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June 19, 2008

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

Dear Ms. Cole:

Re: Docket No. 080001-EI

Please find enclosed for official filing in Docket No. 080001-EI an original and fifteen copies of Gulf Power Company's Petition for Mid-Course Adjustment of its Fuel Cost Recovery Factors.

Pursuant to Commission Order No. PSC-07-0333-PAA-EI issued April 16, 2007, Gulf Power Company submits this letter, with regard to Gulf's fuel and purchased power (energy) costs, to inform the Commission, its Staff, and the other parties to this docket that a greater than ten percent under-recovery is now projected to occur for the period ending December 31, 2008. Based on actual data through May 2008, and updated estimates for June through December 2008, the Company projects an under-recovery by period end of 18.4%.

As a result of double-digit increases in the price of natural gas and coal, Gulf Power is requesting approval of an increase in its fuel cost recovery factors to cover higher than expected fuel costs. Notwithstanding Gulf Power's efforts to mitigate the impact of fuel costs to its customers, record price increases for coal, natural gas and purchased power and lower than projected power sales have resulted in a projected end-of-period under-recovery balance for 2008 of \$76 million. To lessen the impact on customers, Gulf requests that the increase be spread out over the next 16 months, rather than recovering the entire shortfall over the last 4 months of this year. Gulf requests approval of this Commission to increase its fuel cost recovery factors effective beginning with the first billing cycle in September 2008. A residential bill for 1,000 kWh for the period of September through December 2008 under this request will be \$113.76, an increase of \$11.54 or 11.3%.

Also enclosed is a compact disc containing the petition in Microsoft Word for Windows format.

Sincerely,

Susan D. Ritenour

bh

Enclosures

cc w/encl.:

Beggs & Lane
Jeffrey A. Stone, Esq.
McWhirter Reeves & Davidson
John W. McWhirter, Jr., Esq.

Michael B. Twomey, Esq.
Attorney for AARP
Office of Public Counsel
J. R. Kelly, Esq.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and purchased power cost
recovery clause and generating performance
incentive factor

Docket No.: 080001-EI
Date: June 19, 2008

**PETITION OF GULF POWER COMPANY
FOR MID-COURSE ADJUSTMENT OF ITS FUEL COST RECOVERY FACTORS**

Gulf Power Company ("Gulf Power", "Gulf" or "the Company") hereby petitions the Florida Public Service Commission ("Commission") for approval of a mid-course adjustment to Gulf's currently authorized fuel cost recovery factors, effective beginning with the Company's first billing cycle in September 2008 and thereafter through the last billing cycle for December 2008. Gulf Power requests that the Commission consider this Petition at its July 29, 2008 Agenda Conference. Attachments "A" and "B" include the revised Tariff Sheet reflecting the new factors in legislative and clean format. In support of this Petition, Gulf Power states as follows:

1. Gulf Power is an investor-owned utility subject to the jurisdiction of the Commission under Chapter 366, Florida Statutes. The address of Gulf Power's principal business office is: One Energy Place, Pensacola, Florida 32520.
2. The names and addresses of Gulf Power's representatives to receive communications regarding this docket are:

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

Susan D. Ritenour
Secretary and Treasurer
Gulf Power Company
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Pensacola, FL 32520-0780

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3. Pursuant to Order Nos. 13694 and PSC-98-0691-FOF-PU, Gulf Power is required to notify the Commission if the Company's projected over or under-recovery is expected to exceed 10% of projected fuel costs for the period. Order No. 07-0333-PAA-EI issued April 16, 2007, defined the appropriate method to determine whether actual fuel costs are ten percent greater than or less than projected fuel costs, which is to divide the estimated end-of-period over or under-recovery balance by the current period's total actual and estimated jurisdictional fuel revenue applicable to the period. For 2008, Gulf Power has calculated the 10% threshold to be \$42 million.

4. Based upon actual results through May 2008 and updated projections for the remainder of 2008, Gulf Power now projects an end-of-period net under-recovery balance of \$76 million, which exceeds the 10% threshold of \$42 million. This \$76 million projected under-recovery balance is comprised of a 2007 net under-recovery of \$13 million and a projected under-recovery of \$63 million for 2008. These projections are based on information available as of the end of May 2008. Gulf's Actual/Estimated True-up testimony will be filed on August 4, 2008, and will be based on actual results through June 2008 and updated projections for the remainder of 2008.

5. Gulf Power employs a robust strategy to procure a reliable and cost-competitive supply of fuel. See e.g., Gulf Power's Risk Management Plan for Fuel Procurement filed with the Commission on April 5, 2007, in Docket No. 070001-EI. This strategy has enabled Gulf to provide highly reliable power at prices which have consistently ranked among the lowest in the state and in the nation as a whole. Notwithstanding Gulf Power's efforts to mitigate the impact of fuel costs to its customers, record price increases for coal, natural gas and purchased power

and lower than projected power sales have resulted in a projected end-of-period under-recovery balance for 2008 of \$76 million.

6. Approximately \$41 million of the projected under-recovery balance is attributable to unanticipated increases in coal costs. Gulf Power's procurement of coal is typically based on a mix of short-term and long-term contracts designed to ensure a reliable, cost-effective supply of coal. Coal cost projections were based on anticipated deliveries under committed coal supply agreements that were, in fact, below market price for replacement coal purchases. However, since the preparation and filing of the Company's projection of fuel costs for 2008, one of Gulf Power's major coal suppliers experienced *force majeure* events at its mine. As a consequence, Gulf Power was required to purchase approximately 1 million tons of replacement coal at market prices, which were substantially higher than the contract price.

Gulf Power also purchases a small percentage of coal on the spot market at market prices in order to adjust purchases to changes in burn forecasts. Market prices in 2008 have exceeded, and are expected to continue to exceed, Gulf Power's original projections. Therefore, Gulf Power is paying, and expects to continue to pay, more for spot coal than anticipated.

7. Approximately \$19 million of the projected under-recovery balance is attributable to an increase in purchased power costs. Since reimbursement of the fuel cost of purchased power is based on the current marginal fuel price, in this case natural gas, the dramatic increase in the price of natural gas has also increased the fuel cost of purchased power.

8. Approximately \$11 million of the projected under-recovery balance is attributable to a decrease in fuel revenue from power sales. The price increases associated with the change in coal supply and timing of coal purchases brought about by the *force majeure* events described above have caused Gulf Power's generating units to move down in the economic dispatch order

of generating units on the Southern electric system, thereby reducing the amount of generation sold to other companies.

9. Natural gas cost, net of projected hedging gains in 2008, is less than originally projected, which has reduced the projected fuel cost recovery balance at year end by \$12 million. While gas prices have increased significantly, the percentage of actual generation from gas-fired units for the year is projected to decline from the amount set forth in the Company's original projection filing. Also, for 2008, Gulf's hedging program has resulted in fixed prices for a portion of its anticipated gas burn that are below current market prices.

10. Approximately \$3 million of the projected under-recovery balance is due to less jurisdictional fuel revenue than originally projected to recover fuel costs. The lower jurisdictional fuel revenue is due to a decrease in jurisdictional energy sales resulting primarily from milder weather through May 2008.

11. The remaining balance of the projected end-of-period under-recovery for 2008 is primarily attributable to the final true-up of fuel and purchased power costs for 2007 of \$13 million under-recovery. The causes of the 2007 under-recovery are discussed in detail in the 2007 Final True-Up Testimony of H.R. Ball filed with the Commission on March 3, 2008, and incorporated herein by this reference.

12. In the absence of a mid-course adjustment to its fuel cost recovery factors, Gulf Power's projected end-of-period under-recovery balance for 2008 would be \$76 million. Gulf Power believes that a midcourse adjustment is warranted at this time to mitigate a potentially larger impact to customer rates in the future.

13. Gulf Power believes it would be appropriate and in the best interests of its customers to recover the \$76 million projected under-recovery balance over a 16-month period


effective beginning with the first billing cycle in September 2008. Based on current projections of fuel costs for the remainder of 2008 and 2009, Gulf proposes to collect the under-recovery balance in such a manner in order to minimize the anticipated change in the fuel cost recovery factors in January 2009. Gulf requests approval of a levelized fuel cost recovery factor of 5.073 cents per kWh effective beginning with the first billing cycle in September 2008 and thereafter through the last billing cycle for December 2008.

14. A residential bill for 1,000 kWh for the period of September through December 2008 under this request will be \$113.76, an increase of \$11.54 or 11.3%. Based on current projections of fuel costs for 2009 and estimated changes expected in environmental and capacity costs, a residential bill for 1,000 kWh in January 2009 is estimated to be \$116.50, an increase of \$2.74 or 2.4% above the proposed bill for September through December 2008.

15. Attachment C to this petition includes Schedules E-1A, E-1B, E-1B-1, and E-3 through E-9 supporting the estimated true-up calculation for the period January through December 2008. The estimated true-up calculation is based upon actual results through May 2008 and updated projections for the remainder of 2008. Attachment D includes schedules supporting the calculation of the proposed fuel cost recovery factors assuming the Company's request for a midcourse adjustment beginning with the first billing cycle of September 2008 is approved by this Commission. Attachment D consists of Schedules E-1, E-1D, and E-1E for the period September through December 2008, E-1B for the period January through December 2008, E-1 for 2009, and E-10 reflecting the proposed residential bill for 1,000 kWh for September through December 2008 and the estimated bill in January 2009.

WHEREFORE, Gulf Power respectfully requests that its levelized fuel cost recovery factor be increased to 5.073 cents per kWh to be effective beginning with the Company's first billing cycle in September 2008 and thereafter through the last billing cycle for December 2008 or such other relief that the Commission finds is just and reasonable under the circumstances presented. Gulf also requests approval of Tariff Sheet 6.34 revising the fuel cost recovery factors by rate schedule, as shown in Attachments A and B, effective beginning with the first billing cycle in September 2008.

Respectfully submitted this 19th day of June, 2008.



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ATTACHMENT "A"

Revised Tariff Sheet 6.34 in legislative format



Section No. VI
~~Thirteenth~~ Twelfth Revised Sheet No. 6.34
 Canceling ~~Twelfth~~ Eleventh Revised Sheet No. 6.34

**RATE SCHEDULE CR
 COST RECOVERY CLAUSE
 FOSSIL FUEL AND PURCHASED POWER**



APPLICABILITY:

Applicable as a modification of each filed rate of the Company in which reference is made to Rate CR.

DETERMINATION OF FOSSIL FUEL AND PURCHASED POWER COST RECOVERY FACTOR:

Bills shall be decreased or increased by a factor calculated in accordance with the formula and procedures specified by the Florida Public Service Commission designed to give effect to changing efficiency, cost of fossil fuel and cost of purchased power.

The energy charge per kilowatt-hour shall be increased or decreased \$0.00001 (1/100 of a mill) per kilowatt-hour for each \$0.00001 (1/100 of a mill) increase or decrease in the projected cost of fossil fuel and purchased power per kilowatt-hour. The total cost recovery factor per KWH applicable to energy delivered will include, when applicable, a true-up with interest, to prior actual costs and a Generation Performance Incentive Factor, and will be determined in accordance with the formula and procedures specified by the Florida Public Service Commission. Such increase or decrease shall be adjusted for taxes which are based upon revenues.

Fuel factors beginning January 1, 2008 are shown below:

Group	Schedules	Standard	TOU	
			On-Peak	Off-Peak
A	RS, RSVP, GS, GSD, 4.8773-777c/KWH GSDT, GSTOU, OSIII, SBS	<u>5.1003-975c/KWH</u>	<u>5.6424-458c/KWH</u>	
B	LP, LPT, SBS 4.7973-716c/KWH	<u>5.0173-910c/KWH</u>	<u>5.5504-386c/KWH</u>	
C	PX, PXT, RTP, SBS 4.7573-685c/KWH	<u>4.9753-877c/KWH</u>	<u>5.5044-349c/KWH</u>	
D	OS-I/II	<u>5.0743-952c/KWH</u>	N/A	N/A

The recovery factor applicable for Rate Schedule SBS is based on the Customer's contract demand as follows:

Contract Demand (kw)
 100-499
 500-7499
 7500 and greater

Use Factor Applicable To:
 GSD
 LP
 PX

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Susan Story

ATTACHMENT "B"

Revised Tariff Sheet 6.34 in clean format



Section No. VI
 Thirteenth Revised Sheet No. 6.34
 Canceling Twelfth Revised Sheet No. 6.34

**RATE SCHEDULE CR
 COST RECOVERY CLAUSE
 FOSSIL FUEL AND PURCHASED POWER**

DATE	EFFECTIVE DATE
2/1	

APPLICABILITY:

Applicable as a modification of each filed rate of the Company in which reference is made to Rate CR.

