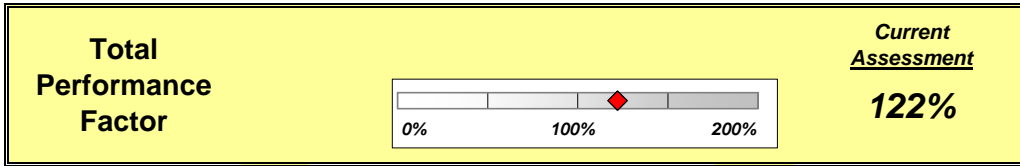


Gulf Power Company

2016 Q2 PPP Assessment



	<i>Weight</i>			
Southern Company EPS	1/3		100%	EPS \$2.76 - \$2.88
Business Unit Financial Goals	1/3		110%	Net Income \$120.1
Operational Performance	1/3		156%	See Below

Assumes 2016 Customer Satisfaction results will maintain the top quartile performance from 2015.

				Operational Results
Safety	20%		104%	OSHA RIR: 1.10 OSHA SIIR: 0.18
<small>OSHA Recordables Current assessment reflects May YTD results.</small>				
Customer Satisfaction	30%		TBD	Final CVB results will be available in Q3
<small>2016 results will be available during Q3. 2015 CVB results were in the top quartile for each segment and overall. If the 2016 results are the same as 2015, then the payout would be 200% for this goal.</small>				
Generation	20%		200%	EFOR: 0.15%
<small>Peak Season EFOR Reflects 2016 peak season EFOR projections, weighted 25% for the winter season and 75% for the summer season.</small>				
Transmission	5%		186%	SAIDI: 10.6 SAIFI: 0.117
<small>SAIDI & SAIFI</small>				
Distribution	5%		126%	SAIDI: 86.6 SAIFI: 0.843
<small>SAIDI & SAIFI</small>				
Culture	20%		110%	See Q1 Scorecard

2016 Gulf Power PPP Goals

Applicable to all eligible Gulf employees

Operational
(1/3)

Safety (20%)
Target Zero
Serious Injury
Incident Rate (50%)
Safety Management
System Metrics (30%)
OSHA Recordable
Incidence Rate (20%)

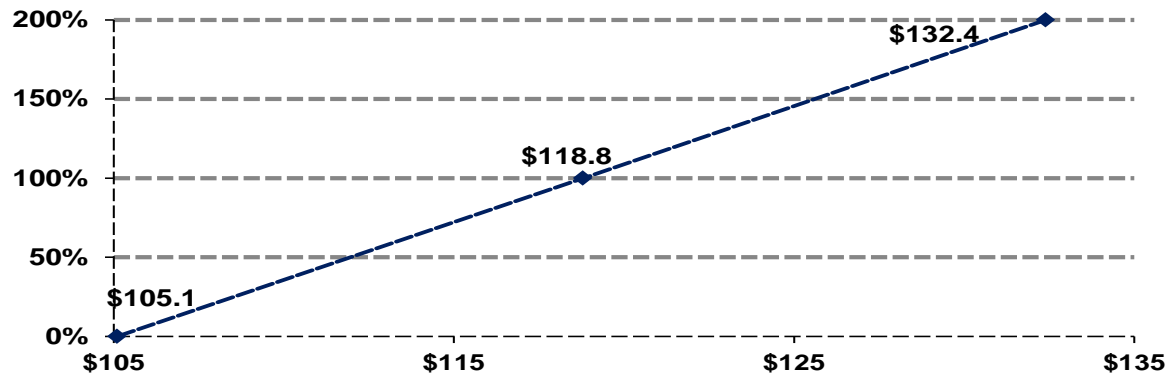
Operations (60%)
Customer Satisfaction (30%)
Generation (15%)
Transmission (7.5%)
SAIDI & SAIFI (3.75% each)
Distribution (7.5%)
SAIDI & SAIFI (3.75% each)

Culture (20%)
Workforce Representation (14%)
Leadership (7%)
Leadership Pipeline (3.5%)
Total Workforce (3.5%)
Work Environment (3%)
Supplier Diversity (3%)

Gulf Power Net Income
(1/3)

Net Income Goal Performance Scale (in millions)

