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March 2, 2018

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

RE: Docket No. 20180001-EI

Dear Ms. Stauffer:

Attached is Gulf Power Company's Fuel and Purchased Power Cost Recovery Clause Final True-Up Testimony and Exhibits of C. Shane Boyett to be filed in the above-referenced docket.

Pursuant to the Order Establishing Procedure in this docket, electronic copies of exhibits CSB-1 and CSB-2 will be provided to the parties under separate cover.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

Attachments

cc: Florida Public Service Commission
Suzanne Brownless, Senior Attorney, Office of the General Counsel (5 copies)
Gulf Power Company
Jeffrey A. Stone, Esq., General Counsel
Beggs & Lane
Russell Badders, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**FUEL AND PURCHASED POWER COST RECOVERY
CLAUSE**

Docket No. 20180001-EI

**Prepared Direct Testimony & Exhibits of
C. Shane Boyett**

**FINAL TRUE-UP FOR THE PERIOD:
January – December 2017 (Fuel)
January – December 2017 (Capacity)
2017 Hedging Results**

Date of Filing: March 2, 2018



Gulf Power

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony

4 C. Shane Boyett

5 Docket No. 20180001-EI

6 Date of Filing: March 2, 2018

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

8 A. My name is Shane Boyett. My business address is One Energy Place,
9 Pensacola, Florida 32520-0780. I am the Regulatory and Cost Recovery
10 Manager for Gulf Power Company (Gulf or the Company).

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

13 A. I graduated from the University of Florida in 2001 with a Bachelor of
14 Science degree in Business Administration and earned a Master of
15 Business Administration degree from the University of West Florida in
16 2005. I joined Gulf Power in 2002 and worked five years as a Forecasting
17 Specialist until I took a position in the Regulatory and Cost Recovery area
18 in 2007 as a Regulatory Analyst. I transferred to Gulf Power's Financial
19 Planning department in 2014 as a Financial Analyst until being promoted
20 to lead the Regulatory and Cost Recovery department later that year. My
21 current responsibilities include oversight of the Company's fuel cost
22 recovery clause, tariff administration, calculation of cost recovery factors
23 and the regulatory filing function of Gulf Power Company.

24

25

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

2 A. The purpose of my testimony is to present the final true-up amounts for
3 the period January 2017 through December 2017 for both the Fuel and
4 Purchased Power Cost Recovery Clause and the Capacity Cost Recovery
5 Clause. I will summarize Gulf Power Company's fuel expenses, net power
6 transaction expense, and purchased power capacity costs, and certify that
7 these expenses were properly incurred during the period January 2017
8 through December 2017. Lastly, I will present the actual benchmark level
9 for the calendar year 2018 gains on non-separated wholesale energy
10 sales eligible for a shareholder incentive and the amount of gains or
11 losses from hedging settlements for the period January 2017 through
12 December 2017.

13

14 Q. Have you prepared any exhibits to which you will refer in your testimony?

15 A. Yes, I am sponsoring 2 exhibits. Exhibit 1 consists of 7 schedules and
16 includes 2 schedules which relate to the fuel and purchased power cost
17 recovery final true-up, 4 schedules that relate to the capacity cost recovery
18 final true-up and 1 schedule that relates to Gulf's natural gas fuel hedging
19 activities for 2017. Exhibit 2 contains Schedules A-1 through A-9 and A-
20 12 for the period December 2017, previously filed with the Florida Public
21 Service Commission (FPSC or Commission).

22

23 Counsel: We ask that Mr. Boyett's exhibits be marked as
24 Exhibit No. _____(CSB-1) and _____(CSB-2).

25

1 Q. Have you verified that to the best of your knowledge and belief, the
2 information contained in these documents is correct?

3 A. Yes, I have. Unless otherwise indicated, the actual data in these
4 documents is taken from the books and records of Gulf Power Company.
5 The books and records are kept in the regular course of business in
6 accordance with generally accepted accounting principles and practices,
7 and provisions of the Uniform System of Accounts as prescribed by the
8 Commission. Based on the information in these documents and the
9 foregoing testimony, the recoverable fuel and purchased power costs, and
10 hedging activities are reasonable and prudent.

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13

I. FUEL

14

15 Q. Which schedules of your exhibit relate to the calculation of the fuel and
16 purchased power cost recovery true-up amount?

17 A. Schedules 1 and 2 of my Exhibit CSB-1 relate to the fuel and purchased
18 power cost recovery true-up calculation for the period January 2017
19 through December 2017 and compare twelve months of actual data to the
20 estimated true-up projections filed in last year's fuel docket which included
21 six months of actual and six months of projected data. In addition, Fuel
22 Cost Recovery Schedules A-1 through A-9 for December 2017 are
23 incorporated herein as Exhibit CSB-2. The A-schedules compare twelve
24 months of actual data to twelve months of projected data from a
25 combination of the original 2017 fuel projection for the months January

1 through June, and the 2017 estimated true-up projections for the months
2 July through December.

3
4 Q. What is the final fuel and purchased power cost true-up amount related to
5 the period January 2017 through December 2017 to be addressed through
6 the fuel cost recovery factors in the period January 2019 through
7 December 2019?

8 A. A net over-recovery amount of \$10,213,781, to be returned to customers,
9 was calculated as shown on Schedule 1 of my Exhibit CSB-1.

10
11 Q. How was this amount calculated?

12 A. The \$10,213,781 is calculated on Schedule 1 of my Exhibit CSB-1 by
13 taking the difference between the estimated and actual over/under-
14 recovery amounts for the period January 2017 through December 2017.
15 The estimated under-recovery amount was \$21,853,354 as compared to
16 the actual under-recovery amount of \$11,639,573, resulting in an over-
17 recovery of \$10,213,781. The estimated true-up amount for this period
18 was approved in FPSC Order No. PSC-2018-0028-FOF-EI, dated January
19 8, 2018. Additional details supporting the approved estimated true-up
20 amount are included on Schedules E1-A and E1-B filed August 24, 2017
21 in Docket No. 20170001-EI.

22
23 Q. What are the primary factors which contributed to the final fuel and
24 purchased power cost true-up amount?

25 A. Gulf Power experienced lower than projected jurisdictional fuel costs of

1 \$4,273,077 together with higher than projected jurisdictional fuel clause
2 revenue of \$5,930,236 which combine for an over-recovery, before
3 interest, of \$10,203,313 for the period. The resulting difference and the
4 interest provision of \$10,467 makes up the remaining variance to reach
5 the total amount of \$10,213,781 as calculated on Schedule 2 of my Exhibit
6 CSB-1.
7

8 Total Fuel and Net Power Transactions

9 Q. During the period January 2017 through December 2017, how did Gulf
10 Power Company's recoverable total fuel and net power transaction
11 expenses compare with the projected expenses?

12 A. Gulf's recoverable total fuel cost and net power transaction expense was
13 \$390,031,885 which is \$3,371,486 or 0.86% below the projected amount
14 of \$393,403,370. Actual fuel and net power transaction energy was
15 11,702,772 MWh compared to the projected net energy of 11,878,722
16 MWh or 1.48% below projections. The resulting actual average cost of
17 3.3328 cents per kWh was 0.63% above the projected cost of 3.3118
18 cents per kWh. This information is from Schedule A-1, period-to-date, for
19 the month of December 2017 included in my Exhibit CSB-2. The lower
20 total fuel and net power transaction expense is attributed to a slightly
21 lower quantity of fuel and net power transaction energy than projected for
22 the period as presented above.
23
24
25

1 Total Fuel Cost of Generated Power

2 Q. During the period January 2017 through December 2017, how did Gulf
3 Power Company's recoverable fuel cost of net generation compare with
4 the projected expenses?

5 A. Gulf's recoverable fuel cost of system net generation was \$277,982,315 or
6 7.06% below the projected amount of \$299,112,408. Actual generation
7 was 9,247,072 MWh compared to the projected generation of 10,041,442
8 MWh, or 7.91% below projections. The resulting actual average fuel cost
9 of 3.0062 cents per kWh was 0.92% above the projected fuel cost of
10 2.9788 cents per kWh. The lower total fuel expense is attributed to the
11 quantity of kWh generated being lower than projected for the period. The
12 actual quantity of fuel consumed was 74,717,455 MMBtu which is 7.53%
13 below the projected quantity of 80,799,509 MMBtu. The weighted
14 average fuel cost for natural gas was 2.78 cents per kWh, which is 4.47%
15 below the projected cost of 2.91 cents per kWh. The weighted average
16 fuel cost for coal, plus lighter fuel, was 3.21 cents per kWh, which is
17 5.94% higher than the projected cost of 3.03 cents per kWh. This
18 information is found on Schedules A-1 and A-3, period-to-date, for the
19 month of December 2017 included in my Exhibit CSB-2.

20

21 Total Cost of Purchased Power

22 Q. During the period January 2017 through December 2017, how did Gulf
23 Power Company's recoverable fuel cost of purchased power compare to
24 projected cost?

25

1 A. Gulf's recoverable fuel cost of purchased power for the period was
2 \$194,889,953 or 8.59% below the estimated amount of \$213,201,100.
3 Total megawatt hours of purchased power were 8,242,328 MWh
4 compared to the estimate of 6,616,047 MWh or 24.58% above projections.
5 The resulting average fuel cost of purchased power was 2.3645 cents per
6 kWh or 26.63% below the estimated amount of 3.2225
7 cents per kWh. This information is from Schedule A-1, period-to-date, for
8 the month of December 2017 included in my Exhibit CSB-2.

9
10 Q. What are the reasons for the difference between Gulf's actual fuel cost of
11 purchased power and the projection?

12 A. The lower total fuel cost of purchased power is attributed to Gulf
13 purchasing energy at attractive prices to supplement its own generation to
14 meet load demands. This includes primarily natural gas-fired energy
15 supplied to Gulf through purchase power agreements. The average fuel
16 cost of energy purchases per kWh was lower than projected for the period
17 due to the availability of lower-cost energy for purchase during the period.

18

19 Power Sales

20 Q. During the period January 2017 through December 2017 how did Gulf
21 Power Company's recoverable fuel cost of power sold compare with the
22 projection?

23 A. Gulf's recoverable fuel cost of power sold for the period is \$103,530,544
24 or 17.29% below the projected amount of \$125,177,500. The total
25 quantity of power sales was 5,659,491 MWh compared to Gulf's projected

1 sales of 4,609,399 MWh, or 22.78% above projections. The resulting
2 average fuel cost of power sold was 1.8293 cents per kWh or 32.64%
3 below the projected amount of 2.7157 cents per kWh. This information is
4 from the December 2017 Schedule A-1, period-to-date, which is included
5 in my Exhibit CSB-2.

6
7 Q. What are the reasons for the difference between Gulf's actual fuel cost of
8 power sold and the projection?

9 A. The lower total credit to fuel expense from power sales is attributed to the
10 more favorable position of Gulf's generating assets in system economic
11 dispatch to serve load. This resulted in a greater quantity of lower cost
12 energy sales which has the effect of lowering the average fuel
13 reimbursement rate (cents per kWh) paid to Gulf for typical power sales.

14
15 Q. Has the benchmark level for gains on non-separated wholesale energy
16 sales eligible for a shareholder incentive been updated for actual 2017
17 gains?

18 A. Yes, the three-year rolling average gain on economy sales, based entirely
19 on actual data for calendar years 2015 through 2017 is calculated as
20 follows:

| <u>Year</u> | <u>Actual Gain</u> |
|--------------------|---------------------|
| 2015 | 596,791 |
| 2016 | 700,065 |
| 2017 | <u>1,988,936</u> |
| Three-Year Average | <u>\$ 1,095,264</u> |

1 Q. What is the actual threshold for 2018?

2 A. The actual threshold for 2018 is \$1,095,264.

3

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II. HEDGING

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7 Q. Did Gulf's fuel hedging activity during 2017 follow Gulf Power's Risk
8 Management Plan for Fuel Procurement?

9 A. Yes. Gulf Power's fuel hedging strategy in 2017 complied with previously
10 approved Risk Management Plans. Although Gulf did not enter into any
11 new financial hedge contracts in 2017, hedges that settled in 2017 were
12 entered into prior to the current moratorium on natural gas financial
13 hedges and in compliance with previously approved Risk Management
14 Plans.

15

16 Q. For the period in question, what volume of natural gas was hedged using
17 a fixed price contract or financial instrument?

18 A. Gulf Power hedged 28,200,000 MMBtu of natural gas in 2017 using
19 financial instruments. This represents 44% of Gulf's 63,657,955 MMBtu of
20 actual gas burn for Smith Unit 3 plus the actual gas burn for the Central
21 Alabama PPA combined cycle unit during the period. The total amount of
22 natural gas burn by month for these units is reported on Schedule 3 of
23 Exhibit CSB-1.

24

25

1 Q. What types of hedging instruments were used by Gulf Power Company,
2 and what type and volume of fuel was hedged by each type of instrument?

3 A. Natural gas was hedged using financial swap contracts that were entered
4 into prior to the current moratorium to fix the price of natural gas to a
5 certain price. These swaps settled against either a NYMEX Last Day
6 price or Gas Daily price. Of the volume of gas hedged for the period, all
7 was hedged using financial swap contracts.