DETERMINATION OF FOSSIL FUEL AND PURCHASED POWER COST RECOVERY FACTOR:

Bills shall be decreased or increased by a factor calculated in accordance with the formula and procedures specified by the Florida Public Service Commission designed to give effect to changing efficiency, cost of fossil fuel and cost of purchased power.

The energy charge per kilowatt-hour shall be increased or decreased \$0.00001 (1/100 of a mill) per kilowatt-hour for each \$0.00001 (1/100 of a mill) increase or decrease in the projected cost of fossil fuel and purchased power per kilowatt-hour. The total cost recovery factor per KWH applicable to energy delivered will include, when applicable, a true-up with interest, to prior actual costs and a Generation Performance Incentive Factor, and will be determined in accordance with the formula and procedures specified by the Florida Public Service Commission. Such increase or decrease shall be adjusted for taxes which are based upon revenues.

Fuel factors beginning _____ are shown below:

<u>Group</u>	<u>Schedules</u>	<u>Standard</u>	<u>TOU</u>	
			<u>On-Peak</u>	<u>Off-Peak</u>
A	RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS	5.100¢/KWH	5.642¢/KWH	4.877¢/KWH
B	LP, LPT, SBS	5.017¢/KWH	5.550¢/KWH	4.797¢/KWH
C	PX, PXT, RTP, SBS	4.975¢/KWH	5.504¢/KWH	4.757¢/KWH
D	OS-I/II	5.074¢/KWH	N/A	N/A

The recovery factor applicable for Rate Schedule SBS is based on the Customer's contract demand as follows:

<u>Contract Demand (kw)</u>	<u>Use Factor Applicable To:</u>
100-499	GSD
500-7499	LP
7500 and greater	PX

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Susan Story

ATTACHMENT "C"

Schedules supporting estimated true-up calculation for 2008

**Schedules E1-A, E-1B, E-1B-1, and E-3 through E-9 for the period
January through December 2008**

SCHEDULE E-1A
2008 Midcourse

FUEL COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP
GULF POWER COMPANY
FOR THE PERIOD: JANUARY 2008 - DECEMBER 2008
WITH CURRENT APPROVED RATE

1. Estimated over/(under)-recovery, JANUARY - DECEMBER 2008
(Sch. E-1B, page 2, line C9) (\$63,089,219)

2. Final over/(under)-recovery JANUARY - DECEMBER 2007
(EXHIBIT No. ____ (RJM-1) Schedule 1, line 3) (13,300,934)

3. Total over/(under)-recovery (Lines 1 + 2)
Projected for the period JANUARY - DECEMBER 2008
(Schedule E1, Line 28) (\$76,390,153)

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008
WITH CURRENT APPROVED RATE**

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ESTIMATED	TOTAL SIX MONTHS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	53,167,066.33	46,788,114.84	46,584,262.68	48,685,802.24	56,170,765.00	63,426,694.00	\$314,822,705.09
1a Fuel Cost of Hedging Settlement	532,730.49	195,040.77	(662,739.09)	(795,444.78)	(1,375,869.18)	(2,788,000.00)	(4,894,281.79)
2 Fuel Cost of Power Sold	(14,962,898.78)	(18,245,832.37)	(15,704,802.19)	(14,206,526.15)	(11,480,212.65)	(16,809,000.00)	(91,409,272.14)
3 Fuel Cost of Purchased Power	928,050.52	1,407,836.44	1,721,288.32	1,241,967.77	2,750,568.90	4,368,000.00	12,417,711.95
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3b Energy Payments to Qualified Facilities	285,123.00	253,410.00	374,225.00	282,321.00	268,563.00	0.00	1,463,642.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Other Generation	135,187.80	134,892.56	139,829.45	125,887.46	124,949.71	331,000.00	991,746.98
6 Adjustments to Fuel Cost *	(95,129.42)	48,926.16	13,891.80	(9,094.45)	(20,755.99)	0.00	(62,161.90)
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	\$39,990,129.94	\$30,582,388.40	\$32,465,955.97	\$35,324,913.09	\$46,438,008.79	\$48,528,694.00	\$233,330,090.19
B 1 Jurisdictional KWH Sales	953,438,702	806,929,997	790,555,922	824,299,451	1,021,589,211	1,117,556,000	5,514,369,283
2 Non-Jurisdictional KWH Sales	36,132,692	28,569,719	27,301,217	26,559,924	32,913,581	39,035,000	190,512,133
3 TOTAL SALES (Lines B1 + B2)	989,571,394	835,499,716	817,857,139	850,859,375	1,054,502,792	1,156,591,000	5,704,881,416
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.3487%</u>	<u>96.5805%</u>	<u>96.6619%</u>	<u>96.8785%</u>	<u>96.8788%</u>	<u>96.6250%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes) (1)	\$37,654,578.29	\$31,832,100.46	\$31,164,323.19	\$32,519,710.30	\$40,331,773.22	\$44,156,371.65	\$217,658,857.11
2 True-Up Provision	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(21,663,399.48)
2a Incentive Provision	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	102,474.72
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	\$34,061,090.83	\$28,238,613.00	\$27,570,835.73	\$28,926,222.84	\$36,738,285.76	\$40,562,884.19	\$196,097,932.35
4 Fuel & Net Power Transactions (Line A7)	\$39,990,129.94	\$30,582,388.40	\$32,465,955.97	\$35,324,913.09	\$46,438,008.79	\$48,528,694.00	\$233,330,090.19
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7x Line B4 x 1.0007)	38,556,941.30	29,557,299.27	31,404,177.44	34,246,201.50	45,020,077.67	46,923,674.17	\$225,708,371.35
6 Over/(Under) Recovery (Line C3-C5)	(4,495,850.47)	(1,318,686.27)	(3,833,341.71)	(5,319,978.66)	(8,281,791.91)	(6,360,789.98)	(\$29,610,439.00)
7 Interest Provision (2)	(191,642.32)	(145,186.24)	(132,154.64)	(129,102.49)	(131,690.10)	(129,216.43)	(\$858,992.22)
8 Prior Period Revenue Adjustment	0	0	118,855.76	0	0	0	\$118,855.76
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2008 - JUNE 2008							(\$30,350,575.46)

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

Note 1: Estimated Revenues based on the 2008 Fuel Factor excluding revenue taxes of

3.9512 ¢/KWH

Note 2: Interest Calculated for June through December at May 2008 monthly rate of

0.2025%

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008
WITH CURRENT APPROVED RATE**

	JULY ESTIMATED	AUGUST ESTIMATED	SEPTEMBER ESTIMATED	OCTOBER ESTIMATED	NOVEMBER ESTIMATED	DECEMBER ESTIMATED	TOTAL PERIOD
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	69,175,977.00	67,997,519.00	54,773,362.00	58,921,010.00	50,426,234.00	53,804,388.00	\$669,921,195.09
1a Fuel Cost of Hedging Settlement	(3,233,000.00)	(1,990,000.00)	(1,394,000.00)	(758,000.00)	(835,000.00)	(883,000.00)	(\$13,987,281.79)
2 Fuel Cost of Power Sold	(17,810,000.00)	(18,545,000.00)	(18,430,000.00)	(25,142,000.00)	(18,756,000.00)	(12,284,000.00)	(\$202,376,272.14)
3 Fuel Cost of Purchased Power	5,980,000.00	5,638,000.00	2,571,000.00	2,198,000.00	2,416,000.00	4,193,000.00	\$35,413,711.95
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
3b Energy Payments to Qualified Facilities	0.00	0.00	0.00	0.00	0.00	0.00	\$1,463,642.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
5 Other Generation	342,000.00	342,000.00	331,000.00	385,000.00	373,000.00	428,000.00	\$3,192,746.98
6 Adjustments to Fuel Cost *	0.00	0.00	0.00	0.00	0.00	0.00	(\$62,161.90)
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	\$54,454,977.00	\$53,442,519.00	\$37,851,362.00	\$35,604,010.00	\$33,624,234.00	\$45,258,388.00	\$493,565,580.19
B 1 Jurisdictional KWH Sales	1,210,783,000	1,236,563,000	1,038,055,000	922,925,000	781,196,000	908,085,000	11,611,976,283
2 Non-Jurisdictional KWH Sales	42,184,000	43,170,000	36,868,000	33,159,000	31,259,000	35,260,000	412,412,133
3 TOTAL SALES (Lines B1 + B2)	1,252,967,000	1,279,733,000	1,074,923,000	956,084,000	812,455,000	943,345,000	12,024,388,416
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.6333%</u>	<u>96.6266%</u>	<u>96.5702%</u>	<u>96.5318%</u>	<u>96.1525%</u>	<u>96.2622%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes) (1)	\$47,839,915.08	\$48,858,522.88	\$41,015,163.78	\$36,466,198.84	\$30,866,266.13	\$35,879,847.41	\$458,584,771.23
2 True-Up Provision	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.62)	(\$43,326,799.00)
2a Incentive Provision	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	\$204,949.44
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	\$44,246,427.62	\$45,265,035.42	\$37,421,676.32	\$32,872,711.38	\$27,272,778.67	\$32,286,359.91	\$415,462,921.67
4 Fuel & Net Power Transactions (Line A7)	\$54,454,977.00	\$53,442,519.00	\$37,851,362.00	\$35,604,010.00	\$33,624,234.00	\$45,258,388.00	\$493,565,580.19
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7 x Line B4 x 1.0007)	52,658,476.44	51,675,836.85	36,578,723.18	34,393,250.16	32,353,172.98	43,597,216.68	\$476,965,047.64
6 Over/(Under) Recovery (Line C3-C5)	(8,412,048.82)	(6,410,801.43)	842,953.14	(1,520,538.78)	(5,080,394.31)	(11,310,856.77)	(\$61,502,125.97)
7 Interest Provision (2)	(137,124.19)	(145,098.61)	(143,718.48)	(137,384.17)	(137,034.42)	(146,596.66)	(\$1,705,948.75)
8 Prior Period Revenue Adjustment	0	0	0	0	0	0	\$118,855.76
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2008 - DECEMBER 2008							(\$63,089,218.96)

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

Note 1: Estimated Revenues based on the 2008 Fuel Factor excluding revenue taxes of

3.9512 ¢/KWH

Note 2: Interest Calculated for June through December at May 2008 monthly rate of

0.2025%

COMPARISON OF ESTIMATED/ACTUAL VERSUS ORIGINAL PROJECTIONS
OF THE FUEL AND PURCHASED POWER COST RECOVERY FACTOR
GULF POWER COMPANY

ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

	DOLLARS				KWH				c/KWH			
	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMOUNT	%	ESTIMATED/ ACTUAL	ESTIMATED/ ORIGINAL	DIFFERENCE AMT.	%
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
1 Fuel Cost of System Net Generation	669,921,195	626,630,546	43,290,649	6.91	16,469,707,000	17,586,010,000	(1,116,303,000)	(6.35)	4.0676	3.5632	0.5044	14.16
1a Fuel Cost of Hedging Settlement	(13,987,282)	0	(13,987,282)	(100.00)								
2 Hedging Support Costs	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
3 Coal Car Investment	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
4 Other Generation	3,192,747	2,920,047	272,700	9.34	80,046,000	75,290,000	4,756,000	6.32	3.9886	3.8784	0.1102	2.84
5 Adjustments to Fuel Cost ***	(62,162)	0	(62,162)	(100.00)								
6 TOTAL COST OF GENERATED POWER	659,064,498	629,550,593	29,513,905	4.69	16,549,753,000	17,661,300,000	(1,111,547,000)	(6.29)	3.9823	3.5646	0.4177	11.72
7 Fuel Cost of Purchased Power (Exclusive of Economy)	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
8 Energy Cost of Schedule C&X Econ. Purchases (Broker)	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
9 Energy Cost of Other Economy Purchases (Nonbroker)	35,413,712	17,616,000	17,797,712	101.03	631,136,961	417,436,000	213,700,961	51.19	5.6111	4.2200	1.3911	32.96
10 Energy Cost of Schedule E Economy Purchases	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
11 Capacity Cost of Schedule E Economy Purchases	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
12 Energy Payments to Qualifying Facilities	1,463,642	0	1,463,642	100.00	23,916,349	0	23,916,349	100.00	6.1198	0.0000	6.1198	100.00
13 TOTAL COST OF PURCHASED POWER	36,877,354	17,616,000	19,261,354	109.34	655,053,310	417,436,000	237,617,310	56.92	5.6297	4.2200	1.4097	33.41
14 Total Available KWH (Line 6 + Line 13)	695,941,852	647,166,593	48,775,259	7.54	17,204,806,310	18,078,736,000	(873,929,690)	(4.83)				
15 Fuel Cost of Economy Sales	(14,881,940)	(10,580,000)	(4,301,940)	(40.66)	(224,120,803)	(177,310,000)	(46,810,803)	(26.40)	6.6401	5.9670	0.6731	(11.28)
16 Gain on Economy Sales	(1,839,604)	(2,218,000)	378,396	17.06			0	0.00	#N/A	#N/A	#N/A	#N/A
17 Fuel Cost of Unit Power Sales	(34,832,576)	(36,223,000)	1,390,424	3.84	(1,342,172,868)	(1,492,381,000)	150,208,132	10.06	2.5952	2.4272	0.1680	(6.92)
18 Fuel Cost of Other Power Sales	(150,822,152)	(164,426,000)	13,603,848	8.27	(2,879,887,511)	(3,519,183,000)	639,275,489	18.17	5.2371	4.6723	0.5648	(12.09)
19 TOTAL FUEL COST AND GAINS ON POWER SALES (LINES 15+16+17+18)	(202,376,272)	(213,447,000)	11,070,728	5.19	(4,446,181,182)	(5,188,854,000)	742,672,818	14.31	4.5517	4.1136	0.4381	(10.65)
20 Net Inadvertent Interchange	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
21 TOTAL FUEL & NET POWER TRANSACTIONS (LINES 6+13+19+20)	493,565,580	433,719,593	59,845,987	13.80	12,758,625,128	12,889,882,000	(131,256,872)	(1.02)	3.8685	3.3648	0.5037	14.97
22 Net Unbilled Sales	0	0	0	0.00	0	0	0	0.00	0.0000	0.0000	0.0000	0.00
23 Company Use *	854,618	852,438	2,180	0.26	22,091,718	25,334,000	(3,242,282)	(12.80)	3.8685	3.3648	0.5037	14.97
24 T & D Losses *	27,549,329	25,222,272	2,327,057	9.23	712,144,994	749,592,000	(37,447,006)	(5.00)	3.8685	3.3648	0.5037	14.97
25 TERRITORIAL (SYSTEM) SALES	493,565,580	433,719,593	59,845,987	13.80	12,024,388,416	12,114,956,000	(90,567,584)	(0.75)	4.1047	3.5800	0.5247	14.66
26 Wholesale Sales	16,934,175	15,122,600	1,811,575	11.98	412,412,133	422,419,000	(10,006,867)	(2.37)	4.1061	3.5800	0.5261	14.70
27 Jurisdictional Sales	476,631,406	418,596,993	58,034,413	13.86	11,611,976,283	11,692,537,000	(80,560,717)	(0.69)	4.1047	3.5800	0.5247	14.66
27a Jurisdictional Loss Multiplier	1.0007	1.0007										
28 Jurisdictional Sales Adj. for Line Losses (Line 27 x 1.0007)	476,965,048	418,890,011	58,075,037	13.86	11,611,976,283	11,692,537,000	(80,560,717)	(0.69)	4.1075	3.5825	0.5250	14.65
29 TRUE-UP **	43,326,799	43,326,799	0	0.00	11,611,976,283	11,692,537,000	(80,560,717)	(0.69)	0.3731	0.3706	0.0025	0.67
30 TOTAL JURISDICTIONAL FUEL COST	520,291,847	462,216,810	58,075,037	12.56	11,611,976,283	11,692,537,000	(80,560,717)	(0.69)	4.4806	3.9531	0.5275	13.34
31 Revenue Tax Factor									1.00072	1.00072		
32 Fuel Factor Adjusted for Revenue Taxes									4.4838	3.9559	0.5279	13.34
33 GPIF Reward / (Penalty) **	(205,097)	(205,097)	0	0.00	11,611,976,283	11,692,537,000	(80,560,717)	(0.69)	(0.0018)	(0.0018)	0.0000	0.00
34 Fuel Factor Adjusted for GPIF Reward / (Penalty)									4.4820	3.9541	0.5279	13.35
35 FUEL FACTOR ROUNDED TO NEAREST .001(CENTS/KWH)									4.4820	3.9540	0.5280	13.35

* Included for Informational Purposes Only

** Calculation Based on Jurisdictional KWH Sales

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

Note: Amounts included in the Estimated/Actual Column represent 5 months actual and 7 months estimate.

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ESTIMATED	JULY ESTIMATED	AUGUST ESTIMATED	SEPTEMBER ESTIMATED	OCTOBER ESTIMATED	NOVEMBER ESTIMATED	DECEMBER ESTIMATED	TOTAL
FUEL COST - NET GEN. (\$)													
1 LIGHTER OIL (B.L.)	113,365	55,288	176,184	143,394	188,925	142,268	108,550	99,729	128,437	109,098	98,592	122,438	1,486,268
2 COAL excluding Scherer	34,225,266	32,974,102	29,083,467	29,134,612	34,063,868	43,247,367	44,826,812	41,602,225	37,765,073	38,315,131	29,921,679	29,061,921	424,221,523
3 COAL at Scherer	2,499,253	2,667,211	2,782,498	2,685,037	2,778,653	2,856,747	2,971,181	3,009,876	2,537,666	0	0	2,319,386	27,107,508
4 GAS - Generation	16,341,336	11,205,719	14,588,395	16,671,636	19,205,110	17,456,807	21,540,483	23,619,684	14,655,932	20,870,486	20,764,101	22,710,989	219,630,678
5 GAS (B.L.)	79,989	16,713	87,851	177,011	59,159	54,505	41,302	8,005	17,254	11,295	14,862	17,654	585,600
6 OIL - C.T.	43,045	3,974	5,697	0	0	0	29,649	0	0	0	0	0	82,365
7 TOTAL (\$)	53,302,254	46,923,007	46,724,092	48,811,690	56,295,715	63,757,694	69,517,977	68,339,519	55,104,362	59,306,010	50,799,234	54,232,368	673,113,942
SYSTEM NET GEN. (MWH)													
8 LIGHTER OIL (B.L.)	0	0	0	0	0	0	0	0	0	0	0	0	-
9 COAL excluding Scherer	1,077,605	991,503	887,122	893,742	981,951	1,196,950	1,266,710	1,268,980	1,194,630	1,170,600	926,830	843,490	12,700,113
10 COAL at Scherer	125,639	129,315	134,058	122,588	129,699	132,490	136,830	136,830	114,940	0	0	105,130	1,267,519
11 GAS	244,663	166,293	193,462	193,085	206,162	187,050	230,970	269,280	164,240	243,840	233,230	249,570	2,581,845
12 OIL - C.T.	165	0	13	(17)	(15)	0	130	0	0	0	0	0	276
13 TOTAL (MWH)	1,448,072	1,287,111	1,214,655	1,209,398	1,317,797	1,516,490	1,634,640	1,675,090	1,473,810	1,414,440	1,160,060	1,198,190	16,549,753
UNITS OF FUEL BURNED													
14 LIGHTER OIL (BBL)	1,156	499	1,634	1,206	1,435	1,143	866	791	1,015	864	777	953	12,337
15 COAL excl. Scherer (TON) (1)	500,767	458,658	406,773	410,756	464,796	540,830	571,467	574,267	541,720	529,948	418,315	383,499	5,801,796
16 GAS-all (MCF) (2)	1,718,448	1,120,703	1,381,365	1,377,767	1,449,504	1,263,186	1,563,414	1,824,557	1,104,985	1,635,363	1,590,308	1,684,181	17,713,781
17 OIL - C.T. (BBL)	510	47	67	0	0	0	308	0	0	0	0	0	932
BTU'S BURNED (MMBTU)													
18 COAL + GAS B.L. + OIL B.L.	12,578,146	11,666,509	10,804,062	10,558,928	11,754,045	13,861,601	14,631,171	14,654,930	13,645,727	12,240,428	9,757,847	9,896,861	146,050,255
19 GAS-Generation (2)	1,760,307	1,151,325	1,420,931	1,399,129	1,490,478	1,296,185	1,606,653	1,878,589	1,136,620	1,683,437	1,636,749	1,733,246	18,193,649
20 OIL - C.T.	2,969	274	393	0	0	0	1,801	0	0	0	0	0	5,437
21 TOTAL (MMBTU)	14,341,422	12,818,108	12,225,386	11,958,057	13,244,523	15,157,786	16,239,625	16,533,519	14,782,347	13,923,865	11,394,596	11,630,107	164,249,341

(1) Excludes Plant Scherer. Coal statistics for Plant Scherer are reported in BTUs and \$ only.

(2) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

GENERATING SYSTEM COMPARATIVE DATA BY FUEL TYPE
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ESTIMATED	JULY ESTIMATED	AUGUST ESTIMATED	SEPTEMBER ESTIMATED	OCTOBER ESTIMATED	NOVEMBER ESTIMATED	DECEMBER ESTIMATED	TOTAL
GENERATION MIX (% MWH)													
22 LIGHTER OIL (B.L.)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23 COAL	83.09	87.08	84.07	84.03	84.36	87.67	85.86	83.92	88.86	82.76	79.90	79.17	84.40
24 GAS-Generation	16.90	12.92	15.93	15.97	15.64	12.33	14.13	16.08	11.14	17.24	20.10	20.83	15.60
25 OIL - C.T.	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00
26 TOTAL (% MWH)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
FUEL COST \$ / UNIT													
27 LIGHTER OIL (\$/BBL)	98.07	110.80	107.82	118.90	131.66	124.51	125.42	126.11	126.57	126.34	126.95	128.45	120.47
28 COAL (\$/TON) (1)	68.35	71.89	71.50	70.93	73.29	79.96	78.44	72.44	69.71	72.30	71.53	75.78	73.12
29 GAS + B.L. (\$/MCF) (2)	9.48	9.89	10.52	12.14	13.20	13.60	13.59	12.76	12.98	12.53	12.83	13.24	12.30
30 OIL - C.T.	84.40	84.55	85.03	0.00	0.00	0.00	96.41	0.00	0.00	0.00	0.00	0.00	88.42
FUEL COST \$ / MMBTU													
31 COAL + GAS B.L. + OIL B.L.	2.94	3.06	2.97	3.04	3.16	3.34	3.28	3.05	2.96	3.14	3.08	3.18	3.10
32 GAS-Generation (2)	9.21	9.62	10.17	11.83	12.80	13.21	13.19	12.39	12.60	12.17	12.46	12.86	12.06
33 OIL - C.T.	14.50	14.50	14.50	0.00	0.00	0.00	16.46	0.00	0.00	0.00	0.00	0.00	15.15
34 TOTAL (\$/MMBTU)	3.72	3.66	3.82	4.08	4.25	4.21	4.28	4.13	3.73	4.26	4.46	4.66	4.10
BTU BURNED BTU / KWH													
35 COAL + GAS B.L. + OIL B.L.	10,454	10,409	10,580	10,389	10,574	10,427	10,424	10,425	10,420	10,457	10,528	10,433	10,456
36 GAS-Generation (2)	7,297	7,067	7,478	7,368	7,341	7,251	7,224	7,206	7,289	7,188	7,311	7,257	7,064
37 OIL - C.T.	17,994	0	30,231	0	0	0	13,854	0	0	0	0	0	19,699
TOTAL (BTU/KWH)	9,904	9,959	10,065	9,888	10,051	9,995	9,935	9,870	10,030	9,844	9,822	9,706	9,925
FUEL COST CENTS / KWH													
38 COAL + GAS B.L. + OIL B.L.	3.19	3.33	3.31	3.30	3.49	3.63	3.55	3.29	3.17	3.28	3.24	3.46	3.36
39 COAL at Scherer	1.99	2.06	2.08	2.19	2.14	2.16	2.17	2.20	2.21	0.00	0.00	2.21	2.14
40 GAS-Generation	6.68	6.74	7.54	8.63	9.32	9.33	9.33	8.77	8.92	8.56	8.90	9.10	8.51
41 OIL - C.T.	26.09	0.00	43.82	0.00	0.00	0.00	22.81	0.00	0.00	0.00	0.00	0.00	29.84
42 TOTAL (¢/KWH)	3.68	3.65	3.85	4.04	4.27	4.20	4.25	4.08	3.74	4.19	4.38	4.53	4.07

(1) Excludes Plant Scherer. Coal statistics for Plant Scherer are reported in BTUs and \$ only.

