

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 110138-EI

MINIMUM FILING REQUIREMENTS

SECTION C – NET OPERATING INCOME  
SCHEDULES

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GULF POWER COMPANY

Docket No. 110138-EI  
Minimum Filing Requirements

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

## Adjusted Jurisdictional Net Operating Income Calculation for the Twelve Months Ended

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description	Total Company per Books	Non-Electric Utility	Electric Utility (1) - (2)	Commission Adjustments (Sch. C-3)	Adjusted per Utility Commission (3) + (4)	Company Adjustments (Sch. C-3)	Total Adjusted Utility (5) + (6)	Unit Power Sales Net Operating Income	Total Adjusted Utility net of UPS (7) - (8)	Jurisdictional Separation Factor	Jurisdictional Amount (9) x (10)	
<b>1 Operating Revenues:</b>													
2	Sales of Electricity	1,496,111	-	1,496,111	(968,940)	527,171	575	527,746	(59,652)	468,094	0.9721723	455,068	
3	Other Operating Revenues	69,450	-	69,450	(39,237)	30,213	1,004	31,217	-	31,217	0.8598200	26,841	
4	Total Operating Revenues	1,565,561	-	1,565,561	(1,008,177)	557,384	1,579	558,963	(59,652)	499,311	0.9651480	481,909	
<b>5 Operating Expenses:</b>													
6	Recoverable Fuel	678,925	-	678,925	(678,925)	-	-	-	-	-	-	-	
7	Recoverable Capacity	54,394	-	54,394	(54,394)	-	-	-	-	-	-	-	
8	Recoverable Conservation	19,311	-	19,311	(19,311)	-	-	-	-	-	-	-	
9	Recoverable Environmental	33,331	-	33,331	(33,331)	-	-	-	-	-	-	-	
10	Other Operation & Maintenance	300,874	-	300,874	(888)	299,986	868	300,854	(12,380)	288,474	0.9800918	282,731	
11	Depreciation & Amortization	141,172	-	141,172	(39,526)	101,646	3,099	104,745	(7,604)	97,141	0.9798128	95,180	
12	Amortization of Investment Credit	(1,304)	-	(1,304)	-	(1,304)	-	(1,304)	330	(974)	0.9794661	(954)	
13	Taxes Other Than Income Taxes	105,485	-	105,485	(74,352)	31,133	(1)	31,132	(1,667)	29,465	0.9761751	28,763	
14	Income Taxes												
15	Federal	(58,692)	-	(58,692)	(28,445)	(87,137)	(790)	(87,927)	10,986	(76,941)	0.8305076	(63,900)	
16	State	1,488	-	1,488	(4,730)	(3,242)	(131)	(3,373)	(283)	(3,656)	0.8305076	(3,036)	
17	Deferred Income Taxes - Net												
18	Federal	114,151	-	114,151	-	114,151	-	114,151	(21,366)	92,785	0.8305076	77,058	
19	State	7,598	-	7,598	-	7,598	-	7,598	(1,443)	6,155	0.8305076	5,112	
20	Total Operating Expenses	1,396,733	-	1,396,733	(933,902)	462,831	3,045	465,876	(33,427)	432,449	0.9734188	420,954	
21	Net Operating Income	168,828	-	168,828	(74,275)	94,553	(1,466)	93,087	(26,225)	66,862	0.9116539	60,955	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

## Adjusted Jurisdictional Net Operating Income Calculation for the Twelve Months Ended

(1) Line No.	(2) Description	(3)	(4) Total Company per Books	(5) Non-Electric Utility	(6) Electric Utility (1) - (2)	(7) Commission Adjustments (Sch. C-3)	(8) Utility Adjusted per Commission (3) + (4)	(9) Company Adjustments (Sch. C-3)	(10) Total Adjusted Utility (5) + (6)	(11) Unit Power Sales Net Operating Income	(12) Total Adjusted Utility net of UPS (7) - (8)	(13) Jurisdictional Separation Factor	(14) Jurisdictional Amount (9) x (10)
1	<b>Operating Revenues:</b>												
2	Sales of Electricity		1,497,983	-	1,497,983	(988,115)	509,868	-	509,868	(55,037)	454,831	0.9721523	442,165
3	Other Operating Revenues		54,503	-	54,503	(25,280)	29,223	-	29,223	-	29,223	0.8882045	25,956
4	Total Operating Revenues		1,552,486	-	1,552,486	(1,013,395)	539,091	-	539,091	(55,037)	484,054	0.9670843	468,121
5	<b>Operating Expenses:</b>												
6	Recoverable Fuel		710,482	-	710,482	(710,482)	-	-	-	-	-	-	-
7	Recoverable Capacity		50,305	-	50,305	(50,305)	-	-	-	-	-	-	-
8	Recoverable Conservation		17,082	-	17,082	(17,082)	-	-	-	-	-	-	-
9	Recoverable Environmental		34,751	-	34,751	(34,751)	-	-	-	-	-	-	-
10	Other Operation & Maintenance		289,199	-	289,199	(865)	288,334	-	288,334	(7,748)	280,586	0.9800918	275,000
11	Depreciation & Amortization		131,324	-	131,324	(34,683)	96,641	-	96,641	(7,028)	89,613	0.9798128	87,804
12	Amortization of Investment Credit		(1,349)	-	(1,349)	-	(1,349)	-	(1,349)	330	(1,019)	0.9794661	(998)
13	Taxes Other Than Income Taxes		102,166	-	102,166	(73,443)	28,723	-	28,723	(1,516)	27,207	0.9761458	26,558
14	Income Taxes												
15	Federal		(16,513)	-	(16,513)	(24,520)	(41,033)	-	(41,033)	10,884	(30,149)	0.8647617	(26,072)
16	State		2,551	-	2,551	(4,077)	(1,526)	-	(1,526)	(280)	(1,806)	0.8647617	(1,562)
17	Deferred Income Taxes - Net												
18	Federal		69,181	-	69,181	-	69,181	-	69,181	(21,168)	48,013	0.8647617	41,520
19	State		5,979	-	5,979	-	5,979	-	5,979	(1,430)	4,549	0.8647617	3,934
20	Total Operating Expenses		1,395,158	-	1,395,158	(950,208)	444,950	-	444,950	(27,956)	416,994	0.9740767	406,184
21	Net Operating Income		157,328	-	157,328	(63,187)	94,141	-	94,141	(27,081)	67,060	0.9236036	61,937

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the jurisdictional net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