8

9 Q. What was the actual total cost (e.g., fees, commissions, option premiums,
10 futures gains and losses, swap settlements) associated with each type of
11 hedging instrument for the period January 2017 through December 2017?

12 A. No fees, commissions, or premiums were paid by Gulf on the financial
13 hedge transactions during this period. Gulf's 2017 hedging program
14 activities for the period January through December 2017 resulted in a net
15 hedge settlement cost of \$24,270,662, as shown on line 2 of the
16 December 2017 Schedule A-1, period-to-date of my Exhibit CSB-2.

17

18

19

III. PURCHASED POWER CAPACITY

20

21 Q. Mr. Boyett, you stated earlier that you are responsible for the purchased
22 power capacity cost recovery true-up calculation. Which schedules of
23 your exhibit relate to the calculation of this amount?

24 A. Schedules CCA-1, CCA-2, CCA-3 and CCA-4 of Exhibit CSB-1 relate to
25 the purchased power capacity cost recovery true-up calculation for the

1 period January 2017 through December 2017. In addition, Schedule A-12
2 of my Exhibit CSB-2 contains purchased power capacity cost information
3 for the period January 2017 through December 2017.
4

5 Q. What is the final purchased power capacity cost true-up amount related to
6 the period of January 2017 through December 2017 to be addressed in
7 the period January 2019 through December 2019?

8 A. An over-recovery amount of \$846,417 should be returned to customers
9 through 2019 purchased power capacity clause rates as shown on
10 Schedule CCA-1 of Exhibit CSB-1.
11

12 Q. How was this amount calculated?

13 A. The \$846,417 was calculated by taking the difference between the
14 estimated January 2017 through December 2017 under-recovery of
15 \$3,698,545 and the actual under-recovery of \$2,852,128, which is the sum
16 of lines 11, 12, and 15 under the total column of Schedule CCA-2 of
17 Exhibit CSB-1. The estimated true-up amount for this period was
18 approved in FPSC Order No. PSC-2018-0028-FOF-EI dated January 8,
19 2018. Additional details supporting the approved estimated true-up
20 amount are included on Schedules CCE-1A and CCE-1B filed July 27,
21 2017.
22

23 Q. Please describe Schedules CCA-2 and CCA-3 of your exhibit.

24 A. Schedule CCA-2 shows the monthly calculation of the actual over/under-
25 recovery of purchased power capacity costs for the period January 2017

1 through December 2017. Schedule CCA-3 of my Exhibit CSB-1 is the
2 monthly calculation of the interest provision on the average recovery
3 balance for the period January 2017 through December 2017.
4

5 Q. Please describe Schedule CCA-4 of Exhibit CSB-1.

6 A. Schedule CCA-4 provides additional details related to purchased power
7 capacity costs which also appear on Lines 1 and 2 of Schedule CCA-2.
8

9 Q. During the period January 2017 through December 2017, how did Gulf's
10 actual net purchased power capacity cost compare with the net projected
11 cost?

12 A. The actual total capacity payments for the period January 2017 through
13 December 2017, as shown on line 5 of Schedule CCA-2 contained in my
14 Exhibit CSB-1, was \$82,010,434. Gulf's total re-projected net purchased
15 power capacity cost for the same period was \$82,457,282, as indicated on
16 line 5 of Schedule CCE-1B of my Exhibit CSB-2 filed July 27, 2017 in
17 Docket No. 20170001-EI. The difference between the actual net capacity
18 cost and the projected net capacity cost for the recovery period is
19 \$446,848 or 0.5% less than the re-projected amount. The lower actual net
20 cost to customers is due to Gulf having a higher than expected retail credit
21 relating to the Scherer/Flint credit that resulted from the approved 2017
22 Stipulation and Settlement Agreement in Docket No. 20160186-EI.
23 Excluding the higher than expected Scherer/Flint credit, the net purchased
24 power capacity cost of \$86,262,410 was \$71,646 or 0.1% less than the re-
25 projected amount of \$86,334,056.

1 Q. Mr. Boyett, does this complete your testimony?

2 A. Yes.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 20180001-EI

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

C. Shane Boyett
C. Shane Boyett
Regulatory and Cost Recovery Manager

Sworn to and subscribed before me this 2nd day of March, 2018.

Melissa Darnes
Notary Public, State of Florida at Large



MELISSA DARNES
MY COMMISSION # FF 912698
EXPIRES: December 17, 2019
Bonded Thru Budget Notary Services

Schedule 1

**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
JANUARY 2017 - DECEMBER 2017**

1. Estimated over/(under)-recovery for the period
January 2017 - December 2017
(Schedule E-1B, Line 9, filed August 24, 2017)
approved in FPSC Order No. PSC-2018-0028-FOF-EI
issued on January 8, 2018) \$ (21,853,354)

2. Actual over/(under)-recovery for the period
January 2017 - December 2017
(December 2017 Schedule A-2, page 2 of 3,
"Period-to-Date", Lines 7 + 8 + 12, included
in Exhibit CSB-2) (11,639,573)

3. Amount to be refunded/(recovered) in the
January 2019 - December 2019 projection period
(Line 2 - Line 1) \$ 10,213,781

Schedule 2

GULF POWER COMPANY
 CALCULATION OF TRUE-UP AMOUNT DETAILS
 ACTUAL vs. ESTIMATED
 FOR THE PERIOD
 JANUARY 2017 THROUGH DECEMBER 2017

| | | ACTUAL | ACTUAL/ ESTIMATED | VARIANCE AMOUNT |
|---|----|-----------------------|-----------------------|----------------------|
| A | 1 | \$275,788,335 | \$299,142,552 | (\$23,354,217) |
| | 1a | 24,270,662 | 21,709,332 | 2,561,330 |
| | 1b | (3,590,050) | (4,548,768) | 958,718 |
| | 2 | (103,530,543) | (123,599,940) | 20,069,397 |
| | 3 | 187,923,120 | 196,078,519 | (8,155,399) |
| | 3a | 0 | 0 | 0 |
| | 3b | 6,966,834 | 3,733,079 | 3,233,755 |
| | 4 | 0 | 0 | 0 |
| | 5 | 2,193,981 | 2,231,184 | (37,203) |
| | 6 | 9,547 | 5,331 | 4,216 |
| | 7 | <u>\$390,031,885</u> | <u>\$394,751,289</u> | <u>(\$4,719,404)</u> |
| B | 1 | 10,808,616,848 | 10,731,357,966 | 77,258,882 |
| | 2 | 306,094,501 | 312,836,590 | (6,742,089) |
| | 3 | <u>11,114,711,349</u> | <u>11,044,194,556</u> | <u>70,516,793</u> |
| C | 1 | \$342,852,833 | \$336,922,597 | \$5,930,236 |
| | 2 | 26,059,665 | 26,059,665 | 0 |
| | 2a | 45,675 | 45,675 | 0 |
| | 3 | <u>\$368,958,173</u> | <u>\$363,027,937</u> | <u>\$5,930,236</u> |
| | 4 | \$390,031,885 | \$394,751,289 | (\$4,719,404) |
| | 5 | <u>\$379,792,398</u> | <u>\$384,065,475</u> | <u>(\$4,273,077)</u> |
| | 6 | (\$10,834,225) | (\$21,037,538) | \$10,203,313 |
| | 7 | (74,754) | (85,222) | 10,467 |
| | 8 | <u>(730,594)</u> | <u>(730,594)</u> | <u>0</u> |
| | 9 | <u>(\$11,639,573)</u> | <u>(\$21,853,354)</u> | <u>\$10,213,781</u> |

Schedule 3

**Gulf Power Company
 2017 Natural Gas Hedging Results**

| | Actual Gas Burn for Generation MMBtu * | Hedged Volume of Gas Burn MMBtu | Gulf Hedge Settlement Cost |
|----------------------------|---|--|---|
| Jan-17 | 5,234,048 | 2,410,000 | \$ 1,444,482 |
| Feb-17 | 5,190,010 | 2,360,000 | 1,289,630 |
| Mar-17 | 6,372,420 | 2,320,000 | 2,960,350 |
| Apr-17 | 2,207,155 | 2,310,000 | 1,742,440 |
| May-17 | 4,982,164 | 2,360,000 | 1,839,070 |
| Jun-17 | 5,346,910 | 2,360,000 | 1,617,230 |
| Jul-17 | 6,375,414 | 2,370,000 | 2,030,650 |
| Aug-17 | 6,331,067 | 2,370,000 | 2,262,910 |
| Sep-17 | 5,651,045 | 2,360,000 | 2,266,230 |
| Oct-17 | 4,475,580 | 2,360,000 | 2,235,550 |
| Nov-17 | 5,572,156 | 2,310,000 | 2,662,970 |
| Dec-17 | 5,919,986 | 2,310,000 | 1,919,150 |
| TOTAL | 63,657,955 | 28,200,000 | \$ 24,270,662 |
| Annual Hedge Ratio: | | 44% | |

* Gas MMBtu burn includes volume for Gulf-owned gas-fired generation and power purchase agreement (PPA) generating units for which Gulf supplies the fuel.

SCHEDULE CCA-1

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
JANUARY 2017 - DECEMBER 2017**

| | |
|---|--------------------|
| 1. Estimated over/(under)-recovery for the period January 2017 - December 2017 (Schedule CCE-1a, line 1, filed July 27, 2017 and approved in FPSC Order No. PSC-2018-0028-FOF-EI issued on January 8, 2018) | \$ (3,698,545) |
| 2. Actual over/(under)-recovery for the period January 2017 - December 2017 (Schedule CCA-2, Line 11 + 12 + 15) | <u>(2,852,128)</u> |
| 3. Amount to be refunded/(recovered) in the January 2019 - December 2019 projection period (Line 2 - Line 1) | <u>\$ 846,417</u> |

SCHEDULE CCA-2

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD JANUARY 2017 - DECEMBER 2017

| | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-------------|-------------|-------------|
| 1. ILC Payments / (Receipts) (\$) | (2,274) | (3,069) | (3,069) | (3,069) | (3,069) | (3,069) | (1,228) | (3,069) | (3,069) | (3,069) | (3,069) | (3,069) | (34,196) |
| 2. Other Capacity Payments / (Receipts) | 7,217,678 | 7,217,678 | 7,217,678 | 7,217,678 | 7,247,274 | 7,188,082 | 7,200,762 | 7,200,762 | 7,200,761 | 7,186,850 | 7,197,284 | 7,197,284 | 86,489,772 |
| 3. Transmission Revenue (\$) | (16,278) | (11,779) | (17,356) | (17,196) | (17,128) | (22,815) | (19,145) | (13,033) | (14,873) | (19,197) | (12,082) | (12,286) | (193,167) |
| 4. Scherer/Flint Credit | - | - | - | - | - | - | (777,380) | (777,162) | (710,522) | (662,789) | (676,787) | (647,336) | (4,251,976) |
| 5. Total Capacity Payments/(Receipts) (Line 1 + 2 + 3 + 4) (\$) | 7,199,126 | 7,202,830 | 7,197,253 | 7,197,413 | 7,227,077 | 7,162,198 | 6,403,009 | 6,407,498 | 6,472,296 | 6,501,794 | 6,505,346 | 6,534,593 | 82,010,434 |
| 6. Jurisdictional % | 0.9721125 | 0.9721125 | 0.9721125 | 0.9721125 | 0.9721125 | 0.9721125 | 0.9718277 | 0.9718277 | 0.9718277 | 0.9718277 | 0.9718277 | 0.9718277 | 0.9718277 |
| 7. Total Jurisdictional Recovery Amount (Line 5 * 6) (\$) | 6,998,360 | 7,001,961 | 6,996,540 | 6,996,685 | 7,025,532 | 6,962,462 | 6,222,622 | 6,226,984 | 6,289,956 | 6,318,624 | 6,322,075 | 6,350,499 | 79,712,310 |
| 8. Jurisdictional Capacity Cost Recovery Revenues Net of Taxes (\$) | 6,044,372 | 4,932,948 | 5,836,898 | 6,118,466 | 7,087,985 | 7,436,427 | 8,209,717 | 8,071,798 | 6,831,198 | 6,205,085 | 4,924,536 | 6,003,450 | 77,702,880 |
| 9. True-Up Provision (\$) | (68,041) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (68,045) | (816,536) |
| 10. Jurisdictional Capacity Cost Recovery Revenue (Line 8 + 9) (\$) | 5,976,331 | 4,864,903 | 5,768,853 | 6,050,421 | 7,019,940 | 7,368,382 | 8,141,672 | 8,003,753 | 6,763,153 | 6,137,040 | 4,856,491 | 5,935,405 | 76,886,344 |
| 11. Over/(Under) Recovery (Line 10 - 7) (\$) | (1,022,029) | (2,137,058) | (1,227,687) | (946,274) | (5,592) | 405,920 | 1,919,050 | 1,776,769 | 473,197 | (181,584) | (1,465,584) | (415,094) | (2,825,966) |
| 12. Interest Provision (\$) | (455) | (1,299) | (2,550) | (3,672) | (4,002) | (4,267) | (3,501) | (1,730) | (533) | (390) | (1,252) | (2,511) | (26,162) |
| 13. Beginning Balance True-Up & Interest Provision (\$) | (270,577) | (1,225,020) | (3,295,332) | (4,457,524) | (5,339,425) | (5,280,974) | (4,811,276) | (2,827,682) | (984,598) | (443,889) | (557,818) | (1,956,609) | (270,577) |
| 14. True-Up Collected/(Refunded) (\$) | 68,041 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 68,045 | 816,536 |
| 15. Adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 16. End of Period Total Net True-Up (Lines 11 + 12 + 13 + 14 + 15) (\$) | (1,225,020) | (3,295,332) | (4,457,524) | (5,339,425) | (5,280,974) | (4,811,276) | (2,827,682) | (984,889) | (443,889) | (557,818) | (1,956,609) | (2,306,169) | (2,306,169) |
| Average Monthly Interest Rate | 0.0608% | 0.0575% | 0.0658% | 0.0750% | 0.0754% | 0.0846% | 0.0917% | 0.0908% | 0.0746% | 0.0779% | 0.0996% | 0.1179% | 0.1179% |
| Commercial Paper Annual Rate | 0.74% | 0.64% | 0.94% | 0.86% | 0.95% | 1.08% | 1.12% | 1.06% | 0.73% | 1.14% | 1.25% | 1.58% | 1.58% |
| Average Annual Rate | 0.73% | 0.69% | 0.79% | 0.90% | 0.91% | 1.02% | 1.10% | 1.09% | 0.90% | 0.94% | 1.20% | 1.42% | 1.42% |