(2) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : JUNE 2008

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) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (c/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	48,150	83.0	97.5	85.1	10,897	Coal	22,038	11,904	524,681	1,823,699	3.79	82.75
4	4							Gas - G						
5	Crist 5	78.0	50,920	87.7	97.5	90.0	10,689	Coal	22,862	11,904	544,300	1,891,892	3.72	82.75
6	5							Gas - G						
7	Crist 6	302.0	188,490	83.9	96.1	87.3	10,643	Coal	84,257	11,904	2,006,005	6,972,525	3.70	82.75
8	6							Gas - G						
9	Crist 7	472.0	302,970	86.3	95.6	90.3	10,605	Coal	134,954	11,904	3,213,004	11,167,843	3.69	82.75
10	7							Gas - G						
11	Scherer 3 (2)	211.0	132,490	84.4	97.1	86.9	10,305	Coal	80,075	8,525	1,365,278	2,856,747	2.16	NA
12	Scholz 1	46.0	15,690	45.8	96.7	47.4	12,217	Coal	7,741	12,382	191,691	763,605	4.87	98.64
13	Scholz 2	46.0	14,240	41.6	96.8	43.0	12,815	Coal	7,369	12,382	182,487	726,939	5.10	98.65
14	Smith 1	162.0	104,240	86.5	96.8	89.4	10,284	Coal	45,054	11,897	1,071,990	3,884,841	3.73	86.23
15	Smith 2	195.0	123,030	84.8	96.1	88.3	10,210	Coal	52,794	11,897	1,256,161	4,552,265	3.70	86.23
16	Smith 3	479.0	178,750	50.2	64.2	78.2	7,251	Gas - G	1,258,432	1,030	1,296,185	17,125,807	9.58	13.61
17	Smith A (CT)	32.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		8,300									331,000	3.99	#N/A
19	Daniel 1 (1)	250.0	173,530	93.3	97.0	96.2	10,137	Coal	82,436	10,669	1,759,068	5,770,786	3.33	70.00
20	Daniel 2 (1)	253.5	175,690	93.2	96.9	96.1	9,877	Coal	81,325	10,669	1,735,349	5,692,972	3.24	70.00
21	Gas, BL							Gas	4,754	1,030	4,897	54,505	#N/A	11.47
22	Ltr. Oil							Oil	1,143	139,400	6,690	142,268	#N/A	124.51
23		<u>2,604.5</u>	<u>1,516,490</u>	<u>78.3</u>	<u>90.5</u>	<u>86.4</u>	<u>10,050</u>				<u>15,157,786</u>	<u>63,757,694</u>	<u>4.20</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : JULY 2008

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) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	52,110	89.8	97.5	92.1	10,869	Coal	23,770	11,914	566,377	1,907,078	3.66	80.23
4	4							Gas - G						
5	Crist 5	78.0	51,050	88.0	97.5	90.3	10,669	Coal	22,858	11,914	544,646	1,833,908	3.59	80.23
6	5							Gas - G						
7	Crist 6	302.0	200,670	89.3	96.1	92.9	10,622	Coal	89,452	11,914	2,131,432	7,176,864	3.58	80.23
8	6							Gas - G						
9	Crist 7	472.0	319,440	91.0	95.5	95.2	10,585	Coal	141,905	11,914	3,381,255	11,385,211	3.56	80.23
10	7							Gas - G						
11	Scherer 3 (2)	211.0	136,830	87.2	97.1	89.8	10,305	Coal	82,728	8,522	1,410,061	2,971,181	2.17	NA
12	Scholz 1	46.0	20,440	59.7	96.8	61.7	12,124	Coal	10,011	12,377	247,809	992,646	4.86	99.16
13	Scholz 2	46.0	19,140	55.9	96.8	57.8	12,642	Coal	9,775	12,377	241,971	969,260	5.06	99.16
14	Smith 1	162.0	111,670	92.7	96.8	95.7	10,278	Coal	48,256	11,892	1,147,744	4,012,292	3.59	83.15
15	Smith 2	195.0	131,390	90.6	96.1	94.2	10,205	Coal	56,373	11,892	1,340,819	4,687,246	3.57	83.15
16	Smith 3	479.0	222,390	62.4	74.2	84.1	7,224	Gas - G	1,559,857	1,030	1,606,653	21,198,483	9.53	13.59
17	Smith A (CT)	32.0	130	0.5	97.2	0.6	13,854	Oil - G	308	139,400	1,801	29,649	22.81	96.41
18	Other Generation		8,580									342,000	3.99	#N/A
19	Daniel 1 (1)	250.0	179,280	96.4	97.0	99.4	10,137	Coal	85,107	10,677	1,817,412	5,971,401	3.33	70.16
20	Daniel 2 (1)	253.5	181,520	96.2	96.9	99.3	9,877	Coal	83,960	10,677	1,792,914	5,890,906	3.25	70.16
21	Gas, BL							Gas	3,557	1,030	3,664	41,302	#N/A	11.61
22	Ltr. Oil							Oil	866	139,400	5,067	108,550	#N/A	125.42
23		<u>2,604.5</u>	<u>1,634,640</u>	<u>84.4</u>	<u>92.4</u>	<u>91.3</u>	<u>9,987</u>				<u>16,239,625</u>	<u>69,517,977</u>	<u>4.25</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : AUGUST 2008

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/Bb	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	50,530	87.1	97.5	89.3	10,860	Coal	23,058	11,899	548,739	1,657,449	3.28	71.88
4	4							Gas - G						
5	Crist 5	78.0	53,910	92.9	97.6	95.2	10,667	Coal	24,165	11,899	575,076	1,736,997	3.22	71.88
6	5							Gas - G						
7	Crist 6	302.0	202,000	89.9	96.1	93.5	10,619	Coal	90,130	11,899	2,144,939	6,478,718	3.21	71.88
8	6							Gas - G						
9	Crist 7	472.0	319,290	90.9	95.5	95.2	10,583	Coal	141,984	11,899	3,378,958	10,206,031	3.20	71.88
10	7							Gas - G						
11	Scherer 3 (2)	211.0	136,830	87.2	97.1	89.8	10,311	Coal	82,640	8,536	1,410,881	3,009,876	2.20	NA
12	Scholz 1	46.0	21,880	63.9	96.7	66.1	12,098	Coal	10,655	12,422	264,715	1,030,445	4.71	96.71
13	Scholz 2	46.0	20,390	59.6	96.8	61.6	12,611	Coal	10,350	12,422	257,132	1,000,927	4.91	96.71
14	Smith 1	162.0	108,480	90.0	96.7	93.0	10,277	Coal	47,035	11,851	1,114,859	3,500,787	3.23	74.43
15	Smith 2	195.0	131,700	90.8	96.0	94.5	10,205	Coal	56,701	11,851	1,343,971	4,220,227	3.20	74.43
16	Smith 3	479.0	260,700	73.2	86.2	84.9	7,206	Gas - G	1,823,873	1,030	1,878,589	23,277,684	8.93	12.76
17	Smith A (CT)	32.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		8,580									342,000	3.99	#N/A
19	Daniel 1 (1)	250.0	179,280	96.4	97.0	99.4	10,137	Coal	85,672	10,607	1,817,412	5,925,259	3.31	69.16
20	Daniel 2 (1)	253.5	181,520	96.2	96.9	99.3	9,877	Coal	84,517	10,607	1,792,913	5,845,385	3.22	69.16
21	Gas, BL							Gas	684	1,030	705	8,005	#N/A	11.70
22	Ltr. Oil							Oil	791	139,400	4,630	99,729	#N/A	126.11
23		<u>2,604.5</u>	<u>1,675,090</u>	<u>86.4</u>	<u>94.6</u>	<u>91.4</u>	<u>9,921</u>				<u>16,533,519</u>	<u>68,339,519</u>	<u>4.08</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : SEPTEMBER 2008

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/Bb	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	49,040	87.3	97.5	89.6	10,893	Coal	22,500	11,871	534,185	1,541,260	3.14	68.50
4	4							Gas - G						
5	Crist 5	78.0	51,080	91.0	97.5	93.3	10,683	Coal	22,983	11,871	545,667	1,574,389	3.08	68.50
6	5							Gas - G						
7	Crist 6	302.0	188,860	86.9	96.0	90.5	10,635	Coal	84,599	11,871	2,008,553	5,795,193	3.07	68.50
8	6							Gas - G						
9	Crist 7	472.0	304,980	89.7	95.6	93.9	10,599	Coal	136,152	11,871	3,232,522	9,326,656	3.06	68.50
10	7							Gas - G						
11	Scherer 3 (2)	211.0	114,940	75.7	84.3	89.8	10,300	Coal	69,311	8,540	1,183,909	2,537,666	2.21	NA
12	Scholz 1	46.0	13,410	40.5	96.8	41.8	12,400	Coal	6,689	12,429	166,278	644,750	4.81	96.39
13	Scholz 2	46.0	13,070	39.5	96.8	40.8	12,898	Coal	6,782	12,429	168,579	653,673	5.00	96.38
14	Smith 1	162.0	102,210	87.6	96.8	90.6	10,283	Coal	44,453	11,822	1,051,047	3,122,740	3.06	70.25
15	Smith 2	195.0	122,760	87.4	96.1	91.0	10,208	Coal	52,999	11,822	1,253,113	3,723,095	3.03	70.25
16	Smith 3	479.0	155,940	45.2	57.6	78.4	7,289	Gas - G	1,103,514	1,030	1,136,620	14,324,932	9.19	12.98
17	Smith A (CT)	32.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		8,300									331,000	3.99	#N/A
19	Daniel 1 (1)	250.0	173,530	96.4	97.0	99.4	10,137	Coal	82,840	10,617	1,759,069	5,730,293	3.30	69.17
20	Daniel 2 (1)	253.5	175,690	96.3	96.9	99.3	9,877	Coal	81,723	10,617	1,735,349	5,653,024	3.22	69.17
21	Gas, BL							Gas	1,471	1,030	1,515	17,254	#N/A	11.73
22	Ltr. Oil							Oil	1,015	139,400	5,941	128,437	#N/A	126.57
23		<u>2,604.5</u>	<u>1,473,810</u>	<u>78.6</u>	<u>88.3</u>	<u>89.0</u>	<u>10,087</u>				<u>14,782,347</u>	<u>55,104,362</u>	<u>3.74</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : OCTOBER 2008

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) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	50,760	87.5	97.6	89.6	10,904	Coal	23,312	11,872	553,500	1,689,512	3.33	72.47
4	4							Gas - G						
5	Crist 5	78.0	52,300	90.1	97.6	92.4	10,697	Coal	23,563	11,872	559,463	1,707,715	3.27	72.47
6	5							Gas - G						
7	Crist 6	302.0	191,510	85.2	96.0	88.8	10,656	Coal	85,947	11,872	2,040,653	6,228,927	3.25	72.47
8	6							Gas - G						
9	Crist 7	472.0	308,770	87.9	95.5	92.0	10,616	Coal	138,061	11,872	3,277,992	10,005,803	3.24	72.47
10	7							Gas - G						
11	Scherer 3 (2)	211.0	0	0.0	0.0	#DIV/0!	#N/A	Coal	0	0	0	0	#N/A	NA
12	Scholz 1	46.0	11,310	33.0	73.9	44.7	12,271	Coal	5,581	12,434	138,782	537,286	4.75	96.27
13	Scholz 2	46.0	12,890	37.7	96.2	39.1	12,936	Coal	6,705	12,434	166,740	645,522	5.01	96.27
14	Smith 1	162.0	114,000	94.6	98.1	96.4	10,273	Coal	49,457	11,839	1,171,076	3,602,770	3.16	72.85
15	Smith 2	195.0	129,640	89.4	96.4	92.7	10,201	Coal	55,852	11,839	1,322,517	4,068,673	3.14	72.85
16	Smith 3	479.0	234,190	65.7	78.0	84.3	7,188	Gas - G	1,634,405	1,030	1,683,437	20,485,486	8.75	12.53
17	Smith A (CT)	32.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		9,650									385,000	3.99	#N/A
19	Daniel 1 (1)	250.0	176,710	95.0	95.7	99.3	10,137	Coal	84,373	10,616	1,791,396	5,862,008	3.32	69.48
20	Daniel 2 (1)	253.5	122,710	65.1	65.6	99.1	9,879	Coal	57,097	10,616	1,212,266	3,966,915	3.23	69.48
21	Gas, BL							Gas	958	1,030	987	11,295	#N/A	11.79
22	Ltr. Oil							Oil	864	139,400	5,056	109,098	#N/A	126.34
23		<u>2,604.5</u>	<u>1,414,440</u>	<u>73.0</u>	<u>81.7</u>	<u>89.3</u>	<u>9,912</u>				<u>13,923,865</u>	<u>59,306,010</u>	<u>4.19</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : NOVEMBER 2008