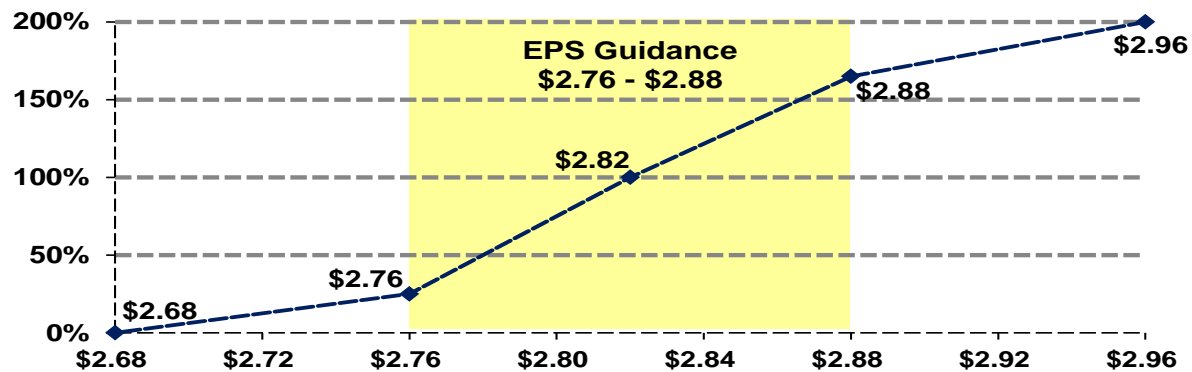
Range: 0-200%



Southern Company EPS
(1/3)

EPS Goal Performance Scale

Range: 0-200%



2016 Gulf Power PPP Goals

Operational Goal Performance Scales

Range: 0-200%

Safety (20%)

Target Zero		Serious Injuries	
Scale	OSHA Recordable Incidence Rate (20%)	Serious Injury Incident Rate (50%)	Safety Management System Metrics (30%)
200%	0.55	0.00	100%
100%	0.77	0.17	90%
0%	0.96	0.25	75%

Operations (60%)

Customer Satisfaction		Goal Detail	
Scale	Customer Value Benchmark Study	Overall performance determines the payout range while Residential, General Business, and Large Business segment results determine the score within that range, based on the scale below.	
200%	Top Quartile Overall and 3 Points		
167%	Top Quartile Overall and 4 Points		
133%	Top Quartile Overall and 5 Points		
67%	Top Quartile Overall and 6 Points or more OR 2nd Quartile Overall and 6 Points or less		
33%	2nd Quartile Overall and 7 Points	1st Quartile	1 Point
0%	2nd Quartile Overall and 8 Points or more	2nd Quartile	2 Points
		3rd Quartile	3 Points
		4th Quartile	4 Points

Generation		Transmission		Distribution	
Scale	Peak Season EFOR	SAIDI Duration/MVA	SAIFI Frequency/MVA	SAIDI Duration/Customer	SAIFI Frequency/Customer
200%	3.10%	10.1	0.121	81.3	0.767
150%	Interpolate	11.0	0.132	Interpolate	Interpolate
100%	5.25%	11.9	0.142	90.3	0.852
0%	9.00%	17.2	0.207	117.4	1.108

Culture (20%)

Representation			Work Environment				Supplier Diversity	
Scale	Leadership	Leadership Pipeline	Total Workforce	Engagement Survey	Premium Reductions	Inclusion Index	Specialty Lists	% of Total Spend
200%	Subjective assessment by the Southern Company CEO and Management Council			93.00%	57.28%	Top Decile	Inclusion in 4 of 4	19.14%
100%				83.00%	55.42%	Top Quartile SE	Inclusion in 2 of 4	15.95%
0%				73.00%	53.57%	Median SE	Inclusion in 1 of 4	9.50%

Financial Trigger

- Southern Company EPS must exceed prior year dividend to provide any PPP opportunity (dividend funding mechanism). The intent of the dividend funding mechanism is to ensure adequate coverage of the dividend payments and to eliminate PPP payouts only under circumstances that prevent or threaten continuation of the dividend at the prior year's level. It is not intended to activate when non-recurring, non-cash items occur. Thus, in situations where EPS does not exceed the prior year dividend but Southern Company's earnings are sufficient to fund the dividend, PPP will not be affected by this provision.