## Adjusted Jurisdictional Net Operating Income Calculation for the Twelve Months Ended

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description	Total Company per Books	Non-Electric Utility	Electric Utility (1) - (2)	Commission Adjustments (Sch. C-3)	Adjusted per Utility Commission (3) + (4)	Company Adjustments (Sch. C-3)	Total Adjusted Utility (5) + (6)	Unit Power Sales Net Operating Income	Total Adjusted Utility net of UPS (7) - (8)	Jurisdictional Separation Factor	Jurisdictional Amount (9) x (10)	
1	<b>Operating Revenues:</b>												
2	Sales of Electricity	1,515,178	-	1,515,178	(1,014,480)	500,698	-	500,698	(36,876)	463,822	0.9725477	451,089	
3	Other Operating Revenues	75,190	-	75,190	(53,218)	21,972	-	21,972	-	21,972	0.8580011	18,852	
4	Total Operating Revenues	1,590,368	-	1,590,368	(1,067,698)	522,670	-	522,670	(36,876)	485,794	0.9673668	469,941	
5	<b>Operating Expenses:</b>												
6	Recoverable Fuel	775,253	-	775,253	(775,253)	-	-	-	-	-	-	-	
7	Recoverable Capacity	47,984	-	47,984	(47,984)	-	-	-	-	-	-	-	
8	Recoverable Conservation	8,562	-	8,562	(8,562)	-	-	-	-	-	-	-	
9	Recoverable Environmental	34,215	-	34,215	(34,215)	-	-	-	-	-	-	-	
10	Other Operation & Maintenance	254,280	-	254,280	(743)	253,537	-	253,537	(10,036)	243,501	0.9800918	238,653	
11	Depreciation & Amortization	123,036	-	123,036	(34,073)	88,963	-	88,963	(5,171)	83,792	0.9798128	82,100	
12	Amortization of Investment Credit	(1,544)	-	(1,544)	-	(1,544)	-	(1,544)	333	(1,211)	0.9794661	(1,186)	
13	Taxes Other Than Income Taxes	101,778	-	101,778	(74,526)	27,252	-	27,252	(1,245)	26,007	0.9761218	25,386	
14	Income Taxes												
15	Federal	(17,250)	-	(17,250)	(25,313)	(42,563)	-	(42,563)	4,411	(38,152)	0.9166180	(34,971)	
16	State	4,997	-	4,997	(4,208)	789	-	789	(114)	675	0.9166180	619	
17	Deferred Income Taxes - Net												
18	Federal	81,047	-	81,047	-	81,047	-	81,047	(8,579)	72,468	0.9166180	66,425	
19	State	4,005	-	4,005	-	4,005	-	4,005	(580)	3,425	0.9166180	3,139	
20	Total Operating Expenses	1,416,363	-	1,416,363	(1,004,877)	411,486	-	411,486	(20,981)	390,505	0.9735235	380,166	
21	Net Operating Income	174,005	-	174,005	(62,821)	111,184	-	111,184	(15,895)	95,289	0.9421360	89,775	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

## Adjustments for the Twelve Months Ended 12/31/2012

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Description	Fuel Related Revenues & Expenses	Conservation Revenues & Expenses	PPCC Revenues & Expenses	ECRC Revenues & Expenses	Miscellaneous Adjustments	Total Adjustments
1	<b>Operating Revenues:</b>						
2	Sales of Electricity	(679,390)	(22,003)	(52,538)	(182,389)	(32,045)	(968,365)
3	Other Operating Revenues					(38,233)	(38,233)
4	Total Operating Revenues	(679,390)	(22,003)	(52,538)	(182,389)	(70,278)	(1,006,598)
5	<b>Operating Expenses:</b>						
6	Recoverable Fuel	(678,925)					(678,925)
7	Recoverable Capacity			(54,394)			(54,394)
8	Recoverable Conservation		(19,311)				(19,311)
9	Recoverable Environmental				(33,331)		(33,331)
10	Other Operation & Maintenance					(20)	(20)
11	Depreciation & Amortization		(352)		(39,174)	3,099	(36,427)
12	Amortization of Investment Credit						-
13	Taxes Other Than Income Taxes	(412)	(466)	(37)	(1,546)	(71,892)	(74,353)
14	Income Taxes						
15	Federal	(18)	(620)	626	(35,833)	6,610	(29,235)
16	State	(3)	(103)	104	(5,959)	1,100	(4,861)
17	Deferred Income Taxes - Net						
18	Federal						-
19	State						-
20	Investment Tax Credit						-
22	Total Operating Expenses	(679,358)	(20,852)	(53,701)	(115,843)	(61,103)	(930,857)
23	Net Operating Income	(32)	(1,151)	1,163	(66,546)	(9,175)	(75,741)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

## Adjustments for the Twelve Months Ended 12/31/2011

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Description	Fuel Related Revenues & Expenses	Conservation Revenues & Expenses	PPCC Revenues & Expenses	ECRC Revenues & Expenses	Miscellaneous Adjustments	Total Adjustments
1	<b>Operating Revenues:</b>						
2	Sales of Electricity	(724,945)	(19,440)	(48,586)	(162,526)	(32,618)	(988,115)
3	Other Operating Revenues	13,978				(39,258)	(25,280)
4	Total Operating Revenues	(710,967)	(19,440)	(48,586)	(162,526)	(71,876)	(1,013,395)
5	<b>Operating Expenses:</b>						
6	Recoverable Fuel	(710,482)					(710,482)
7	Recoverable Capacity			(50,305)			(50,305)
8	Recoverable Conservation		(17,082)				(17,082)
9	Recoverable Environmental				(34,751)		(34,751)
10	Other Operation & Maintenance					(865)	(865)
11	Depreciation & Amortization		(283)		(34,400)	-	(34,683)
12	Amortization of Investment Credit						-
13	Taxes Other Than Income Taxes	(440)	(427)	(35)	(634)	(71,907)	(73,443)
14	Income Taxes						
15	Federal	(15)	(545)	580	(30,674)	6,134	(24,520)
16	State	(2)	(91)	96	(5,100)	1,020	(4,077)
17	Deferred Income Taxes - Net						
18	Federal						-
19	State						-
20	Investment Tax Credit						-
22	Total Operating Expenses	(710,939)	(18,428)	(49,664)	(105,559)	(65,618)	(950,208)
23	Net Operating Income	(28)	(1,012)	1,078	(56,967)	(6,258)	(63,187)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of net operating income adjustments for the test year, the prior year and the most recent historical year. Provide the details of all adjustments on Schedule C-3.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