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/Bb	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned (MMBTU)	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	#N/A	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	49,410	88.0	97.5	90.3	10,890	Coal	22,757	11,823	538,098	1,587,029	3.21	69.74
4	4							Gas - G						
5	Crist 5	78.0	50,850	90.5	97.5	92.9	10,688	Coal	22,985	11,823	543,499	1,602,958	3.15	69.74
6	5							Gas - G						
7	Crist 6	302.0	175,840	80.9	89.6	90.3	10,640	Coal	79,125	11,823	1,870,974	5,518,117	3.14	69.74
8	6							Gas - G						
9	Crist 7	472.0	281,760	82.9	89.2	93.0	10,607	Coal	126,387	11,823	2,988,515	8,814,114	3.13	69.74
10	7							Gas - G						
11	Scherer 3 (2)	211.0	0	0.0	0.1	0.0	#N/A	Coal	0	0	0	0	#N/A	#N/A
12	Scholz 1	46.0	6,510	19.7	44.6	44.0	12,264	Coal	3,235	12,340	79,839	330,295	5.07	102.10
13	Scholz 2	46.0	12,080	36.5	96.2	37.9	12,937	Coal	6,333	12,340	156,280	646,536	5.35	102.09
14	Smith 1	162.0	110,180	94.5	98.1	96.3	10,273	Coal	47,930	11,807	1,131,844	3,575,051	3.24	74.59
15	Smith 2	195.0	121,670	86.7	96.3	89.9	10,201	Coal	52,558	11,807	1,241,143	3,920,286	3.22	74.59
16	Smith 3	531.0	223,890	58.6	84.9	69.0	7,311	Gas - G	1,589,077	1,030	1,636,749	20,391,101	9.11	12.83
17	Smith A (CT)	40.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		9,340									373,000	3.99	#N/A
19	Daniel 1 (1)	250.0	118,530	65.9	67.0	98.2	10,140	Coal	57,005	10,542	1,201,840	3,927,293	3.31	68.89
20	Daniel 2 (1)	253.5	0	0.0	0.1	0.0	#N/A	Coal	0	0	0	0	#N/A	#N/A
21	Gas, BL							Gas	1,231	1,030	1,268	14,862	#N/A	12.07
22	Ltr. Oil							Oil	777	139,400	4,547	98,592	#N/A	126.95
23		<u>2,664.5</u>	<u>1,160,060</u>	<u>60.5</u>	<u>71.8</u>	<u>84.2</u>	<u>9,902</u>				<u>11,394,596</u>	<u>50,799,234</u>	<u>4.38</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

SYSTEM NET GENERATION AND FUEL COST
GULF POWER COMPANY
ESTIMATED FOR THE MONTH OF : DECEMBER 2008

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/Bb	(j) Fuel Heat Value (BTU/Unit) Lbs/CF/Gal	(k) Fuel Burned MMBTU	(l) As Burned Fuel Cost (\$)	(m) Fuel Cost/ KWH (¢/KWH)	(n) Fuel Cost/ Unit (\$/Unit)
1	Crist 2	0.0	0	0.0	0.0	0.0	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
2	Crist 3	0.0	0	0.0	0.0	0.0	#N/A	Gas - G	0	0	0	0	#N/A	#N/A
3	Crist 4	78.0	47,110	81.2	97.6	83.2	10,967	Coal	21,697	11,905	516,636	1,554,727	3.30	71.66
4	4							Gas - G						
5	Crist 5	78.0	49,890	86.0	97.5	88.2	10,729	Coal	22,480	11,905	535,280	1,610,832	3.23	71.66
6	5							Gas - G						
7	Crist 6	302.0	0	0.0	0.0	#DIV/0!	#N/A	Coal	0	0	0	0	#N/A	#N/A
8	6							Gas - G						
9	Crist 7	472.0	228,930	65.2	74.1	88.0	10,652	Coal	102,418	11,905	2,438,659	7,338,719	3.21	71.65
10	7							Gas - G						
11	Scherer 3 (2)	211.0	105,130	67.0	74.6	89.8	10,314	Coal	63,610	8,523	1,084,303	2,319,386	2.21	36.46
12	Scholz 1	46.0	12,720	37.2	95.5	38.9	12,475	Coal	6,485	12,234	158,688	704,373	5.54	108.62
13	Scholz 2	46.0	12,760	37.3	96.2	38.7	12,934	Coal	6,745	12,234	165,043	732,582	5.74	108.61
14	Smith 1	162.0	111,860	92.8	98.1	94.6	10,272	Coal	48,335	11,887	1,149,077	4,135,064	3.70	85.55
15	Smith 2	195.0	125,030	86.2	96.4	89.4	10,198	Coal	53,635	11,887	1,275,088	4,588,527	3.67	85.55
16	Smith 3	531.0	238,840	60.5	84.8	71.3	7,257	Gas - G	1,682,763	1,030	1,733,246	22,282,989	9.33	13.24
17	Smith A (CT)	40.0	0	0.0	97.2	0.0	#N/A	Oil - G	0	0	0	0	#N/A	#N/A
18	Other Generation		10,730									428,000	3.99	#N/A
19	Daniel 1 (1)	250.0	171,500	92.2	95.7	96.3	10,142	Coal	82,460	10,546	1,739,293	5,689,425	3.32	69.00
20	Daniel 2 (1)	253.5	83,690	44.4	46.9	94.6	9,891	Coal	39,244	10,546	827,752	2,707,672	3.24	69.00
21	Gas, BL							Gas	1,418	1,030	1,461	17,654	#N/A	12.45
22	Ltr. Oil							Oil	953	139,400	5,581	122,438	#N/A	128.45
23		<u>2,664.5</u>	<u>1,198,190</u>	<u>60.4</u>	<u>72.9</u>	<u>83.0</u>	<u>9,794</u>				<u>11,630,107</u>	<u>54,232,388</u>	<u>4.53</u>	

Notes:

- (1) Represents Gulf's 50% Ownership
- (2) Represents Gulf's 25% Ownership

**SYSTEM GENERATED FUEL COST INVENTORY ANALYSIS
GULF POWER COMPANY**

ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ESTIMATED	JULY ESTIMATED	AUGUST ESTIMATED	SEPTEMBER ESTIMATED	OCTOBER ESTIMATED	NOVEMBER ESTIMATED	DECEMBER ESTIMATED	TOTAL
LIGHT OIL													
1 PURCHASES :													
2 UNITS (BBL)	1,143	1,025	1,518	1,063	1,325	1,143	866	791	1,015	864	777	953	12,483
3 UNIT COST (\$/BBL)	108.39	120.56	130.78	150.50	155.86	135.29	135.48	135.62	135.38	134.55	134.56	135.50	134.51
4 AMOUNT (\$)	123,886	123,569	198,520	159,986	206,518	154,634	117,322	107,272	137,413	116,251	104,555	129,130	1,679,056
5 BURNED :													
6 UNITS (BBL)	1,260	619	1,743	1,335	1,534	1,143	866	791	1,015	864	777	953	12,900
7 UNIT COST (\$/BBL)	98.62	109.82	107.70	119.33	131.20	124.47	125.35	126.08	126.54	126.27	126.89	128.48	120.13
8 AMOUNT (\$)	124,258	67,979	187,722	159,312	201,262	142,268	108,550	99,729	128,437	109,098	98,592	122,438	1,549,645
9 ENDING INVENTORY :													
10 UNITS (BBL)	6,896	7,302	7,077	6,805	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596	6,596
11 UNIT COST (\$/BBL)	91.13	93.68	98.18	102.20	106.24	108.11	109.44	110.59	111.95	113.03	113.94	114.95	
12 AMOUNT (\$)	628,427	684,018	694,815	695,489	700,744	713,110	721,882	729,425	738,401	745,554	751,517	758,209	
13 DAYS SUPPLY:	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COAL EXCLUDING PLANT SCHERER													
14 PURCHASES :													
15 UNITS (TONS)	470,512	501,110	506,183	499,920	445,141	564,000	563,776	601,000	534,151	527,690	426,703	355,527	5,995,713
16 UNIT COST (\$/TON)	68.99	73.80	70.24	70.18	78.00	80.29	75.80	66.09	66.45	75.16	71.27	82.44	72.96
17 AMOUNT (\$)	32,459,478	36,982,037	35,552,923	35,086,368	34,722,043	45,284,509	42,734,304	39,722,681	35,495,293	39,661,068	30,412,555	29,309,229	437,422,488
18 BURNED :													
19 UNITS (TONS)	500,767	458,658	406,773	410,756	464,795	540,830	571,467	574,267	541,720	529,948	418,315	383,499	5,801,795
20 UNIT COST (\$/TON)	68.36	71.90	71.21	70.94	73.30	79.96	78.44	72.44	69.71	72.30	71.53	75.78	73.10
21 AMOUNT (\$)	34,230,499	32,979,336	28,965,717	29,139,845	34,069,102	43,247,367	44,826,812	41,602,225	37,765,073	38,315,131	29,921,679	29,061,921	424,124,707
22 ENDING INVENTORY :													
23 UNITS (TONS)	419,080	461,533	560,943	650,108	630,454	653,624	645,933	672,666	665,097	662,839	671,227	643,255	
24 UNIT COST (\$/TON)	69.91	72.16	71.11	70.51	73.74	74.24	71.89	66.24	63.58	65.82	65.73	68.98	
25 AMOUNT (\$)	29,299,815	33,302,516	39,889,723	45,836,245	46,489,186	48,526,328	46,433,820	44,554,276	42,284,496	43,630,433	44,121,309	44,368,617	
26 DAYS SUPPLY:	20	22	28	32	31	31	31	32	32	32	32	32	31

SYSTEM GENERATED FUEL COST INVENTORY ANALYSIS
GULF POWER COMPANY

ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL	
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED	ESTIMATED		
COAL AT PLANT SCHERER														
27	PURCHASES :													
28	UNITS (MMBTU)	1,683,723	1,149,541	1,256,211	1,020,182	1,201,071	1,121,369	1,130,484	1,385,181	1,235,650	1,118,566	1,070,089	1,074,850	14,446,917
29	UNIT COST (\$/MMBTU)	1.71	2.13	2.12	2.19	2.14	2.10	2.15	2.19	2.17	2.14	2.14	2.13	2.09
30	AMOUNT (\$)	2,878,400	2,443,063	2,667,488	2,235,659	2,570,892	2,350,174	2,428,876	3,030,566	2,677,301	2,389,703	2,286,432	2,293,111	30,251,665
31	BURNED :													
32	UNITS (MMBTU)	1,282,828	1,343,701	1,380,135	1,308,584	1,340,409	1,365,278	1,410,061	1,410,881	1,183,909	0	0	1,084,303	13,110,089
33	UNIT COST (\$/MMBTU)	1.95	1.98	2.02	2.05	2.07	2.09	2.11	2.13	2.14	0.00	0.00	2.14	2.07
34	AMOUNT (\$)	2,499,253	2,667,211	2,782,498	2,685,037	2,778,653	2,856,747	2,971,181	3,009,876	2,537,666	0	0	2,319,386	27,107,508
35	ENDING INVENTORY :													
36	UNITS (MMBTU)	4,382,695	4,188,535	4,064,610	3,776,208	3,636,870	3,392,961	3,113,384	3,087,684	3,139,425	4,257,991	5,328,080	5,318,627	
37	UNIT COST (\$/MMBTU)	1.95	1.98	2.02	2.05	2.07	2.07	2.08	2.11	2.12	2.12	2.13	2.12	
38	AMOUNT (\$)	8,535,534	8,311,386	8,196,376	7,746,999	7,539,238	7,032,665	6,490,360	6,511,050	6,650,685	9,040,388	11,326,820	11,300,545	
39	DAYS SUPPLY:	85	81	78	73	70	65	60	60	61	82	103	103	
GAS (1)														
44	BURNED :													
45	UNITS (MMBTU)	1,768,298	1,153,245	1,432,554	1,416,548	1,495,923	1,301,082	1,610,317	1,879,294	1,138,135	1,684,424	1,638,017	1,734,707	18,252,544
46	UNIT COST (\$/MMBTU)	9.21	9.61	10.15	11.81	12.79	13.20	13.19	12.39	12.60	12.17	12.46	12.86	11.89
47	AMOUNT (\$)	16,286,137	11,087,539	14,536,416	16,722,760	19,139,318	17,180,312	21,239,785	23,285,689	14,342,186	20,496,781	20,405,963	22,300,643	217,023,529
OTHER - C.T. OIL														
53	PURCHASES :													
54	UNITS (BBL)	1,075	0	0	0	0	0	308	0	0	0	0	0	1,383
55	UNIT COST (\$/BBL)	118.16	0.00	0.00	0.00	0.00	0.00	134.46	0.00	0.00	0.00	0.00	0.00	121.79
56	AMOUNT (\$)	127,022	0	0	0	0	0	41,415	0	0	0	0	0	168,437
57	BURNED :													
58	UNITS (BBL)	510	47	67	0	0	0	308	0	0	0	0	0	932
59	UNIT COST (\$/BBL)	84.40	84.55	85.03	0.00	0.00	0.00	96.26	0.00	0.00	0.00	0.00	0.00	88.37
60	AMOUNT (\$)	43,045	3,974	5,697	0	0	0	29,649	0	0	0	0	0	82,365
61	ENDING INVENTORY :													
62	UNITS (BBL)	5,807	5,760	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	
63	UNIT COST (\$/BBL)	84.44	84.44	84.43	84.43	84.43	84.43	86.50	86.50	86.50	86.50	86.50	86.50	
64	AMOUNT (\$)	490,323	486,349	480,652	480,652	480,652	480,652	492,418	492,418	492,418	492,418	492,418	492,418	
65	DAYS SUPPLY:	3	3	3	3	3	3	3	3	3	3	3	3	3

(1) Data excludes Gulf's CT in Santa Rosa County because MCF and MMBTU's are not available due to contract specifications.