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD JANUARY 2017 - DECEMBER 2017

| | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | TOTAL |
|---|-------------|-------------|-------------|-------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|----------|
| 1. Beginning True-Up Amount (\$) | (270,577) | (1,225,020) | (3,295,332) | (4,457,524) | (5,339,425) | (5,280,974) | (4,811,276) | (2,827,682) | (984,598) | (443,889) | (557,818) | (1,956,609) | |
| 2. Ending True-Up Amount Before Interest (\$) | (1,224,565) | (3,294,033) | (4,454,974) | (5,335,753) | (5,276,972) | (4,807,009) | (2,824,181) | (982,868) | (443,356) | (557,428) | (1,955,357) | (2,303,658) | |
| 3. Total Beginning & Ending True-Up Amount (\$) (Lines 1 + 2) | (1,495,142) | (4,519,053) | (7,750,306) | (9,793,277) | (10,616,397) | (10,087,983) | (7,635,457) | (3,810,550) | (1,427,954) | (1,001,317) | (2,513,175) | (4,260,287) | |
| 4. Average True-Up Amount (\$) | (747,571) | (2,259,527) | (3,875,153) | (4,896,639) | (5,308,199) | (5,043,992) | (3,817,729) | (1,905,275) | (713,977) | (500,659) | (1,256,588) | (2,130,134) | |
| 5. Interest Rate - First Day of Reporting Business Month | 0.72% | 0.74% | 0.64% | 0.94% | 0.86% | 0.95% | 1.08% | 1.12% | 1.06% | 0.73% | 1.14% | 1.25% | |
| 6. Interest Rate - First Day of Subsequent Business Month | 0.74% | 0.64% | 0.94% | 0.86% | 0.95% | 1.08% | 1.12% | 1.06% | 0.73% | 1.14% | 1.25% | 1.58% | |
| 7. Total Interest Rate (Lines 5 + 6) | 1.46% | 1.38% | 1.58% | 1.80% | 1.81% | 2.03% | 2.20% | 2.18% | 1.79% | 1.87% | 2.39% | 2.83% | |
| 8. Average Interest Rate | 0.730% | 0.690% | 0.790% | 0.900% | 0.905% | 1.015% | 1.100% | 1.090% | 0.895% | 0.935% | 1.195% | 1.415% | |
| 9. Monthly Average Interest Rate (1/12 Of Line 8) | 0.0608% | 0.0575% | 0.0658% | 0.0750% | 0.0754% | 0.0846% | 0.0917% | 0.0908% | 0.0746% | 0.0779% | 0.0996% | 0.1179% | |
| 10. Interest Provision For the Month (Lines 4 X 9) (\$) | (455) | (1,299) | (2,550) | (3,672) | (4,002) | (4,267) | (3,501) | (1,730) | (633) | (390) | (1,252) | (2,511) | (26,192) |

Guif Power Company
2017 Capacity Contracts

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|----|---|------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | | | | | | | | | | | | | |
| 1 | Contract/Counterparty | | | | | | | | | | | | |
| 2 | Southern Intercompany Interchange | 5/1/2007 | 5 Yr Notice | SES Opco | | | | | | | | | |
| 3 | <i>PPAs</i> | | | | | | | | | | | | |
| 4 | Shell Energy N.A. (U.S.), LP | 11/2/2009 | 5/31/2023 | Firm | | | | | | | | | |
| 5 | <i>Other</i> | | | | | | | | | | | | |
| 6 | South Carolina PSA | 9/1/2003 | - | Other | | | | | | | | | |
| 7 | Cargill Power Markets, LLC | 7/1/2017 | 7/31/2017 | Other | | | | | | | | | |
| 8 | | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| 9 | Capacity Costs (\$) | January ⁽²⁾ | February | March | April | May | June | July | August | September | October | November | December |
| 10 | Southern Intercompany Interchange | 795 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | <i>PPAs</i> | | | | | | | | | | | | |
| 12 | Shell Energy N.A. (U.S.), LP | | | | | | | | | | | | |
| 13 | <i>Other</i> | | | | | | | | | | | | |
| 14 | South Carolina PSA | | | | | | | | | | | | |
| 15 | Cargill Power Markets, LLC | | | | | | | | | | | | |
| 16 | | 7,215,404 | 7,214,609 | 7,214,609 | 7,214,609 | 7,244,205 | 7,185,013 | 7,199,534 | 7,197,693 | 7,197,693 | 7,183,780 | 7,194,215 | 7,194,215 |
| 17 | Total | | | | | | | | | | | | 86,455,579 |
| 18 | | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual | Actual |
| 19 | Capacity MW | January | February | March | April | May | June | July | August | September | October | November | December |
| 20 | Southern Intercompany Interchange | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 21 | <i>PPAs</i> | | | | | | | | | | | | |
| 22 | Shell Energy N.A. (U.S.), LP | | | | | | | | | | | | |
| 23 | <i>Other</i> | | | | | | | | | | | | |
| 24 | South Carolina PSA | | | | | | | | | | | | |
| 25 | Cargill Power Markets, LLC | | | | | | | | | | | | |
| 26 | | | | | | | | | | | | | |
| 27 | (1) Unless otherwise noted, contract remains effective unless terminated upon 30 days prior written notice. | | | | | | | | | | | | |
| 28 | (2) Southern Intercompany Interchange reserve sharing prior month true up only. | | | | | | | | | | | | |

SCHEDULE A1a

**GULF POWER COMPANY
RECAP OF ACTUAL FUEL & PURCHASED POWER COSTS
SHOWN ON SCHEDULE A-1
FOR THE MONTH OF: DECEMBER 2017**

| <u>LINE</u> | <u>DESCRIPTION</u> | <u>REFERENCE</u> | <u>AMOUNT</u> |
|-------------|---|---------------------------|-----------------------------|
| 1 | Fuel Cost of System Net Generation | Schedule A-3 | \$ 20,739,909 |
| 2 | Scherer/Flint Credit | Schedule A-3, Line 2b | \$ (406,195) |
| 3 | Adjustments to Fuel Cost | Schedule A-2, Line A-7 | \$ 3,039 |
| 4 | Hedging Settlement Costs | Schedule A-2, Line A-5 | \$ 1,919,150 |
| 5 | Fuel Cost of Purchased Power | Schedule A-7 | \$ - |
| 6 | Energy Cost of Economy Purchases | Sch. A-9, Col. 4, Line 12 | \$ 15,289,331 |
| 7 | Demand & Non Fuel Cost of Purchased Power | Schedule A-9 | \$ - |
| 8 | Energy Payments to Qualified Facilities | Sch. A-8, Col. 8, Line 5 | \$ 592,531 |
| 9 | Fuel Cost of Power Sold | Sch. A-6, Col. 7 | <u>\$ (9,899,836)</u> |
| 10 | Total Fuel and Net Power Transactions | | <u><u>\$ 28,237,929</u></u> |

**COMPARISON OF ESTIMATED AND ACTUAL
FUEL AND PURCHASED POWER COST RECOVERY FACTOR
GULF POWER COMPANY
DECEMBER 2017**

| | DOLLARS | | | DIFFERENCE | | | KWH | | | CENTS/KWH | | |
|--|-------------|-------------|-------------------|------------|---------------|---------------|-------------------|---------|----------|-----------|-------------------|---------|
| | ACTUAL | EST'd | DIFFERENCE AMT | % | ACTUAL | EST'd | DIFFERENCE AMT | % | ACTUAL | EST'd | DIFFERENCE AMT | % |
| 1 Fuel Cost of System Net Generation (A3) | 20,739,909 | 25,943,262 | (5,203,343) | (20.06) | 755,166,031 | 883,782,000 | (128,615,969) | (14.55) | 2,7464 | 2,9355 | (0.19) | (6.44) |
| 1a Hedging Settlement Costs (A2) | 1,919,150 | 1,357,820 | 561,330 | 41.34 | 0 | 0 | 0 | 0.00 | #N/A | #N/A | #N/A | #N/A |
| 1b Scherer/Flint Credit | (406,195) | (686,451) | 280,256 | (40.83) | (13,600,958) | (25,869,000) | 12,268,042 | (47.42) | #N/A | #N/A | #N/A | #N/A |
| 2 Adjustments to Fuel Cost (A2, Page 1) ** | 3,039 | 0 | 3,039 | 100.00 | 0 | 0 | 0 | 0.00 | #N/A | 0.0000 | #N/A | #N/A |
| 3 TOTAL COST OF GENERATED POWER | 22,255,903 | 26,614,621 | (4,358,718) | (16.38) | 741,565,073 | 857,913,000 | (116,347,927) | (13.56) | 3,0012 | 3,1023 | (0.10) | (3.26) |
| 4 Fuel Cost of Purchased Power (Exclusive of Economy) (A7) | - | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.0000 | 0.0000 | 0.00 | 0.00 |
| 5 Energy Cost of Other Econ. Purch. (Nombroker) (A9) | 15,289,331 | 11,422,800 | 3,866,531 | 33.85 | 742,247,109 | 319,257,000 | 422,990,109 | 132.49 | 2,0589 | 3,5779 | (1.52) | (42.43) |
| 6 Energy Payments to Qualifying Facilities (A8) | 592,531 | 0 | 592,531 | 100.00 | 22,599,927 | 0 | 22,599,927 | 100.00 | 2,6218 | 0.0000 | 2.62 | 0.00 |
| 7 TOTAL COST OF PURCHASED POWER | 15,881,862 | 11,422,800 | 4,459,062 | 38.04 | 764,847,036 | 319,257,000 | 445,590,036 | 139.57 | 2,0765 | 3,5779 | (1.50) | (41.96) |
| 8 Total Available MWH (Line 3 + Line 7) | 38,137,765 | 38,037,421 | 100,344 | 0.26 | 1,506,412,109 | 1,177,170,000 | 329,242,109 | 27.97 | (2,3356) | (2,3511) | 0.02 | 0.66 |
| 9 Fuel Cost of Economy Sales (A6) | (186,798) | (190,400) | 3,602 | (1.89) | (7,997,907) | (8,098,200) | 100,293 | (1.24) | #N/A | #N/A | #N/A | #N/A |
| 10 Gain on Economy Sales (A6) | (26,740) | (16,000) | (10,740) | 67.13 | 0 | 0 | 0 | 0.00 | (1,6748) | (2,3698) | 0.70 | 29.33 |
| 11 Fuel Cost of Other Power Sales (A6) | (9,886,298) | (6,569,200) | (3,117,098) | 47.45 | (578,347,661) | (277,206,600) | (301,141,061) | 108.63 | (1,6884) | (2,3749) | 0.69 | 28.91 |
| TOTAL FUEL COSTS & GAINS OF POWER SALES (LINES 9 + 10 + 11) | (9,899,836) | (6,775,600) | (3,124,236) | 46.11 | (586,345,568) | (285,304,800) | (301,040,768) | 105.52 | (1,6884) | (2,3749) | 0.69 | 28.91 |
| TOTAL FUEL & NET POWER TRANSACTIONS (LINES 3 + 7 + 12) | 28,237,929 | 31,261,821 | (3,023,892) | (9.67) | 920,066,541 | 891,865,200 | 28,201,341 | 3.16 | 3,0691 | 3,5052 | (0.44) | (12.44) |
| 14 Company Use * | 37,935 | 45,322 | (7,387) | (16.30) | 1,236,043 | 1,293,000 | (56,957) | (4.41) | 3,0691 | 3,5052 | (0.44) | (12.44) |
| 15 T & D Losses * | 1,191,668 | 1,542,330 | (350,662) | (22.74) | 38,827,927 | 44,001,200 | (5,173,273) | (11.76) | 3,0691 | 3,5052 | (0.44) | (12.44) |
| 16 TERRITORIAL KWH SALES | 28,237,929 | 31,261,821 | (3,023,892) | (9.67) | 880,002,571 | 846,571,000 | 33,431,571 | 3.95 | 3,2088 | 3,6928 | (0.48) | (13.11) |
| 17 Wholesale KWH Sales | 816,810 | 1,007,318 | (190,508) | (18.91) | 25,454,674 | 27,278,000 | (1,823,326) | (6.68) | 3,2089 | 3,6928 | (0.48) | (13.10) |
| 18 Jurisdictional KWH Sales | 27,421,119 | 30,254,503 | (2,833,384) | (9.37) | 854,547,897 | 819,293,000 | 35,254,897 | 4.30 | 3,2088 | 3,6928 | (0.48) | (13.11) |
| 19 Jurisdictional Loss Multiplier | 1,0012 | 1,0012 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 1,0012 | 1,0012 | 0 | 0.00 |
| 20 Jurisdictional KWH Sales Adj. for Line Losses | 27,454,024 | 30,290,808 | (2,836,784) | (9.37) | 854,547,897 | 819,293,000 | 35,254,897 | 4.30 | 3,2127 | 3,6972 | (0.48) | (13.10) |
| 21 TRUE-UP | (2,171,639) | (2,171,639) | 0 | 0.00 | 854,547,897 | 819,293,000 | 35,254,897 | 4.30 | (0,2541) | (0,2651) | 0.01 | (4.15) |
| 22 TOTAL JURISDICTIONAL FUEL COST | 25,282,385 | 28,119,169 | (2,836,784) | (10.09) | 854,547,897 | 819,293,000 | 35,254,897 | 4.30 | 2,9586 | 3,4321 | (0.47) | (13.80) |
| 23 Revenue Tax Factor | (3,806) | (3,806) | 0 | 0.00 | 854,547,897 | 819,293,000 | 35,254,897 | 4.30 | 1,00072 | 1,00072 | 0 | 0.00 |
| 24 Fuel Factor Adjusted for Revenue Taxes | | | | | | | | | 2,9607 | 3,4346 | (0.47) | (13.80) |
| 25 GPIF Reward / (Penalty) | | | | | | | | | (0,0004) | (0,0005) | 0.00 | (20.00) |
| 26 Fuel Factor Adjusted for GPIF Reward / (Penalty) | | | | | | | | | 2,9603 | 3,4341 | (0.47) | (13.80) |
| 27 FUEL FACTOR ROUNDED TO NEAREST .001(CENTS/KWH) | | | | | | | | | 2,960 | 3,434 | (0.47) | (13.80) |