## Adjustments for the Twelve Months Ended 12/31/2010

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Description	Fuel Related Revenues & Expenses	Conservation Revenues & Expenses	PPCC Revenues & Expenses	ECRC Revenues & Expenses	Miscellaneous Adjustments	Total Adjustments
1	<b>Operating Revenues:</b>						
2	Sales of Electricity	(759,728)	(12,280)	(49,177)	(160,971)	(32,324)	(1,014,480)
3	Other Operating Revenues	(15,766)	1,644	2,855	(1,490)	(40,461)	(53,218)
4	Total Operating Revenues	(775,494)	(10,636)	(46,322)	(162,461)	(72,785)	(1,067,698)
5	<b>Operating Expenses:</b>						
6	Recoverable Fuel	(775,253)					(775,253)
7	Recoverable Capacity			(47,984)			(47,984)
8	Recoverable Conservation		(8,562)				(8,562)
9	Recoverable Environmental				(34,215)		(34,215)
10	Other Operation & Maintenance					(743)	(743)
11	Depreciation & Amortization		(297)		(33,776)	-	(34,073)
12	Amortization of Investment Credit						-
13	Taxes Other Than Income Taxes	(435)	(302)	(35)	(610)	(73,144)	(74,526)
14	Income Taxes						
15	Federal	64	(488)	561	(31,044)	5,594	(25,313)
16	State	11	(81)	93	(5,162)	931	(4,208)
17	Deferred Income Taxes - Net						
18	Federal						-
19	State						-
20	Investment Tax Credit						-
22	Total Operating Expenses	(775,613)	(9,730)	(47,365)	(104,807)	(67,362)	(1,004,877)
23	Net Operating Income	119	(906)	1,043	(57,654)	(5,423)	(62,821)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments:</u></b>				
2	(1)	Fuel Revenues	To remove all fuel-related revenues and expenses from NOI (net operating income) for ratemaking purposes.	(679,390)	Direct	(614,366)
3						
4	(2)	Fuel Expense	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	601,079	0.9095527	546,713
5						
6	(3)	Fuel Expense - Interchange Energy	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	77,246	0.8629703	66,661
7						
8	(4)	Purchased Transmission	To remove expenses associated with transmission reflected in the fuel clause.	300	0.9666667	290
9						
10	(5)	Peabody Litigation Fees	To remove the Peabody litigation fees that are recoverable through the fuel clause.	300	0.9666667	290
11						
12	(6)	ECCR Revenues	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	(22,003)	Direct	(22,003)
13						
14	(7)	ECCR Expenses in O&M Expense	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	19,311	1.0000000	19,311
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(8)	ECCR Depreciation	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	352	1.0000000	352
3						
4	(9)	PPCC Revenues	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	(52,538)	Direct	(52,528)
5						
6	(10)	PPCC Expenses	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	52,037	0.9650187	50,217
7						
8	(11)	Purchased Transmission	To remove transmission expenses that are recoverable through the capacity clause.	2,357	0.9650187	2,275
9						
10	(12)	ECRC Revenues	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	(182,389)	Direct	(176,447)
11						
12	(13)	ECRC Expenses in O&M	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	33,331	0.9667877	32,224
13						
14	(14)	ECRC in Depreciation Expense	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	39,174	0.9669424	37,879
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b>Commission Adjustments (Continued):</b>				
2	(15)	Gross Receipts & Franchise Fee Revenues	To remove gross receipts & franchise revenues from NOI for ratemaking purposes.	(71,857)	1.0000000	(71,857)
3						
4	(16)	Gross Receipts & Franchise Fee Expenses	To remove gross receipts & franchise expenses from NOI for ratemaking purposes.	71,844	1.0000000	71,844
5						
6	(17)	FPSC Assessment Fee on Franchise Fee Revenue	To remove the FPSC (Florida Public Service Commission) assessment on Franchise Fee revenues.	28	1.0000000	28
7						
8	(18)	Payroll Taxes-Liaison Office Salaries	To remove expenses associated with Gulf's Tallahassee office.	19	0.9824645	19
9						
10	(19)	ECRC Expenses in Other Tax Expense	To remove the ECRC payroll tax and ECRC property tax.	1,419	0.9661734	1,371
11	(20)	FPSC Assessment Fee on ECRC Revenues	To remove the FPSC assessment on ECRC revenues.	127	1.0000000	127
12						
13	(21)	ECCR Expenses in Other Tax Expense	To remove the ECCR payroll tax & ECCR property tax.	450	1.0000000	450
14	(22)	FPSC Assessment Fee on ECCR Revenues	To remove the FPSC assessment on ECCR revenues.	16	1.0000000	16
15						
16		<b>Legend:</b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

Supporting Schedules:

Recap Schedules: C-1, C-2

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.	Type of Data Shown: <input checked="" type="checkbox"/> Projected Test Year Ended 12/31/12 <input type="checkbox"/> Prior Year Ended 12/31/11 <input type="checkbox"/> Historical Year Ended 12/31/10
COMPANY: GULF POWER COMPANY	(\$000's)	Witness: R. J. McMillan
DOCKET NO.: 110138-EI		

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment	
1		<b>Commission Adjustments (Continued):</b>					
2	(23)	FPSC Assessment Fee on Fuel Revenues	To remove the FPSC Assessment fee on fuel revenues.	412	1.0000000	412	
3	(24)	FPSC Assessment Fee on PPCC Revenues	To remove the FPSC Assessment fee on capacity revenues.	37	1.0000000	37	
5	(25)	Institutional Advertising	To remove the effect of expenses related to institutional advertising.	130	0.9821740	128	
7	(26)	Economic Development Expenses	To remove the effect of expenses related to economic development.	53	1.0000000	53	
9	(27)	Tallahassee Liaison Expenses O&M	To remove expenses related to Gulf's liaison office located in Tallahassee.	394	0.9821740	387	
11	(28)	Management Financial Planning Services	To remove the management financial planning services from net operating income.	13	0.9821740	13	
13	(29)	Marketing Support Activities	To remove expenses that are promotional in nature.	87	1.0000000	87	
15	(30)	Wholesale Sales Expense	To remove expense associated with wholesale activities.	211	1.0000000	211	
17		<b>Legend:</b>					
18		ECCR	Energy Conservation Cost Recovery Clause				
19		PPCC	Purchased Power Capacity Cost Recovery Clause				
20		ECRC	Environmental Cost Recovery Clause				

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(31)	Income Taxes - Adjustments	To reflect the tax effect of all Commission adjustments.	41,449		40,815
3						
4	(32)	Income Taxes - Interest Synchronization	To reflect the tax effect of interest synchronization.	(8,274)		(8,164)
5						
6		Total Commission Adjustments		<u>(74,275)</u>		<u>(73,155)</u>
7		<b><u>Company Adjustments:</u></b>				
8	(33)	Collection / Reconnect Fee	To include the projected increase in collection and reconnect fees.	1,004	1.0000000	1,004
9						
10	(34)	Additional Sales Related to AMI Meters	To include the increase in revenue as a result of more accurate AMI meter readings.	575	1.0000000	575
11						
12	(35)	Increase in Property Insurance Reserve	To increase the property insurance reserve annual accrual to \$6.8 million.	(3,300)	0.9616311	(3,173)
13						
14	(36)	Amortization of Rate Case Expenses	To reflect the amortization of the 2011 rate case expenses.	(700)	1.0000000	(700)
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

Supporting Schedules:

Recap Schedules: C-1, C-2

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b>Company Adjustments (Continued):</b>				
2	(37)	Incremental Depreciation of non-AMI Meters	To reflect the amortization of the non-AMI meters.	(1,772)	1.0000000	(1,772)
3	(38)	Incremental Depreciation of AMI Meters	To increase depreciation on AMI meters at a 15 year life.	(1,327)	1.0000000	(1,327)
4	(39)	Decrease in Uncollectible Expense	To reflect the decrease in uncollectible expense as a result of the increased collections from the collection / reconnect fee revenue adjustment.	206	1.0000000	206
5						
6						
7	(40)	Decrease in Cust. Accounting Exp. (AMI)	To reflect the decrease in customer accounting expense as a result of the AMI implementation.	235	0.9998353	235
8						
9	(41)	Pension and Other Post Retirement Benefit Adjustment	To reflect the decrease in expense as a result of the Other Post Retirement Benefit (OPRB) adjustment.	2,691	0.9821740	2,643
10						
11	(42)	FPSC Assessment Fee on Incremental AMI Sales Revenues and Collection/Reconnect Fee Adjustment	To remove the FPSC Assessment fee on revenue adjustments for AMI sales and collection/reconnect Fees.	1	1.0000000	1
12						
13						
14	(43)	Income Taxes - Adjustments	To reflect the tax effect of all Company adjustments.	921		890
15		Total Company Adjustments		<u>(1,466)</u>		<u>(1,418)</u>
16		<b>Legend:</b>				
17	ECCR	Energy Conservation Cost Recovery Clause				
18	PPCC	Purchased Power Capacity Cost Recovery Clause				
19	ECRC	Environmental Cost Recovery Clause				

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments:</u></b>				
2	(1)	Fuel Revenues	To remove all fuel-related revenues and expenses from NOI (net operating income) for ratemaking purposes.	(710,967)	Direct	(647,028)
3						
4	(2)	Fuel Expense	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	648,363	0.9091481	589,458
5						
6	(3)	Fuel Expense - Interchange Energy	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	61,719	0.9195548	56,754
7						
8	(4)	Purchased Transmission	To remove expenses associated with transmission reflected in the fuel clause.	300	0.9666667	290
9						
10	(5)	Peabody Litigation Fees	To remove the Peabody litigation fees that are recoverable through the fuel clause.	100	0.9666667	97
11						
12	(6)	ECCR Revenues	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	(19,440)	Direct	(19,440)
13						
14	(7)	ECCR Expenses in O&M Expense	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	17,082	1.0000000	17,082
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(8)	ECCR Depreciation	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	283	1.0000000	283
3						
4	(9)	PPCC Revenues	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	(48,586)	Direct	(48,580)
5						
6	(10)	PPCC Expenses	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	47,948	0.9650187	46,271
7						
8	(11)	Purchased Transmission	To remove transmission expenses that are recoverable through the capacity clause.	2,357	0.9650187	2,275
9						
10	(12)	ECRC Revenues	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	(162,526)	Direct	(157,244)
11						
12	(13)	ECRC Expenses in O&M	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	34,751	0.9667877	33,597
13						
14	(14)	ECRC in Depreciation Expense	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	34,400	0.9669424	33,263
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: GULF POWER COMPANY  
 DOCKET NO.: 110138-EI

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.  
 (\$000's)

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b>Commission Adjustments (Continued):</b>				
2	(15)	Gross Receipts & Franchise Fee Revenues	To remove gross receipts & franchise revenues from NOI for ratemaking purposes.	(71,876)	1.0000000	(71,876)
3						
4	(16)	Gross Receipts & Franchise Fee Expenses	To remove gross receipts & franchise expenses from NOI for ratemaking purposes.	71,860	1.0000000	71,860
5						
6	(17)	FPSC Assessment Fee on Franchise Fee Revenue	To remove the FPSC (Florida Public Service Commission) assessment on Franchise Fee revenues.	28	1.0000000	28
7						
8	(18)	Payroll Taxes-Liaison Office Salaries	To remove expenses associated with Gulf's Tallahassee office.	19	0.9824645	19
9						
10	(19)	ECRC Expenses in Other Tax Expense	To remove the ECRC payroll tax and ECRC property tax.	521	0.9661734	503
11	(20)	FPSC Assessment Fee on ECRC Revenues	To remove the FPSC assessment on ECRC revenues.	113	1.0000000	113
12						
13	(21)	ECCR Expenses in Other Tax Expense	To remove the ECCR payroll tax & ECCR property tax.	413	1.0000000	413
14		<b>Legend:</b>				
15		ECCR	Energy Conservation Cost Recovery Clause			
16		PPCC	Purchased Power Capacity Cost Recovery Clause			
17		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(22)	FPSC Assessment Fee on ECCR Revenues	To remove the FPSC assessment on ECCR revenues.	14	1.0000000	14
3						
4	(23)	Fuel Expenses in Other Tax Expense	To remove the FPSC Assessment fee on fuel revenues.	440	1.0000000	440
5	(24)	PPCC Expenses in Other Tax Expense	To remove the FPSC Assessment fee on capacity.	35	1.0000000	35
6	(25)	Institutional Advertising	To remove the effect of expenses related to institutional advertising.	130	0.9821740	128
7						
8	(26)	Economic Development Expenses	To remove the effect of expenses related to economic development.	52	1.0000000	52
9						
10	(27)	Tallahassee Liaison Expenses O&M	To remove expenses related to Gulf's liaison office located in Tallahassee.	383	0.9821740	376
11						
12	(28)	Management Financial Planning Services	To remove the management financial planning services from net operating income.	13	0.9821740	13
13						
14	(29)	Marketing Support Activities	To remove expenses that are promotional in nature.	87	1.0000000	87
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(30)	Wholesale Sales Expense	To remove expense associated with wholesale activities.	200	1.0000000	200
3						
4	(31)	Income Taxes - Adjustments	To reflect the tax effect of all Commission adjustments.	35,406		34,917
5						
6	(32)	Income Taxes - Interest Synchronization	To reflect the tax effect of interest synchronization.	(6,809)		(6,652)
7						
8	(33)	Total Commission Adjustments		<u>(63,187)</u>		<u>(62,252)</u>

9 **Company Adjustments:**

10 None

11 **Legend:**

- 12 ECCR Energy Conservation Cost Recovery Clause
- 13 PPCC Purchased Power Capacity Cost Recovery Clause
- 14 ECRC Environmental Cost Recovery Clause

FLORIDA PUBLIC SERVICE COMMISSION  
 COMPANY: GULF POWER COMPANY  
 DOCKET NO.: 110138-EI

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.  
 (\$000's)