POWER SOLD
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
LINE	MONTH TYPE & SCHEDULE	TOTAL KWH SOLD	KWH WHEELED FROM OTHER SYSTEMS	KWH FROM OWN GENERATION	(A) (B) c / KWH		TOTAL \$ FOR FUEL ADJUSTMENT	TOTAL COST \$
					FUEL COST	TOTAL COST		
JANUARY								
1	Other Power Sales	297,772,201	46,838,150	250,934,051	3.49	3.68	10,383,746	10,957,210
2	Unit Power Sales	134,396,812	0	134,396,812	2.39	2.61	3,211,899	3,502,907
3	Economy Sales	22,822,725	0	22,822,725	5.47	6.49	1,249,350	1,482,300
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	117,904	117,904
5	TOTAL ACTUAL SALES	454,991,738	46,838,150	408,153,588	3.29	3.53	14,962,899	16,060,321
FEBRUARY								
1	Other Power Sales	325,559,751	35,986,142	289,573,609	4.20	4.45	13,875,766	14,494,651
2	Unit Power Sales	142,374,739	0	142,374,739	2.35	2.54	3,351,280	3,618,912
3	Economy Sales	18,138,280	0	18,138,280	5.80	6.60	1,052,773	1,197,339
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	166,013	166,013
5	TOTAL ACTUAL SALES	486,072,770	35,986,142	450,086,628	3.75	4.01	18,245,832	19,476,915
MARCH								
1	Other Power Sales	243,325,470	36,896,358	206,429,112	4.76	5.01	11,592,990	12,197,873
2	Unit Power Sales	146,059,373	0	146,059,373	2.22	2.42	3,244,500	3,540,190
3	Economy Sales	12,645,401	0	12,645,401	6.27	7.23	793,249	913,804
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	74,063	74,063
5	TOTAL ACTUAL SALES	402,030,244	36,896,358	365,133,886	3.91	4.16	15,704,802	16,725,930
APRIL								
1	Other Power Sales	236,917,704	39,462,188	197,455,516	4.40	4.62	10,424,515	10,939,796
2	Unit Power Sales	122,852,939	0	122,852,939	2.30	2.49	2,821,850	3,058,582
3	Economy Sales	14,327,773	0	14,327,773	5.70	7.03	816,818	1,007,714
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	143,343	143,343
5	TOTAL ACTUAL SALES	374,098,416	39,462,188	334,636,228	3.80	4.05	14,206,526	15,149,435
MAY								
1	Other Power Sales	189,777,385	49,080,281	140,697,104	4.07	4.29	7,719,135	8,134,233
2	Unit Power Sales	124,981,323	0	124,981,323	2.32	2.51	2,905,154	3,137,056
3	Economy Sales	12,699,306	0	12,699,306	5.85	7.26	742,643	921,639
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	113,281	113,281
5	TOTAL ACTUAL SALES	327,458,014	49,080,281	278,377,733	3.51	3.76	11,480,213	12,306,210
JUNE								
1	Other Power Sales	179,061,000	0	179,061,000	6.76	7.04	12,104,000	12,612,000
2	Unit Power Sales	133,435,000	0	133,435,000	2.68	2.86	3,581,000	3,817,000
3	Economy Sales	12,290,000	0	12,290,000	8.28	8.51	1,018,000	1,046,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	106,000	106,000
5	TOTAL ACTUAL SALES	324,786,000	0	324,786,000	5.18	5.41	16,809,000	17,581,000

POWER SOLD
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
MONTH		TOTAL	KWH	KWH	(A)	(B)	TOTAL \$	
LINE	TYPE & SCHEDULE	KWH	WHEELED FROM OTHER SYSTEMS	FROM OWN GENERATION	¢ / KWH FUEL COST	TOTAL COST	FOR FUEL ADJUSTMENT	TOTAL COST \$
JULY								
1	Other Power Sales	183,569,000	0	183,569,000	7.00	7.29	12,851,000	13,375,000
2	Unit Power Sales	138,309,000	0	138,309,000	2.70	2.87	3,731,000	3,972,000
3	Economy Sales	12,342,000	0	12,342,000	9.08	9.29	1,121,000	1,147,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	107,000	107,000
5	TOTAL ESTIMATED SALES	<u>334,220,000</u>	<u>0</u>	<u>334,220,000</u>	<u>5.33</u>	<u>5.57</u>	<u>17,810,000</u>	<u>18,601,000</u>
AUGUST								
1	Other Power Sales	192,161,000	0	192,161,000	7.10	7.36	13,652,000	14,151,000
2	Unit Power Sales	138,914,000	0	138,914,000	2.71	2.89	3,763,000	4,009,000
3	Economy Sales	11,207,000	0	11,207,000	9.22	9.42	1,033,000	1,056,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	97,000	97,000
5	TOTAL ESTIMATED SALES	<u>342,282,000</u>	<u>0</u>	<u>342,282,000</u>	<u>5.42</u>	<u>5.64</u>	<u>18,545,000</u>	<u>19,313,000</u>
SEPTEMBER								
1	Other Power Sales	224,859,000	0	224,859,000	6.26	6.52	14,071,000	14,656,000
2	Unit Power Sales	117,858,000	0	117,858,000	2.75	2.92	3,244,000	3,447,000
3	Economy Sales	12,331,000	0	12,331,000	8.17	8.35	1,008,000	1,030,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	107,000	107,000
5	TOTAL ESTIMATED SALES	<u>355,048,000</u>	<u>0</u>	<u>355,048,000</u>	<u>5.19</u>	<u>5.42</u>	<u>18,430,000</u>	<u>19,240,000</u>
OCTOBER								
1	Other Power Sales	392,854,000	0	392,854,000	5.68	5.92	22,307,000	23,252,000
2	Unit Power Sales	18,488,000	0	18,488,000	6.07	6.21	1,123,000	1,149,000
3	Economy Sales	22,577,000	0	22,577,000	6.71	6.84	1,516,000	1,545,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	196,000	196,000
5	TOTAL ESTIMATED SALES	<u>433,919,000</u>	<u>0</u>	<u>433,919,000</u>	<u>5.79</u>	<u>6.02</u>	<u>25,142,000</u>	<u>26,142,000</u>
NOVEMBER								
1	Other Power Sales	290,678,000	0	290,678,000	5.21	5.47	15,143,000	15,912,000
2	Unit Power Sales	17,690,000	0	17,690,000	5.42	5.65	959,000	999,000
3	Economy Sales	37,692,000	0	37,692,000	6.18	6.34	2,328,000	2,389,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	326,000	326,000
5	TOTAL ESTIMATED SALES	<u>346,060,000</u>	<u>0</u>	<u>346,060,000</u>	<u>5.42</u>	<u>5.67</u>	<u>18,756,000</u>	<u>19,626,000</u>
DECEMBER								
1	Other Power Sales	123,353,000	0	123,353,000	5.59	5.82	6,898,000	7,180,000
2	Unit Power Sales	108,861,000	0	108,861,000	2.78	2.95	3,021,000	3,209,000
3	Economy Sales	33,001,000	0	33,001,000	6.30	6.44	2,079,000	2,124,000
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	286,000	286,000
5	TOTAL ESTIMATED SALES	<u>265,215,000</u>	<u>0</u>	<u>265,215,000</u>	<u>4.63</u>	<u>4.83</u>	<u>12,284,000</u>	<u>12,799,000</u>
TOTAL								
1	Other Power Sales	2,879,887,511	208,263,119	2,671,624,392	5.24	5.48	150,822,152	157,861,763
2	Unit Power Sales	1,344,220,186	0	1,344,220,186	2.60	2.79	34,956,683	37,459,647
3	Economy Sales	222,073,485	0	222,073,485	6.65	7.14	14,757,833	15,859,797
4	Gain on Economy Sales	0	0	0	#N/A	#N/A	1,839,604	1,839,604
5	TOTAL ESTIMATED SALES	<u>4,446,181,182</u>	<u>208,263,119</u>	<u>4,237,918,063</u>	<u>4.55</u>	<u>4.79</u>	<u>202,376,272</u>	<u>213,020,811</u>

SCHEDULE E-8
2008 Midcourse

ENERGY PAYMENT TO QUALIFYING FACILITIES
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

(1) MONTH	(2) PURCHASED FROM:	(3) TYPE AND SCHEDULE	(4) TOTAL KWH PURCHASED	(5) KWH		(7) KWH FOR FIRM	(8) ¢/KWH		(9) TOTAL \$ FOR FUEL ADJ.
				FOR UTILITIES	FOR INTERRUPTIBLE		(A) FUEL COST	(B) TOTAL COST	
JANUARY	Solutia	COG-1	1,422,000	0	0	0	5.17	5.17	73,527
	Other	COG-1	4,969,264	0	0	0	4.26	4.26	211,595
	Total		<u>6,391,264</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.46</u>	<u>4.46</u>	<u>285,122</u>
FEBRUARY	Solutia	COG-1	186,000	0	0	0	6.57	6.57	12,210
	Other	COG-1	5,062,013	0	0	0	4.77	4.77	241,200
	Total		<u>5,248,013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4.83</u>	<u>4.83</u>	<u>253,410</u>
MARCH	Solutia	COG-1	152,000	0	0	0	8.17	8.17	12,415
	Other	COG-1	2,393,000	0	0	0	15.12	15.12	361,810
	Total		<u>2,545,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14.70</u>	<u>14.70</u>	<u>374,225</u>
APRIL	Solutia	COG-1	0	0	0	0	0.00	0.00	(2,609)
	Other	COG-1	(24,418,000)	0	0	0	-1.17	-1.17	284,930
	Total		<u>(24,418,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1.16</u>	<u>-1.16</u>	<u>282,321</u>
MAY	Solutia	COG-1	126,000	0	0	0	7.24	7.24	9,122
	Other	COG-1	34,024,072	0	0	0	0.76	0.76	259,441
	Total		<u>34,150,072</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.79</u>	<u>0.79</u>	<u>268,563</u>
JUNE	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
JULY	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
AUGUST	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
SEPTEMBER	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
OCTOBER	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
NOVEMBER	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
DECEMBER	Solutia	COG-1	0	0	0	0	0.00	0.00	0
	Other	COG-1	0	0	0	0	0.00	0.00	0
	Total		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00</u>	<u>0.00</u>	<u>0</u>
TOTAL			<u>23,916,349</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6.12</u>	<u>6.12</u>	<u>1,463,641</u>