* Included for Informational Purposes Only
 ** (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

**COMPARISON OF ESTIMATED AND ACTUAL
FUEL AND PURCHASED POWER COST RECOVERY FACTOR
GULF POWER COMPANY
DECEMBER 2017
PERIOD TO DATE**

| | DOLLARS | | | KWH | | | CENTS/KWH | | | | | |
|---|----------------|---------------|-------------------|---------|-----------------|-----------------|-------------------|---------|----------|----------|-------------------|---------|
| | ACTUAL | EST'd | DIFFERENCE AMT | % | ACTUAL | EST'd | DIFFERENCE AMT | % | ACTUAL | EST'd | DIFFERENCE AMT | % |
| 1 Fuel Cost of System Net Generation (A3) | 277,982,315 | 299,112,408 | (21,130,093) | (7.06) | 9,247,071,662 | 10,041,442,000 | (794,370,338) | (7.91) | 3.0062 | 2.9788 | 0.03 | 0.92 |
| 1a Hedging Settlement Costs (A2) | 24,270,662 | 10,816,130 | 13,454,532 | 124.39 | 0 | 0 | 0 | 0.00 | #N/A | #N/A | #N/A | #N/A |
| 1b Scherer/Flint Credit | (3,590,950) | (4,548,768) | 958,718 | (21.08) | (127,136,296) | (169,369,000) | 42,232,704 | (24.94) | #N/A | #N/A | #N/A | #N/A |
| 2 Adjustments to Fuel Cost (A2, Page 1) ** | 9,548 | 0 | 9,548 | 100.00 | 0 | 0 | 0 | 0.00 | #N/A | 0.0000 | #N/A | #N/A |
| 3 TOTAL COST OF GENERATED POWER | 298,672,475 | 305,379,770 | (6,707,295) | (2.20) | 9,119,935,366 | 9,872,073,000 | (752,137,634) | (7.62) | 3.2749 | 3.0934 | 0.18 | 5.87 |
| 4 Fuel Cost of Purchased Power (Exclusive of Economy) (A7) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.0000 | 0.0000 | 0.00 | 0.00 |
| 5 Energy Cost of Other Econ. Purch. (Nonbroker) (A9) | 187,923,120 | 210,744,100 | (22,820,980) | (10.83) | 7,992,713,211 | 6,523,636,000 | 1,469,077,211 | 22.52 | 2.3512 | 2.3305 | (0.88) | (27.22) |
| 6 Energy Payments to Qualifying Facilities (A8) | 6,966,833 | 2,457,000 | 4,509,833 | 183.55 | 249,615,037 | 92,411,000 | 157,204,037 | 170.11 | 2.7910 | 2.6588 | 0.13 | 4.97 |
| 7 TOTAL COST OF PURCHASED POWER | 194,889,953 | 213,201,100 | (18,311,147) | (8.59) | 8,242,328,248 | 6,616,047,000 | 1,626,281,248 | 24.58 | 2.3645 | 3.2225 | (0.86) | (26.63) |
| 8 Total Available MWH (Line 5 + Line 12) | 493,562,428 | 518,580,870 | (25,018,442) | (4.82) | 17,362,263,614 | 16,488,120,000 | 874,143,614 | 5.30 | (2.4032) | (2.4857) | 0.08 | 3.32 |
| 9 Fuel Cost of Economy Sales (A6) | (6,024,248) | (2,886,100) | (3,138,148) | 108.73 | (250,673,266) | (116,108,500) | (134,564,766) | 115.90 | #N/A | #N/A | #N/A | #N/A |
| 10 Gain on Economy Sales (A6) | (1,765,582) | (361,400) | (1,404,182) | 388.54 | 0 | 0 | 0 | 0.00 | (1.7701) | (2.7136) | 0.94 | 34.77 |
| 11 Fuel Cost of Other Power Sales (A6) | (95,740,713) | (121,930,000) | 26,189,287 | (21.48) | (5,408,818,032) | (4,493,290,000) | (915,528,032) | 20.38 | (1.8293) | (2.7157) | 0.89 | 32.64 |
| 12 TOTAL FUEL COSTS & GAINS OF POWER SALES (LINES 9 + 10 + 11) | (103,530,544) | (125,177,500) | 21,646,956 | (17.29) | (5,659,491,298) | (4,609,398,500) | (1,050,092,798) | 22.78 | (1.8293) | (2.7157) | 0.89 | 32.64 |
| 13 TOTAL FUEL & NET POWER TRANSACTIONS (LINES 3 + 7 + 12) | 390,031,885 | 393,403,370 | (3,371,486) | (0.86) | 11,702,772,316 | 11,878,721,500 | (175,949,184) | (1.48) | 3.3328 | 3.3118 | 0.02 | 0.63 |
| 14 Company Use * | 479,668 | 598,144 | (118,476) | (19.81) | 14,392,338 | 18,061,000 | (3,668,662) | (20.31) | 3.3328 | 3.3118 | 0.02 | 0.63 |
| 15 T & D Losses * | 19,119,228 | 19,582,524 | (463,296) | (2.37) | 573,668,629 | 591,295,500 | (17,626,872) | (2.98) | 3.3328 | 3.3118 | 0.02 | 0.63 |
| 16 TERRITORIAL KWH SALES | 390,031,885 | 393,403,370 | (3,371,485) | (0.86) | 11,114,711,349 | 11,269,365,000 | (154,653,651) | (1.37) | 3.5091 | 3.4909 | 0.02 | 0.52 |
| 17 Wholesale KWH Sales | 10,748,275 | 11,561,610 | (813,335) | (7.03) | 306,094,501 | 330,984,000 | (24,889,499) | (7.52) | 3.5114 | 3.4931 | 0.02 | 0.52 |
| 18 Jurisdictional KWH Sales | 379,792,398.00 | 381,841,760 | (2,049,362) | (0.67) | 10,808,616,848 | 10,938,381,000 | (129,764,152) | (1.19) | 1.0012 | 1.0012 | 0.00 | 0.52 |
| 19 Jurisdictional Loss Multiplier | 1,0012 | 1,0012 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 3.5138 | 3.4955 | 0.02 | 0.52 |
| 20 Jurisdictional KWH Sales Adj. for Line Losses | 379,792,398.00 | 382,353,103 | (2,560,705) | (0.67) | 10,808,616,848 | 10,938,381,000 | (129,764,152) | (1.19) | (0.2411) | (0.2382) | (0.00) | 1.22 |
| 21 TRUE-UP | (26,059,665) | (26,059,665) | 0 | 0.00 | 10,808,616,848 | 10,938,381,000 | (129,764,152) | (1.19) | 3.2727 | 3.2573 | 0.02 | 0.47 |
| 22 TOTAL JURISDICTIONAL FUEL COST | 353,732,733 | 356,293,438 | (2,560,705) | (0.72) | 10,808,616,848 | 10,938,381,000 | (129,764,152) | (1.19) | 1.00072 | 1.00072 | 0.00 | 0.48 |
| 23 Revenue Tax Factor | (45,708) | (45,708) | 0 | 0.00 | 10,808,616,848 | 10,938,381,000 | (129,764,152) | (1.19) | 3.2751 | 3.2596 | 0.02 | 0.48 |
| 24 Fuel Factor Adjusted for Revenue Taxes | | | | | | | | | (0.0004) | (0.0004) | 0.00 | 0.00 |
| 25 GPIF Reward / (Penalty) | | | | | | | | | 3.2747 | 3.2592 | 0.02 | 0.48 |
| 26 Fuel Factor Adjusted for GPIF Reward / (Penalty) | | | | | | | | | 3.275 | 3.259 | 0.02 | 0.48 |
| 27 FUEL FACTOR ROUNDED TO NEAREST .001(CENTS/KWH) | | | | | | | | | 3.275 | 3.259 | 0.02 | 0.48 |

* Included for Informational Purposes Only
** (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

CALCULATION OF TRUE-UP AND INTEREST PROVISION
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017

| | CURRENT MONTH | | | PERIOD - TO - DATE | | |
|--|----------------|-------------|----------------|--------------------|----------------|-----------------|
| | ACTUAL | ESTIMATED | DIFFERENCE | ACTUAL | ESTIMATED | DIFFERENCE |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| A. Fuel Cost & Net Power Transactions | | | | | | |
| 1 Fuel Cost of System Net Generation | 20,561,607.61 | 25,786,915 | (5,225,307.39) | 275,788,334.62 | 296,747,778 | (20,959,443.37) |
| 1a Other Generation | 178,301.59 | 156,337 | 21,964.59 | 2,193,980.89 | 2,364,630 | (170,649.11) |
| 1b Scherer/Flint Credit | (406,195.26) | (686,451) | 280,255.53 | (3,590,049.91) | (4,548,768) | 958,717.71 |
| 2 Fuel Cost of Power Sold | (9,899,836.04) | (6,775,600) | (3,124,236.04) | (103,530,543.04) | (125,177,500) | 21,646,956.96 |
| 3 Fuel Cost - Purchased Power | 15,289,331.23 | 11,422,800 | 3,866,531.23 | 187,923,120.02 | 210,744,100 | (22,820,979.98) |
| 3a Demand & Non-Fuel Cost Purchased Power | 592,530.85 | 0 | 592,530.85 | 6,966,833.71 | 0 | 6,966,833.71 |
| 3b Energy Payments to Qualifying Facilities | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 Energy Cost - Economy Purchases | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 Hedging Settlement Cost | 1,919,150.00 | 1,357,820 | 561,330.00 | 24,270,662 | 10,816,130 | 13,454,532.00 |
| 6 Total Fuel & Net Power Transactions | 28,234,889.98 | 31,261,821 | (3,026,931.23) | 390,022,338.29 | 393,403,370 | (3,381,032.08) |
| 7 Adjustments To Fuel Cost* | 3,039.48 | 0 | 3,039.48 | 9,546.80 | 0 | 9,546.80 |
| 8 Adj. Total Fuel & Net Power Transactions | 28,237,929.46 | 31,261,821 | (3,023,891.54) | 390,031,885.09 | 393,403,370 | (3,371,485.28) |
| B. KWH Sales | | | | | | |
| 1 Jurisdictional Sales | 854,547,897 | 819,293,000 | 35,254,897 | 10,808,616,848 | 10,938,381,000 | (129,764,152) |
| 2 Non-Jurisdictional Sales | 25,454,674 | 27,278,000 | (1,823,326) | 306,094,501 | 330,984,000 | (24,889,499) |
| 3 Total Territorial Sales | 880,002,571 | 846,571,000 | 33,431,571 | 11,114,711,349 | 11,269,365,000 | (154,653,651) |
| 4 Juris. Sales as % of Total Terr. Sales | 97.1074 | 96.7778 | 0.3296 | 97.2460 | 97.0630 | 0.1830 |
| | | | | | | 0.19 |

* (Gain)/Loss on sales of natural gas and costs of contract dispute litigation.