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: R. J. McMillan

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments:</u></b>				
2	(1)	Fuel Revenues	To remove all fuel-related revenues and expenses from NOI (net operating income) for ratemaking purposes.	(775,494)	Direct	(722,392)
3						
4	(2)	Fuel Expense	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	722,861	0.9315217	673,361
5						
6	(3)	Fuel Expense - Interchange Energy	To remove all fuel-related revenues and expenses from NOI for ratemaking purposes.	51,599	0.9290797	47,940
7						
8	(4)	Purchased Transmission	To remove expenses associated with transmission reflected in the fuel clause.	397	0.9673625	384
9						
10	(5)	Peabody Litigation Fees	To remove the Peabody litigation fees that are recoverable through the fuel clause.	396	0.9673625	383
11						
12	(6)	ECCR Revenues	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	(10,636)	Direct	(10,636)
13						
14	(7)	ECCR Expenses in O&M Expense	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	8,562	1.0000000	8,562
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(8)	ECCR Depreciation	To remove all ECCR revenues and expenses from NOI for ratemaking purposes.	297	1.0000000	297
3						
4	(9)	PPCC Revenues	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	(46,322)	Direct	(46,305)
5						
6	(10)	PPCC Expenses	To remove all PPCC revenues and expenses from NOI for ratemaking purposes.	45,627	0.9650187	44,031
7						
8	(11)	Purchased Transmission	To remove transmission expenses that are recoverable through the capacity clause.	2,357	0.9650187	2,275
9						
10	(12)	ECRC Revenues	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	(162,461)	Direct	(157,236)
11						
12	(13)	ECRC Expenses in O&M	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	34,215	0.9667877	33,079
13						
14	(14)	ECRC in Depreciation Expense	To remove all ECRC revenues and expenses from NOI for ratemaking purposes.	33,776	0.9669424	32,659
15						
16		<b><u>Legend:</u></b>				
17	ECCR	Energy Conservation Cost Recovery Clause				
18	PPCC	Purchased Power Capacity Cost Recovery Clause				
19	ECRC	Environmental Cost Recovery Clause				

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(15)	Gross Receipts & Franchise Fee Revenues	To remove gross receipts & franchise revenues from NOI for ratemaking purposes.	(72,785)	1.0000000	(72,785)
3						
4	(16)	Gross Receipts & Franchise Fee Expenses	To remove gross receipts & franchise expenses from NOI for ratemaking purposes.	73,100	1.0000000	73,100
5						
6	(17)	FPSC Assessment Fee on Franchise Fee Revenue	To remove the FPSC (Florida Public Service Commission) assessment on Franchise Fee revenues.	29	1.0000000	29
7						
8	(18)	Payroll Taxes-Liaison Office Salaries	To remove expenses associated with Gulf's Tallahassee office.	15	0.9824645	15
9						
10	(19)	ECRC Expenses in Other Tax Expense	To remove the ECRC payroll tax and ECRC property tax.	497	0.9661734	480
11	(20)	FPSC Assessment Fee on ECRC Revenues	To remove the FPSC assessment on ECRC revenues.	113	1.0000000	113
12						
13	(21)	ECCR Expenses in Other Tax Expense	To remove the ECCR payroll tax & ECCR property tax.	294	1.0000000	294
14		<b><u>Legend:</u></b>				
15	ECCR	Energy Conservation Cost Recovery Clause				
16	PPCC	Purchased Power Capacity Cost Recovery Clause				
17	ECRC	Environmental Cost Recovery Clause				

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.	Type of Data Shown: <input type="checkbox"/> Projected Test Year Ended 12/31/12 <input type="checkbox"/> Prior Year Ended 12/31/11 <input checked="" type="checkbox"/> Historical Year Ended 12/31/10
COMPANY: GULF POWER COMPANY		Witness: R. J. McMillan
DOCKET NO.: 110138-EI	(\$000's)	

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(22)	FPSC Assessment Fee on ECCR Revenues	To remove the FPSC assessment on ECCR revenues.	8	1.0000000	8
3						
4	(23)	Fuel Expenses in Other Tax Expense	To remove the FPSC Assessment fee on fuel revenues.	435	1.0000000	435
5	(24)	PPCC Expenses in Other Tax Expense	To remove the FPSC Assessment fee on capacity.	35	1.0000000	35
6	(25)	Institutional Advertising	To remove the effect of expenses related to institutional advertising.	29	0.9821740	28
7						
8	(26)	Economic Development Expenses	To remove the effect of expenses related to economic development.	49	1.0000000	49
9						
10	(27)	Tallahassee Liaison Expenses O&M	To remove expenses related to Gulf's liaison office located in Tallahassee.	297	0.9821740	292
11						
12	(28)	Management Financial Planning Services	To remove the management financial planning services from net operating income.	11	0.9821740	11
13						
14	(29)	Marketing Support Activities	To remove expenses that are promotional in nature.	100	1.0000000	100
15						
16		<b><u>Legend:</u></b>				
17		ECCR	Energy Conservation Cost Recovery Clause			
18		PPCC	Purchased Power Capacity Cost Recovery Clause			
19		ECRC	Environmental Cost Recovery Clause			

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: List and explain all proposed adjustments to net operating income for the test year, the prior year and the most recent historical year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Adj No.	Adjustment	Reason for Adjustment or Omission (Provide Supporting Schedules)	Total Adjustment	Jurisdictional Factor	Jurisdictional Adjustment
1		<b><u>Commission Adjustments (Continued):</u></b>				
2	(30)	Wholesale Sales Expense	To remove expense associated with wholesale activities.	257	1.0000000	257
3						
4	(31)	Income Taxes - Adjustments	To reflect the tax effect of all Commission adjustments.	35,620		35,156
5						
6	(32)	Income Taxes - Interest Synchronization	To reflect the tax effect of interest synchronization.	(6,099)		(5,852)
7						
8	(33)	Total Commission Adjustments		<u>(62,821)</u>		<u>(61,833)</u>
9		<b><u>Company Adjustments:</u></b>				
10		None				

11 **Legend:**

- 12 ECCR Energy Conservation Cost Recovery Clause
- 13 PPCC Purchased Power Capacity Cost Recovery Clause
- 14 ECRC Environmental Cost Recovery Clause

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/10

Witness: M. T. O'Sheasy

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(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1		OPERATING REVENUES					
2	440-447	REVENUES FROM SALES	464,147	0	464,147	451,228	0.9721661
3	440-442	AMI Revenue Adjustment	575	0	575	575	1.0000000
4		TOTAL REVENUES FROM SALES	464,722	0	464,722	451,803	0.9722006
5		OTHER OPERATING REVENUES:					
6	451	Misc. Service Revenues	5,441	0	5,441	5,441	1.0000000
7	454	Rent from Electric Property	5,827	0	5,827	5,805	0.9962245
8	455	Interdepartmental Rental	0	0	0	0	0.0000000
9	456	Other Electric Revenues	19,949	0	19,949	15,595	0.7817434
10		TOTAL OTHER OPERATING REVENUES	31,217	0	31,217	26,841	0.8598200
11	447	SALES TO NON-ASSOCIATED COMPANIES	63,024	59,652	3,372	3,265	0.9682681
12		TOTAL REVENUES	558,963	59,652	499,311	481,909	0.9651480
13		OPERATION AND MAINTENANCE EXPENSES					
14		STEAM POWER GENERATION					
15		OPERATION EXPENSE:					
16	500	Supervision & Engineering	10,997	268	10,729	10,367	0.9662597
17	501	Fuel (Net)	7,141	222	6,919	6,699	0.9682035
18	502	Steam	6,529	1,478	5,051	4,889	0.9679271
19	505	Electric	4,730	113	4,617	4,463	0.9666450
20	506	Miscellaneous Steam	16,137	1,133	15,004	14,497	0.9662090
21	507	Rents	0	0	0	0	0.0000000
22	509	Allowances	0	0	0	0	0.0000000
23		TOTAL OPERATION	45,534	3,214	42,320	40,915	0.9668006
24		MAINTENANCE EXPENSE:					
25	510	Supervision & Engineering	9,369	566	8,803	8,505	0.9661479
26	511	Structures	5,117	404	4,713	4,554	0.9662635
27	512	Boiler Plant	31,249	4,835	26,414	25,565	0.9678580
28	513	Electric Plant	15,093	931	14,162	13,709	0.9680130
29	514	Miscellaneous Steam	2,341	179	2,162	2,088	0.9657724
30		TOTAL MAINTENANCE	63,169	6,915	56,254	54,421	0.9674157
31		TOTAL STEAM POWER GENERATION	108,703	10,129	98,574	95,336	0.9671516

