | 2015               |   | 1.000  |                                    | 1.000  |  | 1.000  |
| 1              | 2016               | 2.2                                     | 1.022  | 1.4                                | 1.014  | -3.2   | 0.968  |
| 2              | 2017               | 2.6                                     | 1.049  | 1.8                                | 1.032  | 4.4  | 1.011  |
| 3              | 2018               | 2.8                                     | 1.078  | 2.4                                | 1.057  | 5.6  | 1.068  |
| 4              | 2019               | 2.5                                     | 1.105  | 2.5                                | 1.083  | 5.1  | 1.122  |
| 5              | 2020               | 2.0                                     | 1.127  | 2.2                                | 1.107  | 3.2  | 1.158  |
| 6              | 2021               | 1.7                                     | 1.147  | 2.0                                | 1.130  | 2.1  | 1.182  |
| 7              | 2022               | 1.8                                     | 1.168  | 2.0                                | 1.153  | 1.8  | 1.203  |
| 8              | 2023               | 2.0                                     | 1.191  | 2.0                                | 1.176  | 1.8  | 1.225  |
| 9              | 2024               | 2.2                                     | 1.217  | 2.0                                | 1.200  | 1.9  | 1.248  |
| 10             | 2025               | 2.4                                     | 1.246  | 2.0                                | 1.224  | 1.9  | 1.271  |
| 11             | 2026               | 2.5                                     | 1.278  | 2.0                                | 1.249  | 1.9  | 1.295  |
| 12             | 2027               | 2.7                                     | 1.312  | 2.0                                | 1.274  | 2.0  | 1.321  |
| 13             | 2028               | 2.7                                     | 1.348  | 2.1                                | 1.300  | 2.1  | 1.349  |
| 14             | 2029               | 2.7                                     | 1.384  | 2.1                                | 1.327  | 2.2  | 1.379  |
| 15             | 2030               | 2.6                                     | 1.420  | 2.0                                | 1.354  | 2.2  | 1.409  |
| 16             | 2031               | 2.5                                     | 1.456  | 2.0                                | 1.382  | 2.1  | 1.439  |
| 17             | 2032               | 2.5                                     | 1.492  | 2.0                                | 1.410  | 2.1  | 1.470  |
| 18             | 2033               | 2.4                                     | 1.528  | 2.1                                | 1.439  | 2.2  | 1.503  |
| 19             | 2034               | 2.4                                     | 1.564  | 2.1                                | 1.469  | 2.3  | 1.537  |
| 20             | 2035               | 2.3                                     | 1.600  | 2.1                                | 1.499  | 2.3  | 1.573  |
| 21             | 2036               | 2.3                                     | 1.637  | 2.0                                | 1.530  | 2.4  | 1.611  |
| 22             | 2037               | 2.3                                     | 1.675  | 2.0                                | 1.561  | 2.4  | 1.649  |
| 23             | 2038               | 2.3                                     | 1.713  | 2.1                                | 1.593  | 2.4  | 1.688  |
| 24             | 2039               | 2.3                                     | 1.752  | 2.1                                | 1.626  | 2.4  | 1.728  |
| 25             | 2040               | 2.3                                     | 1.792  | 2.1                                | 1.660  | 2.6  | 1.772  |
| 26             | 2041               | 2.3                                     | 1.833  | 2.1                                | 1.694  | 2.8  | 1.821  |
| 27             | 2042               | 2.3                                     | 1.876  | 2.1                                | 1.729  | 2.8  | 1.872  |
| 28             | 2043               | 2.4                                     | 1.920  | 2.1                                | 1.765  | 2.9  | 1.926  |
| 29             | 2044               | 2.4                                     | 1.967  | 2.1                                | 1.801  | 4.0  | 2.002  |
| 30             | 2045               | 2.5                                     | 2.016  | 2.0                                | 1.837  | 4.8  | 2.098  |
| 31             | 2046               | 2.5                                     | 2.066  | 2.0                                | 1.874  | 4.8  | 2.198  |
| 32             | 2047               | 2.5                                     | 2.117  | 2.0                                | 1.912  | 4.8  | 2.303  |
| 33             | 2048               | 2.5                                     | 2.169  | 2.0                                | 1.951  | 4.8  | 2.413  |
| 34             | 2049               | 2.5                                     | 2.223  | 2.0                                | 1.990  | 4.8  | 2.528  |
| 35             | 2050               | 2.5                                     | 2.278  | 2.0                                | 2.030  | 4.8  | 2.649  |
| 36             | 2051               | 2.5                                     | 2.334  | 2.0                                | 2.071  | 4.8  | 2.776  |
| 37             | 2052               | 2.5                                     | 2.392  | 2.0                                | 2.113  | 4.8  | 2.909  |
| 38             | 2053               | 2.5                                     | 2.451  | 2.0                                | 2.156  | 4.8  | 3.048  |