CALCULATION OF TRUE-UP AND INTEREST PROVISION
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017

| | CURRENT MONTH | | | PERIOD - TO - DATE | | |
|--|-----------------|--------------|---------------------------|--------------------|--------------|---------------------------|
| | ACTUAL | ESTIMATED | DIFFERENCE AMOUNT (\$) | ACTUAL | ESTIMATED | DIFFERENCE AMOUNT (\$) |
| C. True-up Calculation | | | | | | |
| 1 Jurisdictional Fuel Revenue | 28,831,729.37 | 25,699,104 | 3,132,625.45 | 342,852,833.09 | 343,108,741 | (255,908.21) |
| 2 Fuel Adj. Revs. Not Applicable to Period: | | | | | | |
| 2a True-Up Provision | 2,171,639.00 | 2,171,639 | 0.00 | 26,059,665.00 | 26,059,665 | 0.00 |
| 2b Incentive Provision | 3,806.00 | 3,806 | 0.00 | 45,675.00 | 45,675 | 0.00 |
| 3 Juris. Fuel Revenue Applicable to Period | 31,007,174.37 | 27,874,549 | 3,132,625.37 | 368,958,173.09 | 369,214,081 | (255,907.91) |
| 4 Adjusted Total Fuel & Net Power Transactions (Line A8) | 28,237,929.46 | 31,261,821 | (3,023,891.54) | 390,031,885.08 | 393,403,370 | (3,371,484.92) |
| 5 Juris. Sales % of Total KWH Sales (Line B4) | 97.1074 | 96.7778 | 0.3296 | 97.2460 | 97.0630 | 0.1830 |
| Juris. Total Fuel & Net Power Transactions Adj. for Line Losses (C4*C5*1.0012) | 27,454,024.46 | 30,290,808 | (2,836,783.54) | 379,792,397.99 | 382,353,103 | (2,560,705.01) |
| True-Up Provision for the Month | | | | | | |
| 7 Over/(Under) Collection (C3-C6) | 3,553,149.91 | (2,416,259) | 5,969,408.91 | (10,834,224.90) | (13,139,021) | 2,304,796.10 |
| 8 Interest Provision for the Month | (27,235.49) | (12,670) | (14,565.49) | (74,754.32) | 85,830 | (160,584.32) |
| 9 Beginning True-Up & Interest Provision | (23,791,258.88) | (8,452,623) | (15,338,635.88) | 15,262,254.60 | 26,059,665 | (10,797,410.70) |
| 10 True-Up Collected / (Refunded) | (2,171,639.00) | (2,171,639) | 0.00 | (26,059,665.00) | (26,059,665) | 0.00 |
| End of Period - Total Net True-Up, Before Adjustment (C7+C8+C9+C10) | (22,436,983.46) | (13,053,191) | (9,383,792.46) | (21,706,389.62) | (13,053,191) | (8,653,198.62) |
| 11 Adjustment | 0.00 | 0 | 0.00 | (730,593.84) | 0 | (730,593.84) |
| 12 Adjustment | (22,436,983.46) | (13,053,191) | (9,383,792.46) | (22,436,983.46) | (13,053,191) | (9,383,792.46) |
| 13 End of Period - Total Net True-Up | | | | | | |

C. True-up Calculation
1 Jurisdictional Fuel Revenue
2 Fuel Adj. Revs. Not Applicable to Period:
2a True-Up Provision
2b Incentive Provision
3 Juris. Fuel Revenue Applicable to Period
4 Adjusted Total Fuel & Net Power Transactions (Line A8)
5 Juris. Sales % of Total KWH Sales (Line B4)
Juris. Total Fuel & Net Power Transactions
Adj. for Line Losses (C4*C5*1.0012)
True-Up Provision for the Month
7 Over/(Under) Collection (C3-C6)
8 Interest Provision for the Month
9 Beginning True-Up & Interest Provision
10 True-Up Collected / (Refunded)
End of Period - Total Net True-Up, Before Adjustment (C7+C8+C9+C10)
11 Adjustment
12 Adjustment
13 End of Period - Total Net True-Up

**CALCULATION OF TRUE-UP AND INTEREST PROVISION
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017**

| | ACTUAL | CURRENT MONTH | | DIFFERENCE | % |
|--|-----------------|---------------|-----------------|------------|--------|
| | | \$ | ESTIMATED | | |
| D. Interest Provision | | | | | |
| 1 Beginning True-Up Amount (C9) | (23,791,258.88) | (8,452,623) | (15,338,635.88) | | 181.47 |
| 2 Ending True-Up Amount | (22,409,747.97) | (13,040,521) | (9,369,226.97) | | 71.85 |
| 3 Total of Beginning & Ending True-Up Amts. | (46,201,006.85) | (21,493,144) | (24,707,862.85) | | 114.96 |
| 4 Average True-Up Amount | (23,100,503.43) | (10,746,572) | (12,353,931.43) | | 114.96 |
| Interest Rate | | | | | |
| 5 1st Day of Reporting Business Month | 1.25 | 1.25 | 0.0000 | | |
| Interest Rate | | | | | |
| 6 1st Day of Subsequent Business Month | 1.58 | 1.58 | 0.0000 | | |
| 7 Total (D5+D6) | 2.83 | 2.83 | 0.0000 | | |
| 8 Annual Average Interest Rate | 1.42 | 1.42 | 0.0000 | | |
| 9 Monthly Average Interest Rate (D8/12) | 0.1179 | 0.1179 | 0.0000 | | |
| 10 Interest Provision (D4*D9) | (27,235.49) | (12,670) | (14,565.49) | | 114.96 |
| Jurisdictional Loss Multiplier (From Schedule A-1) | 1.0012 | 1.0012 | | | |

SCHEDULE A-3

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
 GULF POWER COMPANY
 FOR THE MONTH OF: DECEMBER 2017

| | CURRENT MONTH | | | | PERIOD - TO - DATE | | | |
|-------------------------------|-------------------|-------------------|--------------------|----------------|--------------------|--------------------|---------------------|---------------|
| | ACTUAL | EST. | DIFFERENCE | | ACTUAL | EST. | DIFFERENCE | |
| | (1) | (2) | AMOUNT | % | (5) | (6) | AMOUNT | % |
| FUEL COST-NET GEN.(\$) | | | | | | | | |
| 1 LIGHTER OIL (B.L.) | 159,888 | 83,324 | 76,564 | 91.89 | 991,556 | 809,255 | 182,301 | 22.53 |
| 2 COAL | 9,124,397 | 13,222,504 | (4,098,107) | (30.99) | 132,001,977 | 147,578,023 | (15,576,046) | (10.55) |
| 2a Coal at Scherer | 1,657,828 | 2,884,247 | (1,226,419) | (42.52) | 20,367,518 | 29,237,463 | (8,869,945) | (30.34) |
| 2b Scherer/Flint Credit | (406,195) | (686,451) | 280,256 | (40.83) | (3,590,050) | (4,548,768) | 958,718 | (21.08) |
| 3 GAS | 9,269,855 | 9,309,465 | (39,610) | (0.43) | 119,895,389 | 116,479,342 | 3,416,047 | 2.93 |
| 4 GAS (B.L.) | 453,566 | 372,938 | 80,628 | 21.62 | 3,824,969 | 4,195,860 | (370,891) | (8.84) |
| 5 LANDFILL GAS | 65,366 | 70,774 | (5,408) | (7.64) | 821,866 | 804,231 | 17,635 | 2.19 |
| 6 OIL - C.T. | 9,009 | 0 | 9,009 | 100.00 | 79,040 | 8,234 | 70,806 | 859.92 |
| 7 TOTAL (\$) | <u>20,333,714</u> | <u>25,256,801</u> | <u>(4,923,087)</u> | <u>(19.49)</u> | <u>274,392,265</u> | <u>294,563,640</u> | <u>(20,171,376)</u> | <u>(6.85)</u> |
| SYSTEM NET GEN. (MWH) | | | | | | | | |
| 8 LIGHTER OIL | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 |
| 9 COAL | 307,265 | 452,889 | (145,625) | (32.15) | 4,183,979 | 4,838,418 | (654,439) | (13.53) |
| 9a Coal at Scherer | 56,321 | 108,692 | (52,371) | (48.18) | 726,966 | 1,182,086 | (455,121) | (38.50) |
| 9b Scherer/Flint Credit | (13,601) | (25,869) | 12,268 | (47.42) | (127,136) | (169,369) | 42,233 | (24.94) |
| 10 GAS | 389,612 | 320,104 | 69,508 | 21.71 | 4,311,403 | 3,996,194 | 315,209 | 7.89 |
| 11 LANDFILL GAS | 1,940 | 2,097 | (157) | (7.49) | 24,503 | 24,708 | (205) | (0.83) |
| 12 OIL - C.T. | 29 | 0 | 29 | 100.00 | 221 | 36 | 185 | 513.89 |
| 13 TOTAL (MWH) | <u>741,565</u> | <u>857,913</u> | <u>(116,348)</u> | <u>(13.56)</u> | <u>9,119,935</u> | <u>9,872,073</u> | <u>(752,138)</u> | <u>(7.62)</u> |
| UNITS OF FUEL BURNED | | | | | | | | |
| 14 LIGHTER OIL (BBL) | 2,114 | 1,190 | 924 | 77.64 | 12,759 | 11,856 | 904 | 7.62 |
| 15 COAL (TONS) | 157,223 | 234,571 | (77,348) | (32.97) | 2,110,954 | 2,361,701 | (250,747) | (10.62) |
| 16 GAS (MCF) (1) | 2,708,102 | 2,127,872 | 580,230 | 27.27 | 30,509,115 | 26,875,469 | 3,633,646 | 13.52 |
| 17 OIL - C.T. (BBL) | 94 | 0 | 94 | 100.00 | 815 | 85 | 730 | 858.82 |
| BTU'S BURNED (MMBTU) | | | | | | | | |
| 18 COAL + GAS B.L. + OIL B.L. | 3,984,700 | 6,019,562 | (2,034,862) | (33.80) | 53,133,943 | 62,442,812 | (9,308,869) | (14.91) |
| 19 GAS - Generation (1) | 2,699,470 | 2,170,430 | 529,040 | 24.37 | 30,627,780 | 27,412,979 | 3,214,801 | 11.73 |
| 20 OIL - C.T. | 548 | 0 | 548 | 100.00 | 4,104 | 499 | 3,605 | 722.44 |
| 21 TOTAL (MMBTU) | <u>6,684,718</u> | <u>8,189,992</u> | <u>(1,505,274)</u> | <u>(18.38)</u> | <u>74,717,455</u> | <u>80,799,509</u> | <u>(6,082,054)</u> | <u>(7.53)</u> |
| GENERATION MIX (% MWH) | | | | | | | | |
| 22 LIGHTER OIL (B.L.) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 23 COAL | 47.20 | 62.45 | (15.25) | (24.42) | 52.46 | 59.27 | (6.81) | (11.49) |
| 24 GAS | 52.54 | 37.31 | 15.23 | 40.82 | 47.27 | 40.48 | 6.79 | 16.77 |
| 25 LANDFILL GAS | 0.26 | 0.24 | 0.02 | 8.33 | 0.27 | 0.25 | 0.02 | 8.00 |
| 26 OIL - C.T. | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27 TOTAL (% MWH) | <u>100.00</u> | <u>100.00</u> | <u>0.00</u> | <u>0.00</u> | <u>100.00</u> | <u>100.00</u> | <u>0.00</u> | <u>0.00</u> |
| FUEL COST (\$ / UNIT) | | | | | | | | |
| 28 LIGHTER OIL (\$/BBL) | 72.86 | 70.01 | 2.85 | 4.07 | 77.10 | 68.26 | 8.84 | 12.95 |
| 29 COAL (\$/TON) | 58.03 | 56.37 | 1.66 | 2.94 | 62.53 | 62.49 | 0.04 | 0.06 |
| 30 GAS (\$/MCF) (1) | 3.52 | 4.48 | (0.96) | (21.43) | 3.99 | 4.40 | (0.41) | (9.32) |
| 31 OIL - C.T. (\$/BBL) | 95.84 | 0.00 | 95.84 | 100.00 | 96.98 | 96.87 | 0.11 | 0.11 |
| FUEL COST (\$ / MMBTU) | | | | | | | | |
| 32 COAL + GAS B.L. + OIL B.L. | 2.76 | 2.64 | 0.12 | 4.55 | 2.89 | 2.84 | 0.05 | 1.76 |
| 33 GAS - Generation (1) | 3.37 | 4.22 | (0.85) | (20.14) | 3.85 | 4.16 | (0.31) | (7.45) |
| 34 OIL - C.T. | 16.45 | 0.00 | 16.45 | 100.00 | 19.26 | 16.50 | 2.76 | 16.73 |
| 35 TOTAL (\$/MMBTU) | <u>3.01</u> | <u>3.06</u> | <u>(0.05)</u> | <u>(1.63)</u> | <u>3.63</u> | <u>3.61</u> | <u>0.02</u> | <u>0.55</u> |
| BTU BURNED / KWH | | | | | | | | |
| 36 COAL + GAS B.L. + OIL B.L. | 11,385 | 11,237 | 148 | 1.32 | 11,107 | 10,672 | 435 | 4.08 |
| 37 GAS - Generation (1) | 7,047 | 6,904 | 143 | 2.07 | 7,225 | 7,002 | 223 | 3.18 |
| 38 OIL - C.T. | 18,884 | 0 | 18,884 | 100.00 | 18,572 | 13,861 | 4,711 | 33.99 |
| 39 TOTAL (BTU/KWH) | <u>9,118</u> | <u>9,634</u> | <u>(516)</u> | <u>(5.36)</u> | <u>8,280</u> | <u>8,274</u> | <u>6</u> | <u>0.07</u> |
| FUEL COST (¢ / KWH) | | | | | | | | |
| 40 COAL + GAS B.L. + OIL B.L. | 3.14 | 2.96 | 0.18 | 6.08 | 3.21 | 3.03 | 0.18 | 5.94 |
| 41 GAS | 2.38 | 2.91 | (0.53) | (18.21) | 2.78 | 2.91 | (0.13) | (4.47) |
| 42 LANDFILL GAS | 3.37 | 3.38 | (0.01) | (0.30) | 3.35 | 3.25 | 0.10 | 3.08 |
| 43 OIL - C.T. | 31.07 | 0.00 | 31.07 | 100.00 | 35.76 | 22.87 | 12.89 | 56.36 |
| 44 TOTAL (¢/KWH) | <u>2.74</u> | <u>2.94</u> | <u>(0.20)</u> | <u>(6.80)</u> | <u>3.01</u> | <u>2.98</u> | <u>0.03</u> | <u>1.01</u> |