**ECONOMY ENERGY PURCHASES
GULF POWER COMPANY**

ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

(1)	(2)	(3)	(4)	(5)
MONTH	TOTAL	TRANSACTION	TOTAL \$	
LINE	TYPE & SCHEDULE	KWH PURCHASED	COST ¢ / KWH	FOR FUEL ADJ.
JANUARY				
1	Southern Co. Interchange	43,403,798	6.16	2,673,320
2	Other Purchases	11,968,221	(14.58)	(1,745,269)
3	ACTUAL TOTAL PURCHASES	<u>55,372,019</u>	1.68	<u>928,051</u>
FEBRUARY				
1	Southern Co. Interchange	36,607,801	5.99	2,194,491
2	Other Purchases	16,805,603	(4.68)	(786,654)
3	ACTUAL TOTAL PURCHASES	<u>53,413,404</u>	2.64	<u>1,407,837</u>
MARCH				
1	Southern Co. Interchange	36,726,605	5.88	2,157,959
2	Other Purchases	27,043,171	(1.61)	(436,671)
3	ACTUAL TOTAL PURCHASES	<u>63,769,776</u>	2.70	<u>1,721,288</u>
APRIL				
1	Southern Co. Interchange	26,264,278	6.11	1,605,063
2	Other Purchases	62,230,010	(0.58)	(363,095)
3	ACTUAL TOTAL PURCHASES	<u>88,494,288</u>	1.40	<u>1,241,968</u>
MAY				
1	Southern Co. Interchange	40,931,547	6.59	2,698,429
2	Other Purchases	18,846,927	0.28	52,140
3	ACTUAL TOTAL PURCHASES	<u>59,778,474</u>	4.60	<u>2,750,569</u>
JUNE				
1	Southern Co. Interchange	20,149,000	8.94	1,802,000
2	Other Purchases	27,561,000	9.31	2,566,000
3	TOTAL ESTIMATED PURCHASES	<u>47,710,000</u>	9.16	<u>4,368,000</u>

ECONOMY ENERGY PURCHASES
GULF POWER COMPANY

ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008

LINE	(1) MONTH	(2) TYPE & SCHEDULE	(3) TOTAL KWH PURCHASED	(4) TRANSACTION COST ¢ / KWH	(5) TOTAL \$ FOR FUEL ADJ.
JULY					
1		Southern Co. Interchange	19,706,000	14.88	2,932,000
2		Other Purchases	31,268,000	9.75	3,048,000
3		TOTAL ESTIMATED PURCHASES	<u>50,974,000</u>	11.73	<u>5,980,000</u>
AUGUST					
1		Southern Co. Interchange	19,154,000	13.51	2,588,000
2		Other Purchases	30,631,000	9.96	3,050,000
3		TOTAL ESTIMATED PURCHASES	<u>49,785,000</u>	11.32	<u>5,638,000</u>
SEPTEMBER					
1		Southern Co. Interchange	7,688,000	10.11	777,000
2		Other Purchases	19,361,000	9.27	1,794,000
3		TOTAL ESTIMATED PURCHASES	<u>27,049,000</u>	9.50	<u>2,571,000</u>
OCTOBER					
1		Southern Co. Interchange	9,130,000	6.33	578,000
2		Other Purchases	21,984,000	7.37	1,620,000
3		TOTAL ESTIMATED PURCHASES	<u>31,114,000</u>	7.06	<u>2,198,000</u>
NOVEMBER					
1		Southern Co. Interchange	11,568,000	5.46	632,000
2		Other Purchases	26,983,000	6.61	1,784,000
3		TOTAL ESTIMATED PURCHASES	<u>38,551,000</u>	6.27	<u>2,416,000</u>
DECEMBER					
1		Southern Co. Interchange	49,885,000	6.14	3,064,000
2		Other Purchases	15,241,000	7.41	1,129,000
3		TOTAL ESTIMATED PURCHASES	<u>65,126,000</u>	6.44	<u>4,193,000</u>
TOTAL FOR PERIOD					
1		Southern Co. Interchange	321,214,029	7.38	23,702,262
2		Other Purchases	309,922,932	3.78	11,711,451
3		TOTAL ACT/EST PURCHASES	<u>631,136,961</u>	5.61	<u>35,413,713</u>

ATTACHMENT "D"

Schedules supporting calculation of proposed fuel cost recovery factors for September through December 2008

Schedules E-1, E-1D, and E-1E for the period September through
December 2008

Schedule E-1B for January through December 2008

Schedule E-1 for 2009

Schedule E-10 for the period September through December 2008 and
estimate for January 2009

**FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
GULF POWER COMPANY
PROPOSED FOR THE PERIOD: SEPTEMBER 2008 - DECEMBER 2008**

Line			(a) \$	(b) KWH	(c) ¢ / KWH
1	Fuel Cost of System Net Generation	E-3	217,924,994	5,208,480,000	4.1840
2	Nuclear Fuel Disposal Costs	E-2			#N/A
3	Coal Car Investment				#N/A
4	Other Generation	E-3	1,517,000	38,020,000	3.9900
5	Hedging Settlement	E-2	(3,870,000)	0	#N/A
6	Total Cost of Generated Power	(Line 1 - 5)	<u>215,571,994</u>	<u>5,246,500,000</u>	<u>4.1089</u>
7	Fuel Cost of Purchased Power (Exclusive of Economy)	E-7			#N/A
8	Energy Cost of Schedule C & X Econ. Purch.	E-9			#N/A
9	Energy Cost of Other Econ. Purch. (Nonbroker)	E-9	11,378,000	161,840,000	7.0304
10	Energy Cost of Schedule E Economy Purch.	E-9			#N/A
11	Capacity Cost of Schedule E Economy Purchases	E-2			#N/A
12	Energy Payments to Qualifying Facilities	E-8			#N/A
13	Total Cost of Purchased Power	(Line 7 - 12)	<u>11,378,000</u>	<u>161,840,000</u>	<u>7.0304</u>
14	Total Available KWH	(Line 6 + 13)		<u>5,408,340,000</u>	
15	Fuel Cost of Economy Sales	E-6	(6,931,000)	(105,601,000)	6.5634
16	Gain on Economy Sales	E-6	(915,000)	0	#N/A
17	Fuel Cost of Unit Power Sales	E-6	(8,347,000)	(262,897,000)	3.1750
18	Fuel Cost of Other Power Sales		(58,419,000)	(1,031,744,000)	5.6622
19	Total Fuel Cost & Gains on Power Sales	(Line 15 -18)	<u>(74,612,000)</u>	<u>(1,400,242,000)</u>	<u>5.3285</u>
20	Net Inadvertant Interchange		0	0	#N/A
21	Total Fuel & Net Power Trans.	(Line 6+13+19+20)	<u>152,337,994</u>	<u>4,008,098,000</u>	<u>3.8008</u>
22	Net Unbilled Sales *		0	0	#N/A
23	Company Use *		270,579	7,119,000	3.8008
24	T & D Losses *		8,140,249	214,172,000	3.8008
25	System KWH Sales		152,337,994	3,786,807,000	4.0229
26	Wholesale KWH Sales		5,493,109	136,546,000	4.0229
27	Jurisdictional KWH Sales		146,844,885	3,650,261,000	4.0229
27a	Jurisdictional Line Loss Multiplier		1.0007		1.0007
28	Jurisdictional KWH Sales Adjusted for Line Losses		146,947,676	3,650,261,000	4.0257
29	True-Up **		38,150,000	3,650,261,000	1.0451
30	Total Jurisdictional Fuel Cost		<u>185,097,676</u>	<u>3,650,261,000</u>	<u>5.0708</u>
31	Revenue Tax Factor				1.00072
32	Fuel Factor Adjusted For Revenue Taxes		185,230,946	3,650,261,000	5.0745
33	GPIF Reward/(Penalty) **		(68,267)	3,650,261,000	(0.0019)
34	Fuel Factor Adjusted for GPIF		185,162,679	3,650,261,000	5.0726
35	Fuel Factor Rounded to Nearest .001(¢ / KWH)				5.073

*For informational purposes only

** Calculation Based on Jurisdictional KWH Sales

DETERMINATION OF FUEL RECOVERY FACTOR
TIME OF USE RATE SCHEDULES
GULF POWER COMPANY
PROPOSED FOR THE PERIOD: SEPTEMBER 2008 - DECEMBER 2008

		NET ENERGY FOR LOAD	
		%	
	On-Peak	29.06	
	Off-Peak	70.94	
		<u>100.00</u>	
	<u>AVERAGE</u>	<u>ON-PEAK</u>	<u>OFF-PEAK</u>
Cost per KWH Sold	4.0229	4.5623	3.8019
Jurisdictional Loss Factor	1.0007	1.0007	1.0007
Jurisdictional Fuel Factor	4.0257	4.5655	3.8046
GPIF	-0.0019	-0.0019	-0.0019
True-Up	1.0451	1.0451	1.0451
TOTAL	<u>5.0689</u>	<u>5.6087</u>	<u>4.8478</u>
Revenue Tax Factor	1.00072	1.00072	1.00072
Recovery Factor	5.0725	5.6127	4.8513
Recovery Factor Rounded to the Nearest .001 ¢/KWH	5.073	5.613	4.851
HOURS:	ON-PEAK	25.61%	
	OFF-PEAK	74.39%	
		<u>100.00%</u>	

SCHEDULE E-1E
2008 Midcourse

FUEL RECOVERY FACTORS - BY RATE GROUP
(ADJUSTED FOR LINE/TRANSFORMATION LOSSES)
GULF POWER COMPANY

PROPOSED FOR THE PERIOD: SEPTEMBER 2008 - DECEMBER 2008

Group	Rate Schedules	Average Factor	Fuel Recovery Loss Multipliers	Standard Fuel Recovery Factor
A	RS, RSVP, GS, GSD, GSDT, GSTOU, OSIII, SBS (1)	5.073	1.00526	5.100
B	LP, LPT, SBS (2)	5.073	0.98890	5.017
C	PX, PXT, RTP, SBS (3)	5.073	0.98063	4.975
D	OS-I/II	5.073	1.00529	5.074 *
<u>TOU</u>				
A	On-Peak	5.642		
	Off-Peak	4.877		
B	On-Peak	5.550		
	Off-Peak	4.797		
C	On-Peak	5.504		
	Off-Peak	4.757		
D	On-Peak	N/A		
	Off-Peak	N/A		

Group D Calculation

* D	On-Peak	5.613	¢ / KWH	x	0.2561	=	1.438	¢ / KWH
	Off-Peak	4.851	¢ / KWH	x	0.7439	=	3.609	¢ / KWH
							5.047	¢ / KWH
							x 1.00529	
							5.074	¢ / KWH

- (1) Includes SBS customers with a Contract Demand in the range of 100 to 499 KW
 (2) Includes SBS customers with a Contract Demand in the range of 500 to 7,499 KW
 (3) Includes SBS customers with a Contract Demand over 7,499 KW

CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008
WITH PROPOSED RATE

	JANUARY ACTUAL	FEBRUARY ACTUAL	MARCH ACTUAL	APRIL ACTUAL	MAY ACTUAL	JUNE ESTIMATED	TOTAL SIX MONTHS
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
A 1 Fuel Cost of System Generation	53,167,066.33	46,788,114.84	46,584,262.68	48,685,802.24	56,170,765.00	63,426,694.00	\$314,822,705.09
1a Fuel Cost of Hedging Settlement	532,730.49	195,040.77	(662,739.09)	(795,444.78)	(1,375,869.18)	(2,788,000.00)	(4,894,281.79)
2 Fuel Cost of Power Sold	(14,962,898.78)	(18,245,832.37)	(15,704,802.19)	(14,206,526.15)	(11,480,212.65)	(16,809,000.00)	(91,409,272.14)
3 Fuel Cost of Purchased Power	928,050.52	1,407,836.44	1,721,288.32	1,241,967.77	2,750,568.90	4,368,000.00	12,417,711.95
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3b Energy Payments to Qualified Facilities	285,123.00	253,410.00	374,225.00	282,321.00	268,563.00	0.00	1,463,642.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Other Generation	135,187.80	134,892.56	139,829.45	125,887.46	124,949.71	331,000.00	991,746.98
6 Adjustments to Fuel Cost *	(95,129.42)	48,926.16	13,891.80	(9,094.45)	(20,755.99)	0.00	(62,161.90)
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	<u>\$39,990,129.94</u>	<u>\$30,582,388.40</u>	<u>\$32,465,955.97</u>	<u>\$35,324,913.09</u>	<u>\$46,438,008.79</u>	<u>\$48,528,694.00</u>	<u>\$233,330,090.19</u>
B 1 Jurisdictional KWH Sales	953,438,702	806,929,997	790,555,922	824,299,451	1,021,589,211	1,117,556,000	5,514,369,283
2 Non-Jurisdictional KWH Sales	36,132,692	28,569,719	27,301,217	26,559,924	32,913,581	39,035,000	190,512,133
3 TOTAL SALES (Lines B1 + B2)	<u>989,571,394</u>	<u>835,499,716</u>	<u>817,857,139</u>	<u>850,859,375</u>	<u>1,054,502,792</u>	<u>1,156,591,000</u>	<u>5,704,881,416</u>
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.3487%</u>	<u>96.5805%</u>	<u>96.6619%</u>	<u>96.8785%</u>	<u>96.8788%</u>	<u>96.6250%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes) (1) (2)	\$37,654,578.29	\$31,832,100.46	\$31,164,323.19	\$32,519,710.30	\$40,331,773.22	\$44,156,371.65	\$217,658,857.11
2 True-Up Provision	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(3,610,566.58)	(21,663,399.48)
2a Incentive Provision	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	102,474.72
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	<u>\$34,061,090.83</u>	<u>\$28,238,613.00</u>	<u>\$27,570,835.73</u>	<u>\$28,926,222.84</u>	<u>\$36,738,285.76</u>	<u>\$40,562,884.19</u>	<u>\$196,097,932.35</u>
4 Fuel & Net Power Transactions (Line A7)	\$39,990,129.94	\$30,582,388.40	\$32,465,955.97	\$35,324,913.09	\$46,438,008.79	\$48,528,694.00	\$233,330,090.19
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7x Line B4 x 1.0007)	38,556,941.30	29,557,299.27	31,404,177.44	34,246,201.50	45,020,077.67	46,923,674.17	\$225,708,371.35
6 Over/(Under) Recovery (Line C3-C5)	(4,495,850.47)	(1,318,686.27)	(3,833,341.71)	(5,319,978.66)	(8,281,791.91)	(6,360,789.98)	(\$29,610,439.00)
7 Interest Provision (3)	(191,642.32)	(145,186.24)	(132,154.64)	(129,102.49)	(131,690.10)	(129,216.43)	(\$858,992.22)
8 Prior Period Revenue Adjustment	0	0	118855.76	0	0	0	\$118,855.76
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2008 - JUNE 2008							<u>(\$30,350,575.46)</u>