**EXHIBIT 3 - Annual Fossil Dismantlement Cost  
Jurisdictional Dismantlement Cost Estimates**

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

| PLANT/UNIT                                   | Total Company<br>Current Cost<br>Estimate<br>12/31/2016 | Jurisdictional<br>Current Cost<br>Estimate<br>12/31/2016 | Total Company<br>Future<br>Cost<br>Estimate | Jurisdictional<br>Future<br>Cost<br>Estimate |
|--|---|--|---|--|
| <b><u>Plant Crist</u></b>                    |   |  |   |  |
| Total Unit 4                                 | 1,592,000   | 1,544,913  | 2,061,600                                   | 2,000,623                                    |
| Total Unit 5                                 | 1,592,000   | 1,544,913  | 2,152,015                                   | 2,088,364                                    |
| Total Unit 6                                 | 5,030,000   | 4,881,226  | 8,203,732                                   | 7,961,087                                    |
| Total Unit 7                                 | 7,320,000   | 7,103,493  | 12,636,244                                  | 12,262,497                                   |
| Total Common                                 | 28,945,000  | 28,088,882   | 50,239,375                                  | 48,753,425                                   |
| Total Plant Crist                            | 44,479,000  | 43,163,427   | 75,292,966                                  | 73,065,996                                   |
| <b><u>Plant Smith</u></b>                    |   |  |   |  |
| Total Unit 1                                 | 3,334,000   | 3,235,389  | 3,565,081                                   | 3,459,635                                    |
| Total Unit 2                                 | 3,513,000   | 3,409,095  | 3,765,788                                   | 3,654,406                                    |
| Total Common                                 | 4,069,000   | 3,948,650  | 4,222,770                                   | 4,097,871                                    |
| Total Plant Smith                            | 10,916,000  | 10,593,134   | 11,553,639                                  | 11,211,912                                   |
| <b><u>Plant Scholz</u></b>                   |   |  |   |  |
| Total Unit 1                                 | 2,041,000   | 1,980,633  | 2,080,548                                   | 2,019,011                                    |
| Total Unit 2                                 | 2,041,000   | 1,980,633  | 2,080,548                                   | 2,019,011                                    |
| Total Common                                 | 1,356,000   | 1,315,893  | 1,373,888                                   | 1,333,252                                    |
| Total Plant Scholz                           | 5,438,000   | 5,277,159  | 5,534,984                                   | 5,371,274                                    |
| <b><u>Daniel (50% Ownership)</u></b>         |   |  |   |  |
| Total Unit 1                                 | 2,036,000   | 1,975,780  | 3,832,067                                   | 3,718,724                                    |
| Total Unit 2                                 | 2,036,000   | 1,975,780  | 3,900,596                                   | 3,785,227                                    |
| Total Common                                 | 10,833,000  | 10,512,588   | 22,661,378                                  | 21,991,113                                   |
| Total Plant Daniel                           | 14,905,000  | 14,464,148   | 30,394,041                                  | 29,495,064                                   |
| <b><u>Plant Scherer</u></b>                  |   |  |   |  |
| Total Unit 3                                 | 1,473,000   | 1,429,432  | 2,655,711                                   | 2,577,162                                    |
| Total Common                                 | 1,294,000   | 1,255,727  | 3,135,755                                   | 3,043,008                                    |
| Total Plant Scherer                          | 2,767,000   | 2,685,159  | 5,791,466                                   | 5,620,170                                    |
| <b><u>Plant Smith Combustion Turbine</u></b> |   |  |   |  |
| Total Smith CT                               | 23,000  | 22,320   | 29,450                                      | 28,579                                       |
| <b><u>Pace (Pea Ridge) Plant</u></b>         |   |  |   |  |
| Total Units 1,2,3, and common                | 512,000   | 496,856  | 552,498                                     | 536,157                                      |
| <b><u>Smith Unit 3 - CC</u></b>              |   |  |   |  |
| Total Smith Unit 3                           | 393,000   | 381,376  | 735,292                                     | 713,544                                      |
| <b><u>Perdido Landfill</u></b>               |   |  |   |  |
| Total Perdido Landfill                       | 391,000   | 379,435  | 541,048                                     | 525,045                                      |
| Total Dismantlement Costs                    | \$ 79,824,000   | \$ 77,463,014  | \$ 130,425,384                              | \$ 126,567,741                               |