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: M. T. O'Sheasy

(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1		OTHER POWER GENERATION					
2		OPERATING EXPENSE:					
3	546	Supervision	412	0	412	399	0.9662120
4	547	Energy	593	0	593	574	0.9681716
5	547	Fuel (Net)	0	0	0	0	0.0000000
6	548	Generation	696	0	696	673	0.9662120
7	549	Miscellaneous	793	0	793	766	0.9662120
8		Total Operation	2,494	0	2,494	2,412	0.9671211
9		MAINTENANCE EXPENSE:					
10	551	Supervision & Engineering	774	0	774	748	0.9662120
11	552	Structures	3	0	3	3	0.9662120
12	553	Generating & Electric Equipment	4,121	0	4,121	3,988	0.9677263
13	554	Miscellaneous	409	0	409	396	0.9682152
14		Total Maintenance Expense	5,307	0	5,307	5,135	0.9675900
15		TOTAL OTHER POWER GENERATION	7,801	0	7,801	7,547	0.9674401
16	555	PURCHASED POWER	0	0	0	0	0.0000000
17	556	SYSTEM CONTROL & LOAD DISPATCH	2,019	0	2,019	1,951	0.9663200
18	557	OTHER EXPENSES	2,494	0	2,494	2,409	0.9662120
19		TOTAL PRODUCTION	121,017	10,129	110,888	107,243	0.9671290
20		TRANSMISSION EXPENSE					
21		OPERATIONS:					
22	560	Supervision & Engineering	1,170	0	1,170	1,131	0.9666667
23	561	Load Dispatching	3,545	0	3,545	3,426	0.9662120
24	562	Station Expenses	238	0	238	231	0.9705882
25	563	Overhead Lines	297	3	294	284	0.9659864
26	564	Underground Lines	0	0	0	0	0.0000000
27	565	Transmission of Elec.	0	0	0	0	0.0000000
28	566	Miscellaneous	814	0	814	787	0.9668305
29	567	Rents	164	0	164	158	0.9634146
30		Total Operation	6,228	3	6,225	6,017	0.9665863

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: M. T. O'Sheasy

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1		MAINTENANCE:					
2	568	Supervision & Engineering	1,058	0	1,058	1,023	0.9669187
3	569	Structures	706	0	706	683	0.9674221
4	570	Station Equipment	900	0	900	874	0.9711111
5	571	Overhead Lines	2,575	0	2,575	2,488	0.9662136
6	573	Miscellaneous	145	0	145	141	0.9724138
7		Total Maintenance Expense	5,384	0	5,384	5,209	0.9674963
8		TOTAL TRANSMISSION	11,612	3	11,609	11,226	0.9670084
9		DISTRIBUTION EXPENSE					
10		OPERATION:					
11	580	Supervision & Engineering	6,165	0	6,165	6,158	0.9988646
12	581	Load Dispatching	819	0	819	819	1.0000000
13	582	Station Expenses	455	0	455	444	0.9758242
14	583	Overhead Lines	2,690	0	2,690	2,690	1.0000000
15	584	Underground Lines	870	0	870	870	1.0000000
16	585	Street Lighting	595	0	595	595	1.0000000
17	586	Meters	3,707	0	3,707	3,707	1.0000000
18	587	Customer Installations	733	0	733	733	1.0000000
19	588	Miscellaneous	4,798	0	4,798	4,793	0.9989579
20	589	Rents	22	0	22	22	1.0000000
21		Total Operation	20,854	0	20,854	20,831	0.9988971

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: M. T. O'Sheasy

DOCKET NO.: 110138-EI

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(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1		MAINTENANCE:					
2	590	Supervision & Engineering	3,570	0	3,570	3,564	0.9983193
3	591	Structures	138	0	138	135	0.9782609
4	592	Station Equipment	1,083	0	1,083	1,058	0.9769160
5	593	Overhead Lines	12,172	0	12,172	12,172	1.0000000
6	594	Underground Lines	1,790	0	1,790	1,790	1.0000000
7	595	Line Transformers	793	0	793	793	1.0000000
8	596	Street Lighting	598	0	598	598	1.0000000
9	597	Meters	134	0	134	134	1.0000000
10	598	Miscellaneous	464	0	464	463	0.9978448
11		Total Maintenance Expense	20,742	0	20,742	20,707	0.9983126
12		TOTAL DISTRIBUTION	41,596	0	41,596	41,538	0.9986056
13	901-905	CUSTOMER ACCOUNTS EXPENSE	20,139	0	20,139	20,135	0.9998014
14	904	UNCOLLECTIBLE EXPENSE	4,143	0	4,143	4,143	1.0000000
15		TOTAL CUST ACCTS EXP & UNCOLL EXP	24,282	0	24,282	24,278	0.9998353
16		CUSTOMER ASSISTANCE EXPENSE					
17	907/911	Supervision	3,351	0	3,351	3,351	1.0000000
18	908/912	Customer Assistance	17,086	0	17,086	17,086	1.0000000
19	909/913	Informational & Instructional Advertising	1,132	0	1,132	1,132	1.0000000
20	910	Miscellaneous	77	0	77	77	1.0000000
21		Energy Conservation Costs	0	0	0	0	0.0000000
22		TOTAL CUSTOMER ASSISTANCE	21,646	0	21,646	21,646	1.0000000
23	920-932	ADMINISTRATIVE & GENERAL EXPENSE	84,844	2,248	82,596	80,943	0.9799869
24	904	LESS: UNCOLLECTIBLE EXPENSE	4,143	0	4,143	4,143	1.0000000
25		TOTAL A&G EXP LESS UNCOLL EXP	80,701	2,248	78,453	76,800	0.9789301
26		TOTAL OPERATION & MAINTENANCE EXP	300,854	12,380	288,474	282,731	0.9800918