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

Note 1: Estimated Revenues for June through August based on the current approved 2008 Fuel Factor excluding revenue taxes of

3.9512 ¢/KWH

Note 2: Estimated Revenues for September through December based on the proposed 2008 Fuel Factor excluding revenue taxes of

5.0694

Note 3: Interest Calculated for June through December at May 2008 monthly rate of

0.2025%

**CALCULATION OF ESTIMATED TRUE-UP
GULF POWER COMPANY
ACTUAL FOR THE PERIOD JANUARY 2008 - MAY 2008 / ESTIMATED FOR JUNE 2008 - DECEMBER 2008
WITH PROPOSED RATE**

	JULY ESTIMATED (a)	AUGUST ESTIMATED (b)	SEPTEMBER ESTIMATED (c)	OCTOBER ESTIMATED (d)	NOVEMBER ESTIMATED (e)	DECEMBER ESTIMATED (f)	TOTAL PERIOD (g)
A 1 Fuel Cost of System Generation	69,175,977.00	67,997,519.00	54,773,362.00	58,921,010.00	50,426,234.00	53,804,388.00	\$669,921,195.09
1a Fuel Cost of Hedging Settlement	(3,233,000.00)	(1,990,000.00)	(1,394,000.00)	(758,000.00)	(835,000.00)	(883,000.00)	(\$13,987,281.79)
2 Fuel Cost of Power Sold	(17,810,000.00)	(18,545,000.00)	(18,430,000.00)	(25,142,000.00)	(18,756,000.00)	(12,284,000.00)	(\$202,376,272.14)
3 Fuel Cost of Purchased Power	5,980,000.00	5,638,000.00	2,571,000.00	2,198,000.00	2,416,000.00	4,193,000.00	\$35,413,711.95
3a Demand & Non-Fuel Cost Of Purchased Power	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
3b Energy Payments to Qualified Facilities	0.00	0.00	0.00	0.00	0.00	0.00	\$1,463,642.00
4 Energy Cost of Economy Purchases	0.00	0.00	0.00	0.00	0.00	0.00	\$0.00
5 Other Generation	342,000.00	342,000.00	331,000.00	385,000.00	373,000.00	428,000.00	\$3,192,746.98
6 Adjustments to Fuel Cost *	0.00	0.00	0.00	0.00	0.00	0.00	(\$62,161.90)
7 TOTAL FUEL & NET POWER TRANSACTIONS (Sum of Lines A1 Thru A6)	\$54,454,977.00	\$53,442,519.00	\$37,851,362.00	\$35,604,010.00	\$33,624,234.00	\$45,258,388.00	\$493,565,580.19
B 1 Jurisdictional KWH Sales	1,210,783,000	1,236,563,000	1,038,055,000	922,925,000	781,196,000	908,085,000	11,611,976,283
2 Non-Jurisdictional KWH Sales	42,184,000	43,170,000	36,868,000	33,159,000	31,259,000	35,260,000	412,412,133
3 TOTAL SALES (Lines B1 + B2)	1,252,967,000	1,279,733,000	1,074,923,000	956,084,000	812,455,000	943,345,000	12,024,388,416
4 Jurisdictional % Of Total Sales (Line B1/B3)	<u>96.6333%</u>	<u>96.6266%</u>	<u>96.5702%</u>	<u>96.5318%</u>	<u>96.1525%</u>	<u>96.2622%</u>	
C 1 Jurisdictional Fuel Recovery Revenue (Net of Revenue Taxes)	(1) \$47,839,915.08	\$48,858,522.88	\$52,871,595.80	\$47,007,641.75	\$39,788,912.10	\$46,251,791.16	\$500,277,235.88
2 True-Up Provision	(3,610,566.58)	(3,610,566.58)	(9,762,500.00)	(9,762,500.00)	(9,762,500.00)	(9,762,500.00)	(\$67,934,532.64)
2a Incentive Provision	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	17,079.12	\$204,949.44
3 FUEL REVENUE APPLICABLE TO PERIOD (Sum of Lines C1 Thru C2a)	\$44,246,427.62	\$45,265,035.42	\$43,126,174.92	\$37,262,220.87	\$30,043,491.22	\$36,506,370.28	\$432,547,652.68
4 Fuel & Net Power Transactions (Line A7)	\$54,454,977.00	\$53,442,519.00	\$37,851,362.00	\$35,604,010.00	\$33,624,234.00	\$45,258,388.00	\$493,565,580.19
5 Jurisdictional Fuel Cost Adj. for Line Losses (Line A7 x Line B4 x 1.0007)	52,658,476.44	51,675,836.85	36,578,723.18	34,393,250.16	32,353,172.98	43,597,216.68	\$476,965,047.64
6 Over/(Under) Recovery (Line C3-C5)	(8,412,048.82)	(6,410,801.43)	6,547,451.74	2,868,970.71	(2,309,681.76)	(7,090,846.40)	(\$44,417,394.96)
7 Interest Provision	(2) (137,124.19)	(145,098.61)	(131,713.85)	(102,677.38)	(82,549.95)	(72,466.09)	(\$1,530,622.29)
8 Prior Period Revenue Adjustment	0	0	0	0	0	0	\$118,855.76
9 TOTAL ESTIMATED TRUE-UP FOR THE PERIOD JANUARY 2008 - DECEMBER 2008							(\$45,829,161.49)

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

Note 1: Estimated Revenues for June through August based on the current approved 2008 Fuel Factor excluding revenue taxes of 3.9512 ¢/KWH
 Note 2: Estimated Revenues for September through December based on the proposed 2008 Fuel Factor excluding revenue taxes of 5.0933 ¢/KWH
 Note 3: Interest Calculated for June through December at May 2008 monthly rate of 0.2025%

FUEL AND PURCHASED POWER
COST RECOVERY CLAUSE CALCULATION
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD: JANUARY 2009 - DECEMBER 2009

Line			(a) \$	(b) KWH	(c) ¢ / KWH
1	Fuel Cost of System Net Generation	E-3	763,359,840	16,861,150,000	4.5273
2	Nuclear Fuel Disposal Costs	E-2			#N/A
3	Coal Car Investment				#N/A
4	Other Generation	E-3	5,501,405	112,540,000	4.8884
5	Hedging Settlement	E-2	0	-	#N/A
6	Total Cost of Generated Power	(Line 1 - 5)	<u>768,861,245</u>	<u>16,973,690,000</u>	<u>4.5297</u>
7	Fuel Cost of Purchased Power (Exclusive of Economy)	E-7			#N/A
8	Energy Cost of Schedule C & X Econ. Purch.	E-9			#N/A
9	Energy Cost of Other Econ. Purch. (Nonbroker)	E-9	42,859,000	589,018,000	7.2763
10	Energy Cost of Schedule E Economy Purch.	E-9			#N/A
11	Capacity Cost of Schedule E Economy Purchases	E-2			#N/A
12	Energy Payments to Qualifying Facilities	E-8			#N/A
13	Total Cost of Purchased Power	(Line 7 - 12)	<u>42,859,000</u>	<u>589,018,000</u>	<u>7.2763</u>
14	Total Available KWH	(Line 6 + 13)		<u>17,562,708,000</u>	
15	Fuel Cost of Economy Sales	E-6	(17,847,000)	(266,602,000)	6.6942
16	Gain on Economy Sales	E-6	(2,321,000)	0	#N/A
17	Fuel Cost of Unit Power Sales	E-6	(45,058,000)	(1,644,961,000)	2.7392
18	Fuel Cost of Other Power Sales		(155,257,000)	(2,494,293,000)	6.2245
19	Total Fuel Cost & Gains on Power Sales	(Line 15 -18)	<u>(220,483,000)</u>	<u>(4,405,856,000)</u>	<u>5.0043</u>
20	Net Inadvertant Interchange		0	0	#N/A
21	Total Fuel & Net Power Trans.	(Line 6+13+19+20)	<u>591,237,245</u>	<u>13,156,852,000</u>	<u>4.4938</u>
22	Net Unbilled Sales *		0	0	#N/A
23	Company Use *		1,116,664	24,849,000	4.4938
24	T & D Losses *		<u>34,310,747</u>	<u>763,513,000</u>	<u>4.4938</u>
25	System KWH Sales		591,237,245	12,368,490,000	4.7802
26	Wholesale KWH Sales		20,647,166	431,931,000	4.7802
27	Jurisdictional KWH Sales		<u>570,590,079</u>	<u>11,936,559,000</u>	<u>4.7802</u>
27a	Jurisdictional Line Loss Multiplier		1.0007		1.0007
28	Jurisdictional KWH Sales Adjusted for Line Losses		<u>570,989,492</u>	<u>11,936,559,000</u>	<u>4.7835</u>
29	True-Up **		<u>34,522,363</u>	<u>11,936,559,000</u>	<u>0.2892</u>
30	Total Jurisdictional Fuel Cost		<u>605,511,855</u>	<u>11,936,559,000</u>	<u>5.0727</u>
31	Revenue Tax Factor				1.00072
32	Fuel Factor Adjusted For Revenue Taxes		605,947,824	11,936,559,000	5.0764
33	GPIF Reward/(Penalty) **		(433,685)	11,936,559,000	(0.0036)
34	Fuel Factor Adjusted for GPIF		605,514,139	11,936,559,000	5.0728
35	Fuel Factor Rounded to Nearest .001(¢ / KWH)				5.073

*For informational purposes only

** Calculation Based on Jurisdictional KWH Sales

**GULF POWER COMPANY
RESIDENTIAL BILL COMPARISON
FOR MONTHLY USAGE OF 1000 KWH
PROPOSED FOR THE PERIOD OF: SEPTEMBER 2008 - DECEMBER 2008
AND ESTIMATED FOR: JANUARY 2009**

	Current Approved Jan. 08 - Dec. 08 (\$/1000 kWh)	Proposed Sep. 08 - Dec. 08 (\$/1000 kWh)	Difference from Current (\$)	Difference from Current (%)	Estimated Jan. 09 (\$/1000 kWh)	Difference from Proposed (\$)	Difference from Proposed (%)
Base Rate	\$ 49.30	\$ 49.30	\$ -	0.0%	\$ 49.30	\$ -	0.0%
Fuel Cost Recovery	39.75	51.00	11.25	28.3%	51.00	-	0.0%
Capacity Cost Recovery	2.71	2.71	-	0.0%	3.00	0.29	10.7%
Energy Conservation Cost Recovery	0.97	0.97	-	0.0%	0.97	-	0.0%
Environmental Cost Recovery	4.36	4.36	-	0.0%	6.75	2.39	54.8%
Storm Surcharge	2.57	2.57	-	0.0%	2.57	-	0.0%
Subtotal	\$ 99.66	\$ 110.91	\$ 11.25	11.3%	\$ 113.59	\$ 2.68	2.4%
Gross Receipts Tax	2.56	2.85	0.29	11.3%	2.91	0.06	2.1%
Total	\$ 102.22	\$ 113.76	\$ 11.54	11.3%	\$ 116.50	\$ 2.74	2.4%

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished by U. S mail this 19th day of June, 2008, on the following:

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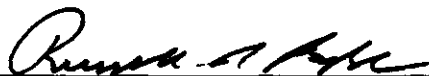
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