Note: (1) Calculations for Line 16, 19, 30, 33, and 37 exclude Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

SCHEDULE A-4

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017

| Line | (a) Plant/Unit | (b) Net Cap. (MW) | (c) Net Gen. (MWH) | (d) Cap. Factor (%) | (e) Equiv. Avail. Factor (%) | (f) Net Output Factor (%) | (g) Avg. Net Heat Rate (BTU/KWH) | (h) Fuel Type | (i) Fuel Burned (Units) (Tons/MCF/Bbl) | (j) Heat Value (BTU/Unit) (lbs./cf/Gal.) | (k) Fuel Burned (MMBTU) | (l) Fuel Cost (\$) | (m) Fuel Cost/ KWH (¢/KWH) | (n) Fuel Cost/ Unit (\$/Unit) |
|------|----------------------|----------------------------|-----------------------------|------------------------------|--|---------------------------------------|--|---------------------|--|---|----------------------------------|-----------------------------|--|---|
| 1 | Crist 4 | 75 | 17,833 | 32.0 | 100.0 | 61.4 | 10,768 | Coal | 8,463 | 11,346 | 192,031 | 495,295 | 2.78 | 58.52 |
| 2 | | | 0 | | | | | Gas-G | 0 | 1,022 | 0 | 0 | 0.00 | 0.00 |
| 3 | | | | | | | | Gas-S | 11,025 | 1,022 | 11,268 | 77,555 | 0.00 | 7.03 |
| 4 | | | | | | | | Oil-S | 143 | 138,500 | 830 | 10,002 | | 69.94 |
| 5 | Crist 5 | 75 | 14,029 | 25.1 | 100.0 | 52.6 | 10,873 | Coal | 6,682 | 11,414 | 152,531 | 391,071 | 2.79 | 58.53 |
| 6 | | | 0 | | | | | Gas-G | 0 | 1,022 | 0 | 0 | 0.00 | 0.00 |
| 7 | | | | | | | | Gas-S | 38,148 | 1,022 | 38,989 | 268,342 | 0.00 | 7.03 |
| 8 | | | | | | | | Oil-S | 156 | 138,500 | 909 | 10,959 | | 70.11 |
| 9 | Crist 6 | 299 | 106,505 | 47.9 | 68.1 | 70.3 | 10,112 | Coal | 47,593 | 11,314 | 1,076,965 | 2,785,613 | 2.62 | 58.53 |
| 10 | | | 0 | | | | | Gas-G | 0 | 1,022 | 0 | 0 | 0.00 | 0.00 |
| 11 | | | | | | | | Gas-S | 4,390 | 1,022 | 4,487 | 30,884 | 0.00 | 7.04 |
| 12 | | | | | | | | Oil-S | 2 | 138,500 | 11 | 137 | | 68.50 |
| 13 | Crist 7 | 475 | 121,329 | 34.3 | 53.0 | 61.4 | 11,635 | Coal | 62,306 | 11,328 | 1,411,603 | 3,646,656 | 3.01 | 58.53 |
| 14 | | | 0 | | | | | Gas-G | 0 | 1,022 | 0 | 0 | 0.00 | 0.00 |
| 15 | | | | | | | | Gas-S | 10,915 | 1,022 | 11,156 | 76,784 | 0.00 | 7.03 |
| 16 | | | | | | | | Oil-S | 223 | 138,500 | 1,296 | 15,618 | | 70.04 |
| 17 | Smith 3 | 605 | 383,086 | 85.1 | 97.7 | 95.4 | 7,047 | Gas-G | 2,643,624 | 1,021 | 2,699,470 | 9,091,554 | 2.37 | 3.44 |
| 18 | Smith A | 40 | 29 | 0.1 | 98.2 | 68.0 | 18,884 | Oil | 94 | 138,500 | 548 | 9,009 | 31.07 | 95.84 |
| 19 | Scherer 3 | 214 | 56,321 | 35.4 | 95.3 | 53.8 | 11,201 | Coal | | 6,843 | 630,874 | 1,657,828 | 2.94 | 0.00 |
| 20 | | | | | | | | Oil | 295 | 140,150 | 1,739 | 24,210 | 0.00 | 82.07 |
| 21 | Scherer/Flint Credit | (52) | (13,601) | N/A | N/A | N/A | N/A | Coal | (71) | N/A | (152,350) | (400,349) | N/A | N/A |
| 22 | | | | | | | | Oil | (71) | N/A | (420) | (5,846) | N/A | N/A |
| 23 | Other Generation | | 6,526 | | | | | Gas | | | 178,302 | 178,302 | 2.73 | 0.00 |
| 24 | Perdido | | 1,940 | | | | | Landfill Gas | | | 65,366 | 65,366 | 3.37 | 0.00 |
| 25 | Daniel 1 | 251 | 18,667 | 10.0 | 95.9 | 27.7 | 12,931 | Coal | 12,800 | 9,429 | 241,376 | 702,243 | 3.76 | 54.86 |
| 26 | | | | | | | | Oil-S | 774 | 138,500 | 4,502 | 56,061 | | 72.43 |
| 27 | Daniel 2 | 251 | 28,902 | 15.5 | 88.9 | 31.0 | 12,230 | Coal | 19,379 | 9,120 | 353,458 | 1,063,226 | 3.68 | 54.86 |
| 28 | | | | | | | | Oil-S | 592 | 138,500 | 3,445 | 42,902 | | 72.47 |
| 29 | Total | 2,233 | 741,565 | 44.6 | 85.2 | 65.1 | 9,118 | | | | 6,684,718 | 20,293,422 | 2.74 | |

| Units | Units | \$ | cents/kwh |
|-------|------------------------------|------------|-----------|
| N/A | Daniel Railcar Track Deprec. | (4,022) | |
| | Daniel Coal/ additive | 44,314 | |
| | Recoverable Fuel | 20,333,714 | 2.74 |

Notes & Adjust.:
 (1) Smith A uses lighter oil
 (2) Represents Gulf's 25% ownership
 (3) Represents Gulf's 50% ownership
 Negative Net Generation at any unit is due to station service
 Gas-G is gas used for generation; Gas-S is gas used for starter

SCHEDULE A-5

SYSTEM GENERATED FUEL COST - INVENTORY ANALYSIS
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017

| | CURRENT MONTH | | | | PERIOD-TO-DATE | | | |
|--|---------------|------------|-------------|---------|----------------|-------------|--------------|---------|
| | ACTUAL | ESTIMATED | DIFFERENCE | | ACTUAL | ESTIMATED | DIFFERENCE | |
| AMOUNT | | | % | AMOUNT | | | % | |
| <u>LIGHT OIL</u> | | | | | | | | |
| 1 PURCHASES : | | | | | | | | |
| 2 UNITS (BBL) | 1,248 | 1,193 | 55 | 4.61 | 14,807 | 11,519 | 3,288 | 28.54 |
| 3 UNIT COST (\$/BBL) | 81.67 | 70.43 | 11.24 | 15.96 | 72.57 | 69.54 | 3.03 | 4.36 |
| 4 AMOUNT (\$) | 101,921 | 84,025 | 17,896 | 21.30 | 1,074,532 | 801,086 | 273,446 | 34.13 |
| 5 BURNED : | | | | | | | | |
| 6 UNITS (BBL) | 2,153 | 1,190 | 963 | 80.91 | 14,648 | 11,856 | 2,792 | 23.55 |
| 7 UNIT COST (\$/BBL) | 73.00 | 70.01 | 2.99 | 4.27 | 69.99 | 68.26 | 1.73 | 2.53 |
| 8 AMOUNT (\$) | 157,160 | 83,324 | 73,836 | 88.61 | 1,025,144 | 809,255 | 215,889 | 26.68 |
| 9 ENDING INVENTORY : | | | | | | | | |
| 10 UNITS (BBL) | 4,728 | 6,796 | (2,068) | (30.43) | 4,728 | 6,796 | (2,068) | (30.43) |
| 11 UNIT COST (\$/BBL) | 73.32 | 68.70 | 4.62 | 7 | 73.32 | 68.70 | 4.62 | 6.72 |
| 12 AMOUNT (\$) | 346,674 | 466,895 | (120,221) | (25.75) | 346,674 | 466,895 | (120,221) | (25.75) |
| 13 DAYS SUPPLY | N/A | N/A | | | | | | |
| <u>COAL EXCLUDING PLANT SCHERER</u> | | | | | | | | |
| 14 PURCHASES : | | | | | | | | |
| 15 UNITS (TONS) | 142,912 | 231,308 | (88,396) | (38.22) | 1,970,774 | 2,267,491 | (296,717) | (13.09) |
| 16 UNIT COST (\$/TON) | 55.48 | 55.09 | 0.39 | 0.71 | 60.87 | 59.36 | 1.51 | 2.54 |
| 17 AMOUNT (\$) | 7,928,667 | 12,742,886 | (4,814,219) | (37.78) | 119,969,931 | 134,595,151 | (14,625,220) | (10.87) |
| 18 BURNED : | | | | | | | | |
| 19 UNITS (TONS) | 157,223 | 234,571 | (77,348) | (32.97) | 2,110,954 | 2,361,701 | (250,747) | (10.62) |
| 20 UNIT COST (\$/TON) | 57.78 | 56.37 | 1.41 | 2.50 | 62.36 | 62.49 | (0.13) | (0.21) |
| 21 AMOUNT (\$) | 9,084,105 | 13,222,504 | (4,138,399) | (31.30) | 131,645,466 | 147,578,023 | (15,932,557) | (10.80) |
| 22 ENDING INVENTORY : | | | | | | | | |
| 23 UNITS (TONS) | 394,013 | 480,226 | (86,213) | (17.95) | 394,013 | 480,226 | (86,213) | (17.95) |
| 24 UNIT COST (\$/TON) | 56.73 | 56.94 | (0.21) | (0.37) | 56.73 | 56.94 | (0.21) | (0.37) |
| 25 AMOUNT (\$) | 22,352,529 | 27,344,385 | (4,991,856) | (18.26) | 22,352,529 | 27,344,385 | (4,991,856) | (18.26) |
| 26 DAYS SUPPLY | 24 | 29 | (5) | (17.24) | | | | |
| <u>COAL AT PLANT SCHERER</u> | | | | | | | | |
| 27 PURCHASES : | | | | | | | | |
| 28 UNITS (MMBTU) | 787,234 | 1,144,685 | (357,451) | (31.23) | 7,387,437 | 9,517,630 | (2,130,193) | (22.38) |
| 29 UNIT COST (\$/MMBTU) | 2.48 | 2.42 | 0.06 | 2.48 | 2.55 | 2.44 | 0.11 | 4.51 |
| 30 AMOUNT (\$) | 1,953,698 | 2,766,089 | (812,391) | (29.37) | 18,802,090 | 23,196,904 | (4,394,814) | (18.95) |
| 31 BURNED : | | | | | | | | |
| 32 UNITS (MMBTU) | 630,874 | 1,175,068 | (544,194) | (46.31) | 6,978,328 | 10,487,939 | (3,509,611) | (33.46) |
| 33 UNIT COST (\$/MMBTU) | 2.51 | 2.45 | 0.06 | 2.45 | 2.59 | 2.49 | 0.10 | 4.02 |
| 34 AMOUNT (\$) | 1,583,325 | 2,884,247 | (1,300,922) | (45.10) | 18,088,315 | 26,126,243 | (8,037,928) | (30.77) |
| 35 ENDING INVENTORY : | | | | | | | | |
| 36 UNITS (MMBTU) | 3,497,122 | 1,261,028 | 2,236,094 | 177.32 | 3,497,122 | 1,261,028 | 2,236,094 | 177.32 |
| 37 UNIT COST (\$/MMBTU) | 2.51 | 2.51 | 0.00 | 0.00 | 2.51 | 2.51 | 0.00 | 0.00 |
| 38 AMOUNT (\$) | 8,776,717 | 3,171,240 | 5,605,477 | 176.76 | 8,776,717 | 3,171,240 | 5,605,477 | 176.76 |
| 39 DAYS SUPPLY | 65 | 24 | 41 | 170.83 | | | | |
| <u>GAS</u> (Reported on a MMBTU and \$ basis) | | | | | | | | |
| 40 PURCHASES : | | | | | | | | |
| 41 UNITS (MMBTU) | 2,756,874 | 2,170,430 | 586,444 | 27.02 | 30,941,415 | 27,412,979 | 3,528,436 | 12.87 |
| 42 UNIT COST (\$/MMBTU) | 3.37 | 4.22 | (0.85) | (20.14) | 3.87 | 4.16 | (0.29) | (6.97) |
| 43 AMOUNT (\$) | 9,278,172 | 9,153,128 | 125,044 | 1.37 | 119,785,777 | 114,114,712 | 5,671,065 | 4.97 |
| 44 BURNED : | | | | | | | | |
| 45 UNITS (MMBTU) | 2,765,370 | 2,170,430 | 594,940 | 27.41 | 31,218,996 | 27,412,979 | 3,806,017 | 13.88 |
| 46 UNIT COST (\$/MMBTU) | 3.45 | 4.22 | (0.77) | (18.25) | 3.89 | 4.16 | (0.27) | (6.49) |
| 47 AMOUNT (\$) | 9,545,119 | 9,153,128 | 391,991 | 4.28 | 121,536,483 | 114,114,712 | 7,421,771 | 6.50 |
| 48 ENDING INVENTORY : | | | | | | | | |
| 48 UNITS (MMBTU) | 838,472 | 0 | 838,472 | 100.00 | 838,472 | 0 | 838,472 | 100.00 |
| 50 UNIT COST (\$/MMBTU) | 3.37 | 0.00 | 3.37 | 100.00 | 3.37 | 0.00 | 3.37 | 100.00 |
| 51 AMOUNT (\$) | 2,823,893 | 0 | 2,823,893 | 100.00 | 2,823,893 | 0 | 2,823,893 | 100.00 |