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: M. T. O'Sheasy

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1		DEPRECIATION EXPENSE					
2	300-346	PRODUCTION PLANT	46,901	7,527	39,374	38,044	0.9662214
3		TRANSMISSION PLANT					
4	350	Easements & Rights-of-Way	216	0	216	208	0.9629630
5	352	Structures & Improvements	288	0	288	279	0.9687500
6	353	Station Equipment	3,318	60	3,258	3,166	0.9717618
7	354	Towers and Fixtures	1,289	0	1,289	1,246	0.9662120
8	355	Poles and Fixtures	2,550	0	2,550	2,464	0.9662120
9	356	Overhead Conductors and Devices	2,098	0	2,098	2,027	0.9662120
10	358	Underground Conductors and Devices	444	0	444	429	0.9662120
11	359	Roads and Trails	2	0	2	2	0.9662120
12		TOTAL TRANSMISSION	10,205	60	10,145	9,821	0.9680631
13		DISTRIBUTION PLANT					
14	360	Easements & Rights-of-Way	8	0	8	8	1.0000000
15	361	Structures and Improvements	688	0	688	671	0.9752907
16	362	Station Equipment	6,161	0	6,161	6,021	0.9772764
17	364	Poles, Towers and Fixtures	4,720	0	4,720	4,720	1.0000000
18	365	Overhead Conductors and Devices	4,594	0	4,594	4,594	1.0000000
19	366	Underground Conduits	46	0	46	46	1.0000000
20	367	Underground Conductors and Devices	4,457	0	4,457	4,457	1.0000000
21	368	Line Transformers	8,292	0	8,292	8,292	1.0000000
22	369	Services	3,505	0	3,505	3,505	1.0000000
23	370	Meters	4,624	0	4,624	4,624	1.0000000
24	373	Street Lighting	2,213	0	2,213	2,213	1.0000000
25		TOTAL DISTRIBUTION	39,308	0	39,308	39,151	0.9960059
26	389-398	GENERAL PLANT	8,331	17	8,314	8,164	0.9819581
27		TOTAL DEPRECIATION	104,745	7,604	97,141	95,180	0.9798128

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide jurisdictional factors for net operating income for the test year, and the prior year if the test year is projected.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: M. T. O'Sheasy

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2) Account Number	(3) Description	(\$000's)				(8) Jurisdictional Separation Factor
			(4) Total Adjusted Utility	(5) Unit Power Sales	(6) Total Adjusted Utility Net of UPS	(7) Jurisdictional Amount	
1	404	AMORT. OF INVESTMENT TAX CREDITS	(1,304)	(330)	(974)	(954)	0.9794661
2	407	OTHER AMORTIZATION	0	0	0	0	0.0000000
3		TAXES OTHER THAN INCOME TAXES					
4	408	Real and Personal Property Taxes	23,943	1,482	22,461	21,879	0.9740884
5	408	Payroll Taxes	6,458	185	6,273	6,163	0.9824645
6	408	Revenue Taxes	383	0	383	383	1.0000000
7	408	Other	348	0	348	338	0.9712644
8		TOTAL TAXES OTHER THAN INCOME	31,132	1,667	29,465	28,763	0.9761751
9		EXPENSES EXCLUDING INCOME TAXES	435,427	21,321	414,106	405,720	0.9797491
10		OPERATING INCOME BEFORE INC. TAXES	123,536	38,331	85,205	76,189	0.8941846
11	409	TOTAL INCOME TAXES	30,449	12,106	18,343	15,234	0.8305076
12		NET OPERATING INCOME	93,087	26,225	66,862	60,955	0.9116539

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1) Line No.	(2) Acct No.	(3) Account Title	(4) Per Books	(5) Non-Utility	(6) Electric Utility (4)-(5)	(7) Fuel	(8) PPCC	(9) ECCR	Adjustments			(14) Total (7) thru (13)	(15) Adjusted Total (6)-(14)	
									(10) ECRC	(11) Franchise Fees & GRT	(12) UPS			(13) Other
1		<b>SALES OF ELECTRICITY</b>												
2	440	Residential Sales	680,895	-	680,895	274,480	27,712	11,288	82,898	16,981	-	(398)	412,961	267,934
3	442	Commercial Sales	421,933	-	421,933	198,821	14,578	7,103	51,298	10,518	-	(177)	282,141	139,792
4	442	Industrial Sales	198,450	-	198,450	98,547	9,747	3,561	40,644	4,958	-	-	157,457	40,993
5	444	Public Street & Highway Lighting	6,525	-	6,525	1,391	226	51	1,607	163	-	-	3,438	3,087
6	445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-	-	-
7	446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-	-	-
8	448	Interdepartmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
9		Total Sales to Ultimate Consumers	1,307,803	-	1,307,803	573,239	52,263	22,003	176,447	32,620	-	(575)	855,997	451,806
10	447	Sales for Resale	188,308	-	188,308	106,151	275	-	5,942	-	59,652	-	172,020	16,288
11		TOTAL SALES OF ELECTRICITY	1,496,111	-	1,496,111	679,390	52,538	22,003	182,389	32,620	59,652	(575)	1,028,017	468,094
12	449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-	-	-
13		TOTAL REVENUE NET OF REFUND PROVISION	1,496,111	-	1,496,111	679,390	52,538	22,003	182,389	32,620	59,652	(575)	1,028,017	468,094
14		OTHER OPERATING REVENUES												
15	450	Forfeited Discounts	-	-	-	-	-	-	-	-	-	-	-	-
16	451	Miscellaneous Service Revenues	43,674	-	43,674	-	-	-	-	39,237	-	(1,004)	38,233	5,441
17	453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-	-	-
18	454	Rent from Electric Property	5,827	-	5,827	-	-	-	-	-	-	-	-	5,827
19	455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-	-	-
20	456	Deferred Fuel Revenue	-	-	-	-	-	-	-	-	-	-	-	-
21	456	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-
22	456	Other Electric Revenues(In Detail)	19,949	-	19,949	-	-	-	-	-	-	-	-	19,949
23		TOTAL OTHER OPERATING REVENUES	69,450	-	69,450	-	-	-	-	39,237	-	(1,004)	38,233	31,217
24		TOTAL ELECTRIC OPERATING REVENUES	1,565,561	-	1,565,561	679,390	52,538	22,003	182,389	71,857	59,652	(1,579)	1,066,250	499,311