**EXHIBIT 4 - Annual Fossil Dismantlement Cost  
Summary of Current and Proposed Expense**

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

|                               |              | Current<br>Expense | Proposed<br>Expense | Change             |
|-------------------------------|--------------|--------------------|---------------------|--------------------|
| Plant Crist                   | Base         | 2,162,492          | 0                   | (2,162,492)        |
|                               | ECRC         | 4,296,456          | 0                   | (4,296,456)        |
|                               | CCR          | 0                  | 307,876             | 307,876            |
|                               | <b>Total</b> | <b>6,458,948</b>   | <b>307,876</b>      | <b>(6,151,072)</b> |
| Plant Smith                   | Base         | 1,249,287          | 0                   | (1,249,287)        |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>1,249,287</b>   | <b>0</b>            | <b>(1,249,287)</b> |
| Plant Scholz                  | Base         | 799,767            | 0                   | (799,767)          |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>799,767</b>     | <b>0</b>            | <b>(799,767)</b>   |
| Plant Daniel                  | Base         | 576,494            | 0                   | (576,494)          |
|                               | ECRC         | 107,952            | 0                   | (107,952)          |
|                               | CCR          | 0                  | 317,179             | 317,179            |
|                               | <b>Total</b> | <b>684,446</b>     | <b>317,179</b>      | <b>(367,267)</b>   |
| Plant Scherer                 | Base         | 98,878             | 0                   | (98,878)           |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 33,273              | 33,273             |
|                               | <b>Total</b> | <b>98,878</b>      | <b>33,273</b>       | <b>(65,605)</b>    |
| <b>Total Steam</b>            | Base         | <b>4,886,918</b>   | <b>0</b>            | <b>(4,886,918)</b> |
|                               | ECRC         | <b>4,404,408</b>   | <b>0</b>            | <b>(4,404,408)</b> |
|                               | CCR          | <b>0</b>           | <b>658,328</b>      | <b>658,328</b>     |
|                               | <b>Total</b> | <b>9,291,326</b>   | <b>658,328</b>      | <b>(8,632,998)</b> |
| Plant Smith CT                | Base         | 3,258              | 0                   | (3,258)            |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>3,258</b>       | <b>0</b>            | <b>(3,258)</b>     |
| Plant Pea Ridge               | Base         | 17,334             | 0                   | (17,334)           |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>17,334</b>      | <b>0</b>            | <b>(17,334)</b>    |
| Smith Comb Cycle              | Base         | 280,020            | 0                   | (280,020)          |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>280,020</b>     | <b>0</b>            | <b>(280,020)</b>   |
| Perdido Landfill              | Base         | 0                  | 0                   | 0                  |
|                               | ECRC         | 0                  | 0                   | 0                  |
|                               | CCR          | 0                  | 0                   | 0                  |
|                               | <b>Total</b> | <b>0</b>           | <b>0</b>            | <b>0</b>           |
| <b>Total Other Production</b> | Base         | <b>300,612</b>     | <b>0</b>            | <b>(300,612)</b>   |
|                               | ECRC         | <b>0</b>           | <b>0</b>            | <b>0</b>           |
|                               | CCR          | <b>0</b>           | <b>0</b>            | <b>0</b>           |
|                               | <b>Total</b> | <b>300,612</b>     | <b>0</b>            | <b>(300,612)</b>   |
| <b>Total Gulf Power</b>       | Base         | <b>5,187,530</b>   | <b>0</b>            | <b>(5,187,530)</b> |
|                               | ECRC         | <b>4,404,408</b>   | <b>0</b>            | <b>(4,404,408)</b> |
|                               | CCR          | <b>0</b>           | <b>658,328</b>      | <b>658,328</b>     |
|                               | <b>Total</b> | <b>9,591,938</b>   | <b>658,328</b>      | <b>(8,933,610)</b> |