SYSTEM GENERATED FUEL COST - INVENTORY ANALYSIS
 GULF POWER COMPANY
 FOR THE MONTH OF: DECEMBER 2017

| | CURRENT MONTH | | | | PERIOD-TO-DATE | | | |
|--------------------------------|---------------|-----------|------------|--------|----------------|-----------|------------|-----------|
| | ACTUAL | ESTIMATED | DIFFERENCE | | ACTUAL | ESTIMATED | DIFFERENCE | |
| AMOUNT | | | % | AMOUNT | | | % | |
| <u>OTHER - C.T. OIL</u> | | | | | | | | |
| 52 PURCHASES : | | | | | | | | |
| 53 UNITS (BBL) * | 0 | 0 | 0 | 0.00 | 530 | 0 | 530 | 100.00 |
| 54 UNIT COST (\$/BBL) | 0.00 | 0.00 | 0.00 | 0.00 | 69.58 | 0.00 | 70.00 | 100.00 |
| 55 AMOUNT (\$) | 0 | 0 | 0 | 0.00 | 36,877 | 85 | 36,792 | 43,284.71 |
| 56 BURNED : | | | | | | | | |
| 57 UNITS (BBL) | 94 | 0 | 94 | 100.00 | 815 | 97 | 718 | 743.50 |
| 58 UNIT COST (\$/BBL) | 95.84 | 0.00 | 95.84 | 100.00 | 96.98 | 85.26 | 11.72 | 13.75 |
| 59 AMOUNT (\$) | 9,009 | 0 | 9,009 | 100.00 | 79,041 | 8,234 | 70,807 | 859.93 |
| 60 ENDING INVENTORY : | | | | | | | | |
| 61 UNITS (BBL) | 6,636 | 6,740 | (104) | (1.54) | 6,636 | 6,740 | (104) | (1.54) |
| 62 UNIT COST (\$/BBL) | 95.70 | 95.68 | 0.02 | 0.02 | 95.70 | 95.68 | 0.02 | 0.02 |
| 63 AMOUNT (\$) | 635,047 | 644,831 | (9,784) | (1.52) | 635,047 | 644,831 | (9,784) | (1.52) |
| 64 HOURS SUPPLY | 75 | 76 | (1) | (1.32) | | | | |

SCHEDULE A-6
 Page 1 of 2

POWER SOLD
 GULF POWER COMPANY
 FOR THE MONTH OF: DECEMBER 2017

| CURRENT MONTH | | | | | | | | |
|------------------|-----------------------------------|--------------------|----------------------------|-------------------------|-------------|--------------------|-------------------------------------|----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) |
| SOLD TO | TYPE AND SCHEDULE | TOTAL KWH SOLD | WHEELED FROM OTHER SYSTEMS | KWH FROM OWN GENERATION | (a) | (b) | (5) x (6)(a) TOTAL \$ FOR FUEL ADJ. | (5) x (6)(b) TOTAL COST \$ |
| | | | | | FUEL COST | ¢ / KWH TOTAL COST | | |
| <i>ESTIMATED</i> | | | | | | | | |
| 1 | Southern Company Interchange | 277,206,600 | 0 | 277,206,600 | 2.37 | 2.92 | 6,569,200 | 8,095,200 |
| 2 | Various Economy Sales | 8,098,200 | 0 | 8,098,200 | 2.35 | 2.71 | 190,400 | 219,600 |
| 3 | Gain on Econ. Sales | 0 | 0 | 0 | 0.00 | 0.00 | 16,000 | 20,000 |
| 4 | TOTAL ESTIMATED SALES | <u>285,304,800</u> | <u>0</u> | <u>285,304,800</u> | <u>2.37</u> | <u>2.92</u> | <u>6,775,600</u> | <u>8,334,800</u> |
| <i>ACTUAL</i> | | | | | | | | |
| 5 | Southern Company Interchange | 410,328,128 | 0 | 410,328,128 | 2.41 | 2.61 | 9,873,096 | 10,724,397 |
| 6 | A.E.C. External | 1,392,455 | 0 | 1,392,455 | 2.30 | 3.12 | 32,042 | 43,380 |
| 7 | CARGILE External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 8 | DUKE PWR External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 9 | EAGLE EN External | 549,669 | 0 | 549,669 | 2.61 | 3.37 | 14,349 | 18,520 |
| 10 | ENDURE External | 27,621 | 0 | 27,621 | 2.63 | 3.82 | 726 | 1,056 |
| 11 | EXELON External | 196,130 | 0 | 196,130 | 2.69 | 3.35 | 5,283 | 6,580 |
| 12 | FPC External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 13 | FPL External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 14 | MACQUARI External | 67,950 | 0 | 67,950 | 2.39 | 3.53 | 1,625 | 2,402 |
| 15 | MERCURIA External | 196,416 | 0 | 196,416 | 2.84 | 3.75 | 5,582 | 7,366 |
| 16 | MISO External | 696,511 | 0 | 696,511 | 2.06 | 2.83 | 14,330 | 19,742 |
| 17 | MORGAN External | 551,702 | 0 | 551,702 | 2.69 | 3.28 | 14,867 | 18,082 |
| 18 | NCEMC External | 81,590 | 0 | 81,590 | 2.31 | 3.29 | 1,886 | 2,682 |
| 19 | NCMPA1 External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 20 | OPC External | 31,308 | 0 | 31,308 | 2.81 | 3.83 | 881 | 1,200 |
| 21 | ORLANDO External | 104,114 | 0 | 104,114 | 2.70 | 3.56 | 2,811 | 3,706 |
| 22 | PJM External | 71,574 | 0 | 71,574 | 2.40 | 4.56 | 1,717 | 3,266 |
| 23 | REMC External | 54,383 | 0 | 54,383 | 2.25 | 3.40 | 1,223 | 1,849 |
| 24 | SCE&G External | 194,113 | 0 | 194,113 | 2.28 | 4.19 | 4,434 | 8,137 |
| 25 | SEC External | 15,961 | 0 | 15,961 | 2.14 | 2.98 | 341 | 476 |
| 26 | SEPA External | 1,462,783 | 0 | 1,462,783 | 2.23 | 3.48 | 32,592 | 50,893 |
| 27 | TAL External | 22,409 | 0 | 22,409 | 2.79 | 4.07 | 624 | 912 |
| 28 | TEA External | 1,969,805 | 0 | 1,969,805 | 2.21 | 2.94 | 43,548 | 57,890 |
| 29 | TECO External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 30 | TENASKA External | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0 |
| 31 | TVA External | 236,462 | 0 | 236,462 | 2.61 | 3.49 | 6,164 | 8,241 |
| 32 | WRI External | 74,951 | 0 | 74,951 | 2.36 | 3.69 | 1,773 | 2,765 |
| 33 | Less: Flow-Thru Energy | (7,997,907) | 0 | (7,997,907) | 2.34 | 2.34 | (186,798) | (186,798) |
| 34 | SEPA | 1,104,488 | 1,104,488 | 0 | 0.00 | 0.00 | 0 | 0 |
| 35 | Economy Energy Sales Gain (1) | 0 | 0 | 0 | 0.00 | 0.00 | 26,740 | 33,425 |
| 36 | Other transactions including adj. | <u>174,912,952</u> | <u>56,600,123</u> | <u>118,312,829</u> | <u>0.00</u> | <u>0.00</u> | <u>0</u> | <u>0</u> |
| 37 | TOTAL ACTUAL SALES | 586,345,568 | 57,704,611 | 528,640,957 | 1.69 | 1.84 | 9,899,836 | 10,796,744 |
| 38 | Difference in Amount | 301,040,768 | 57,704,611 | 243,336,157 | (0.68) | (1.08) | 3,124,236 | 2,461,944 |
| 39 | Difference in Percent | 105.52 | 0.00 | 85.29 | (28.69) | (36.99) | 46.11 | 29.54 |

Note: (1) Economy Sales Gains in column 8 are included in the total cost for each counterparty and are not included as depicted on line 35

SCHEDULE A-6
 Page 2 of 2

POWER SOLD
 GULF POWER COMPANY
 FOR THE MONTH OF: DECEMBER 2017

| PERIOD TO DATE | | | | | | | | | |
|------------------|-----------------------------------|----------------------|---|-------------------------------|--------------|---------------|------------------------------|--------------------|---------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | | (7) | (8) | |
| SOLD TO | TYPE AND SCHEDULE | TOTAL KWH SOLD | KWH WHEELED FROM OTHER SYSTEMS | KWH FROM OWN GENERATION | ¢ / KWH | | TOTAL \$ FOR FUEL ADJ. | TOTAL COST | TOTAL COST \$ |
| | | | | | FUEL COST | TOTAL COST | | | |
| <i>ESTIMATED</i> | | | | | | | | | |
| 1 | Southern Company Interchange | 4,493,290,000 | 0 | 4,493,290,000 | 2.71 | 3.20 | 121,930,000 | 143,563,300 | |
| 2 | Various Economy Sales | 116,108,500 | 0 | 116,108,500 | 2.49 | 2.96 | 2,886,100 | 3,441,200 | |
| 3 | Gain on Econ. Sales | 0 | 0 | 0 | 0.00 | 0.00 | 361,400 | 391,000 | |
| 4 | TOTAL ESTIMATED SALES | 4,609,398,500 | 0 | 4,609,398,500 | 2.72 | 3.20 | 125,177,500 | 147,395,500 | |
| <i>ACTUAL</i> | | | | | | | | | |
| 5 | Southern Company Interchange | 3,886,911,269 | 0 | 3,886,911,269 | 2.53 | 2.78 | 98,489,459 | 107,924,608 | |
| 6 | A.E.C. External | 4,946,227 | 0 | 4,946,227 | 2.61 | 3.34 | 129,302 | 165,109 | |
| 7 | CARGILE External | 112,342,200 | 0 | 112,342,200 | 2.13 | 3.37 | 2,393,466 | 3,783,788 | |
| 8 | DUKE PWR External | 196,442 | 0 | 196,442 | 3.13 | 4.95 | 6,150 | 9,715 | |
| 9 | EAGLE EN External | 6,035,351 | 0 | 6,035,351 | 4.69 | 3.32 | 283,342 | 200,520 | |
| 10 | ENDURE External | 174,511 | 0 | 174,511 | 2.94 | 4.39 | 5,129 | 7,657 | |
| 11 | EXELON External | 1,744,510 | 0 | 1,744,510 | 7.05 | 3.19 | 122,949 | 55,583 | |
| 12 | FPC External | 1,293,719 | 0 | 1,293,719 | 2.77 | 4.09 | 35,853 | 52,928 | |
| 13 | FPL External | 4,409,614 | 0 | 4,409,614 | 3.06 | 4.34 | 134,825 | 191,419 | |
| 14 | MACQUARI External | 82,128 | 0 | 82,128 | 2.46 | 3.45 | 2,021 | 2,830 | |
| 15 | MERCURIA External | 32,998,012 | 0 | 32,998,012 | 2.23 | 3.77 | 737,319 | 1,245,621 | |
| 16 | MISO External | 14,792,868 | 0 | 14,792,868 | 2.49 | 3.27 | 368,535 | 484,097 | |
| 17 | MORGAN External | 4,862,359 | 0 | 4,862,359 | 2.50 | 3.21 | 121,660 | 155,976 | |
| 18 | NCEMC External | 241,148 | 0 | 241,148 | 2.57 | 3.40 | 6,192 | 8,200 | |
| 19 | NCMPA1 External | 12,584 | 0 | 12,584 | 1.89 | 2.54 | 237 | 320 | |
| 20 | OPC External | 823,514 | 0 | 823,514 | 2.78 | 3.86 | 22,912 | 31,816 | |
| 21 | ORLANDO External | 1,660,311 | 0 | 1,660,311 | 2.97 | 4.29 | 49,315 | 71,153 | |
| 22 | PJM External | 3,558,961 | 0 | 3,558,961 | 2.41 | 3.52 | 85,902 | 125,250 | |
| 23 | REMC External | 121,901 | 0 | 121,901 | 5.58 | 3.73 | 6,804 | 4,551 | |
| 24 | SCE&G External | 788,638 | 0 | 788,638 | 2.80 | 4.72 | 22,116 | 37,200 | |
| 25 | SEC External | 4,531,962 | 0 | 4,531,962 | 3.09 | 4.08 | 140,057 | 184,687 | |
| 26 | SEPA External | 26,546,733 | 0 | 26,546,733 | 2.31 | 3.03 | 612,953 | 804,950 | |
| 27 | TAL External | 774,257 | 0 | 774,257 | 2.60 | 3.65 | 20,146 | 28,229 | |
| 28 | TEA External | 19,129,269 | 0 | 19,129,269 | 2.42 | 3.03 | 463,783 | 579,495 | |
| 29 | TECO External | 1,585,450 | 0 | 1,585,450 | 3.32 | 4.98 | 52,569 | 79,025 | |
| 30 | TENASKA External | 18,168 | 0 | 18,168 | 12.96 | 6.00 | 2,355 | 1,090 | |
| 31 | TVA External | 5,551,715 | 0 | 5,551,715 | 2.88 | 3.94 | 159,854 | 218,785 | |
| 32 | WRI External | 1,450,714 | 0 | 1,450,714 | 2.66 | 3.50 | 38,517 | 50,727 | |
| 33 | Less: Flow-Thru Energy | (109,162,266) | 0 | (109,162,266) | 2.52 | 2.52 | (2,748,745) | (2,748,745) | |
| 34 | SEPA | 11,967,384 | 11,967,384 | 0 | 0.00 | 0.00 | 0 | 0 | |
| 35 | Economy Energy Sales Gain (1) | 0 | 0 | 0 | 0.00 | 0.00 | 1,765,581 | 1,988,936 | |
| 36 | Other transactions including adj. | 1,619,101,645 | 883,534,005 | 735,567,640 | 0.00 | 0.00 | 0 | 0 | |
| 37 | TOTAL ACTUAL SALES | 5,659,491,298 | 895,501,389 | 4,763,989,909 | 1.83 | 2.01 | 103,530,543 | 113,756,582 | |
| 38 | Difference in Amount | 1,050,092,798 | 895,501,389 | 154,591,409 | (0.89) | (1.19) | (21,646,957) | (33,638,918) | |
| 39 | Difference in Percent | 22.78 | 0.00 | 3.35 | (32.72) | (37.19) | (17.29) | (22.82) | |

Note: (1) Economy Sales Gains in column 8 are included in the total cost for each counterparty and are not included as depicted on line 35

SCHEDULE A-7

**PURCHASED POWER
 GULF POWER COMPANY
 (EXCLUSIVE OF ECONOMY ENERGY PURCHASES)
 FOR THE MONTH OF: DECEMBER 2017**

| (1) PURCHASED FROM | (2) TYPE & SCHEDULE | (3) TOTAL KWH PURCHASED | (4) KWH FOR OTHER UTILITIES | (5) KWH FOR INTERRUPTIBLE | (6) KWH FOR FIRM | (7) ¢ / KWH | | (8) TOTAL \$ FOR FUEL ADJ. (6)x(7)(a) |
|-----------------------|------------------------|----------------------------|--------------------------------|------------------------------|---------------------|------------------|-------------------|--|
| | | | | | | (A) FUEL COST | (B) TOTAL COST | |

ESTIMATED:

NONE

ACTUAL:

NONE

SCHEDULE A-8

ENERGY PAYMENT TO QUALIFIED FACILITIES
 GULF POWER COMPANY
 FOR THE MONTH OF: DECEMBER 2017

| (1) | (2) | CURRENT MONTH | | | | (6) | (7) | | (8) |
|-----------------|------------------------------|---------------------|-------------------------|-----------------------|--------------|-----------|------------|---------------|---------|
| | | (3) | (4) | (5) | (A) | | (B) | TOTAL \$ | |
| PURCHASED FROM: | TYPE AND SCHEDULE | TOTAL KWH PURCHASED | KWH FOR OTHER UTILITIES | KWH FOR INTERRUPTIBLE | KWH FOR FIRM | FUEL COST | TOTAL COST | FOR FUEL ADJ. | |
| <i>ACTUAL</i> | | | | | | | | | |
| 1 | Bay County/Engen, LLC | Contract | 4,929,000 | 0 | 0 | 0 | 3.11 | 3.11 | 153,482 |
| 2 | Renewable Energy Customers | COG 1 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 6,979 |
| 3 | Ascend Performance Materials | COG 1 | 17,614,864 | 0 | 0 | 0 | 2.44 | 2.44 | 430,580 |
| 4 | International Paper | COG 1 | 56,063 | 0 | 0 | 0 | 2.66 | 2.66 | 1,490 |
| 5 | TOTAL | | 22,599,927 | 0 | 0 | 0 | 2.62 | 2.62 | 592,531 |

| (1) | (2) | PERIOD-TO-DATE | | | | (6) | (7) | | (8) |
|-----------------|------------------------------|---------------------|-------------------------|-----------------------|--------------|-----------|------------|---------------|-----------|
| | | (3) | (4) | (5) | (A) | | (B) | TOTAL \$ | |
| PURCHASED FROM: | TYPE AND SCHEDULE | TOTAL KWH PURCHASED | KWH FOR OTHER UTILITIES | KWH FOR INTERRUPTIBLE | KWH FOR FIRM | FUEL COST | TOTAL COST | FOR FUEL ADJ. | |
| <i>ACTUAL</i> | | | | | | | | | |
| 1 | Bay County/Engen, LLC | Contract | 61,894,000 | 0 | 0 | 0 | 3.34 | 3.34 | 2,065,988 |
| 2 | Renewable Energy Customers | COG 1 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | 7,404 |
| 3 | Ascend Performance Materials | COG 1 | 185,399,053 | 0 | 0 | 0 | 2.61 | 2.61 | 4,835,579 |
| 4 | International Paper | COG 1 | 2,321,984 | 0 | 0 | 0 | 2.49 | 2.49 | 57,861 |
| 5 | TOTAL | | 249,615,037 | 0 | 0 | 0 | 2.79 | 2.79 | 6,966,833 |

SCHEDULE A-9

**ECONOMY ENERGY PURCHASES
INCLUDING LONG TERM PURCHASES
GULF POWER COMPANY
FOR THE MONTH OF: DECEMBER 2017**

| | (1) PURCHASED FROM | CURRENT MONTH | | | PERIOD - TO - DATE | | |
|------------------|--------------------------------------|----------------------------------|----------------------------------|-------------------------------------|----------------------------------|----------------------------------|-------------------------------------|
| | | (2) TOTAL KWH PURCHASED | (3) TRANS. COST ¢ / KWH | (4) TOTAL \$ FOR FUEL ADJ. | (5) TOTAL KWH PURCHASED | (6) TRANS. COST ¢ / KWH | (7) TOTAL \$ FOR FUEL ADJ. |
| <i>ESTIMATED</i> | | | | | | | |
| 1 | Southern Company Interchange | 51,203,000 | 2.57 | 1,315,800 | 448,530,000 | 2.67 | 11,976,100 |
| 2 | Economy Energy | 268,054,000 | 3.77 | 10,107,000 | 3,169,093,000 | 3.30 | 104,737,000 |
| 3 | Other Purchases | 0 | 0.00 | 0 | 2,906,013,000 | 3.24 | 94,031,000 |
| 4 | TOTAL ESTIMATED PURCHASES | <u>319,257,000</u> | <u>3.58</u> | <u>11,422,800</u> | <u>6,523,636,000</u> | <u>3.23</u> | <u>210,744,100</u> |
| <i>ACTUAL</i> | | | | | | | |
| 5 | Southern Company Interchange | 20,126,562 | 2.20 | 443,452 | 509,376,326 | 2.89 | 14,743,536 |
| 6 | Non-Associated Companies | 57,014,233 | 1.05 | 601,171 | 641,702,967 | 0.81 | 5,185,539 |
| 7 | Purchased Power Agreements | 445,032,000 | 2.71 | 12,055,918 | 4,671,300,000 | 2.84 | 132,816,058 |
| 8 | Renewable Energy Purchase Agreements | 88,628,800 | 2.69 | 2,388,302 | 1,128,085,352 | 3.37 | 38,043,064 |
| 9 | Other Wheeled Energy | 122,045,772 | 0.00 | N/A | 881,582,847 | 0.00 | N/A |
| 10 | Other Transactions | 17,397,649 | 0.03 | 5,961 | 269,827,985 | 0.05 | 130,110 |
| 11 | Less: Flow-Thru Energy | <u>(7,997,907)</u> | <u>2.57</u> | <u>(205,473)</u> | <u>(109,162,266)</u> | <u>2.74</u> | <u>(2,995,186)</u> |
| 12 | TOTAL ACTUAL PURCHASES | <u>742,247,109</u> | <u>2.06</u> | <u>15,289,331</u> | <u>7,992,713,211</u> | <u>2.35</u> | <u>187,923,120</u> |
| 13 | Difference in Amount | 422,990,109 | (1.52) | 3,866,531 | 1,469,077,211 | (0.88) | (22,820,980) |
| 14 | Difference in Percent | 132.49 | (42.46) | 33.85 | 22.52 | (27.24) | (10.83) |

2017 CAPACITY CONTRACTS
GULF POWER COMPANY

| Capacity Costs (\$) | CONTRACT/COUNTERPARTY | CONTRACT TYPE | TERM Start | TERM End | 2017 | | | | | | | | | | | | YTD | |
|---------------------|---|---------------|------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| | | | | | January | February | March | April | May | June | July | August | September | October | November | December | | |
| A. | CONTRACT/COUNTERPARTY | SES Opco | 2/18/2007 | 5 Yr Notice | 795 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 795 |
| 1 | Southern Intercompany Interchange | | | | 7,214,609 | 7,214,609 | 7,214,609 | 7,214,609 | 7,244,205 | 7,185,013 | 7,199,534 | 7,197,693 | 7,197,693 | 7,183,780 | 7,194,215 | 7,194,215 | 7,194,215 | 86,454,784 |
| 2 | Power Purchase Agreements & Other Confidential Agreements | | | | 7,215,404 | 7,214,609 | 7,214,609 | 7,214,609 | 7,244,205 | 7,185,013 | 7,199,534 | 7,197,693 | 7,197,693 | 7,183,780 | 7,194,215 | 7,194,215 | 7,194,215 | 86,455,579 |
| | Total | | | | | | | | | | | | | | | | | |

| Capacity Costs (MWh) | CONTRACT/COUNTERPARTY | TYPE | Start | End | 2017 | | | | | | | | | | | | YTD | |
|----------------------|---|----------|-----------|-------------|---------|----------|-------|-------|-----|------|------|--------|-----------|---------|----------|----------|-----|---|
| | | | | | January | February | March | April | May | June | July | August | September | October | November | December | | |
| B. | CONTRACT/COUNTERPARTY | SES Opco | 2/18/2007 | 5 Yr Notice | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 1 | Southern Intercompany Interchange | | | | | | | | | | | | | | | | | |
| 2 | Power Purchase Agreements & Other Confidential Agreements | | | | | | | | | | | | | | | | | |

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Fuel and Purchased Power Cost**)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No.: **20180001-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 2nd day of March, 2018 to the following:

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