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1) Line No.	(2) Acct No.	(3) Account Title	(4) Per Books	(5) Non- Utility	(6) Electric Utility (4)-(5)	(7) Fuel	(8) PPCC	(9) ECCR	Adjustments			(13) Other	(14) Total (7) thru (13)	(15) Adjusted Total (6)-(14)
									(10) ECRC	(11) Franchise Fees & GRT	(12) UPS			
1		<b>SALES OF ELECTRICITY</b>												
2	440	Residential Sales	684,009	-	684,009	298,086	25,658	9,960	73,905	16,980	-	-	424,589	259,420
3	442	Commercial Sales	419,247	-	419,247	207,503	13,497	6,254	45,707	10,517	-	-	283,478	135,769
4	442	Industrial Sales	198,044	-	198,044	104,336	9,024	3,183	36,201	4,958	-	-	157,702	40,342
5	444	Public Street & Highway Lighting	6,287	-	6,287	1,448	209	43	1,431	163	-	-	3,294	2,993
6	445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-	-	-
7	446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-	-	-
8	448	Interdepartmental Sales	-	-	-	-	-	-	-	-	-	-	-	-
9		Total Sales to Ultimate Consumers	1,307,587	-	1,307,587	611,373	48,388	19,440	157,244	32,618	-	-	869,063	438,524
10	447	Sales for Resale	190,396	-	190,396	113,572	198	-	5,282	-	55,037	-	174,089	16,307
11		TOTAL SALES OF ELECTRICITY	1,497,983	-	1,497,983	724,945	48,586	19,440	162,526	32,618	55,037	-	1,043,152	454,831
12	449.1	(Less) Provision for Rate Refunds	-	-	-	-	-	-	-	-	-	-	-	-
13		TOTAL REVENUE NET OF REFUND PROVISION	1,497,983	-	1,497,983	724,945	48,586	19,440	162,526	32,618	55,037	-	1,043,152	454,831
14		OTHER OPERATING REVENUES												
15	450	Forfeited Discounts	-	-	-	-	-	-	-	-	-	-	-	-
16	451	Miscellaneous Service Revenues	43,652	-	43,652	-	-	-	-	39,258	-	-	39,258	4,394
17	453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-	-	-
18	454	Rent from Electric Property	5,699	-	5,699	-	-	-	-	-	-	-	-	5,699
19	455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-	-	-
20	456	Deferred Fuel Revenue	(13,978)	-	(13,978)	(13,978)	-	-	-	-	-	-	(13,978)	-
21	456	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-
22	456	Other Electric Revenues(In Detail)	19,130	-	19,130	-	-	-	-	-	-	-	-	19,130
23		TOTAL OTHER OPERATING REVENUES	54,503	-	54,503	(13,978)	-	-	-	39,258	-	-	25,280	29,223
24		TOTAL ELECTRIC OPERATING REVENUES	1,552,486	-	1,552,486	710,967	48,586	19,440	162,526	71,876	55,037	-	1,068,432	484,054

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operating revenue by primary account for the test year. Provide the per books amounts and the adjustments required to adjust the per books amounts to reflect the requested test year operating revenues.

Type of Data Shown:

 Projected Test Year Ended 12/31/12

 Prior Year Ended 12/31/11

 Historical Year Ended 12/31/10

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(\$000's)

(1) Line No.	(2) Acct No.	(3) Account Title	(4) Per Books	(5) Non- Utility	(6) Electric Utility (4)-(5)	(7) Fuel	(8) PPCC	(9) ECCR	Adjustments			(12) UPS	(13) Other	(14) Total (7) thru (13)	(15) Adjusted Total (6)-(14)	
									(10) ECRC	(11) Franchise Fees & GRT	(11) Franchise Fees & GRT					
1		<b>SALES OF ELECTRICITY</b>														
2	440	Residential Sales	701,071	-	701,071	302,695	28,273	6,792	78,468	16,826	-	-	-	433,054	268,017	
3	442	Commercial Sales	434,800	-	434,800	212,767	15,069	3,899	54,447	10,422	-	-	-	296,604	138,196	
4	442	Industrial Sales	155,584	-	155,584	87,752	5,276	1,570	22,492	4,913	-	-	-	122,003	33,581	
5	444	Public Street & Highway Lighting	4,437	-	4,437	1,335	30	20	340	162	-	-	-	1,887	2,550	
6	445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	
7	446	Sales to Railroads & Railways	-	-	-	-	-	-	-	-	-	-	-	-	-	
8	448	Interdepartmental Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	
9		Total Sales to Ultimate Consumers	1,295,892	-	1,295,892	604,549	48,648	12,281	155,747	32,323	-	-	-	853,548	442,344	
10	447	Sales for Resale	219,300	-	219,300	155,179	529	-	5,224	-	36,876	-	-	197,808	21,492	
11		TOTAL SALES OF ELECTRICITY	1,515,192	-	1,515,192	759,728	49,177	12,281	160,971	32,323	36,876	-	-	1,051,356	463,836	
12	449.1	(Less) Provision for Rate Refunds	(14)	-	(14)	-	-	-	-	-	-	-	-	-	(14)	
13		TOTAL REVENUE NET OF REFUND PROVISION	1,515,178	-	1,515,178	759,728	49,177	12,281	160,971	32,323	36,876	-	-	1,051,356	463,822	
14		<b>OTHER OPERATING REVENUES</b>														
15	450	Forfeited Discounts	-	-	-	-	-	-	-	-	-	-	-	-	-	
16	451	Miscellaneous Service Revenues	44,663	-	44,663	-	-	-	-	40,461	-	-	-	40,461	4,202	
17	453	Sales of Water and Water Power	-	-	-	-	-	-	-	-	-	-	-	-	-	
18	454	Rent from Electric Property	5,499	-	5,499	-	-	-	-	-	-	-	-	-	5,499	
19	455	Interdepartmental Rents	-	-	-	-	-	-	-	-	-	-	-	-	-	
20	456	Deferred Fuel Revenue	14,814	-	14,814	14,814	-	-	-	-	-	-	-	14,814	-	
21	456	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	
22	456	Other Electric Revenues(In Detail)	10,214	-	10,214	952	(2,855)	(1,644)	1,490	-	-	-	-	(2,057)	12,271	
23		TOTAL OTHER OPERATING REVENUES	75,190	-	75,190	15,766	(2,855)	(1,644)	1,490	40,461	-	-	-	53,218	21,972	
24		TOTAL ELECTRIC OPERATING REVENUES	1,590,368	-	1,590,368	775,494	46,322	10,637	162,461	72,784	36,876	-	-	1,104,574	485,794	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Years Ended 12/31/07 through 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line No.	Acct. No.	Account Title	2012 Budget	2011 Budget	2010 Actual	2009 Actual	2008 Budget	2008 Actual	2007 Budget	2007 Actual		
1		<u>Operating Revenues</u>										
2	440	Residential Sales	(680,895)	(684,009)	(679,136)	(701,072)	(719,428)	(639,503)	(612,490)	(562,921)	(589,650)	(548,299)
3	442	Commercial and Industrial Sales	(620,383)	(617,291)	(622,167)	(590,384)	(599,564)	(568,448)	(473,720)	(513,906)	(458,641)	(476,034)
4	444	Public Street and Highway Lighting	(6,525)	(6,287)	(4,628)	(4,437)	(5,128)	(4,448)	(4,667)	(3,774)	(4,265)	(3,875)
5	445	Other Sales to Public Authorities	-	-	-	-	-	-	-	-	-	-
6	447	Sales for Resale	(188,308)	(190,396)	(177,873)	(219,300)	(257,716)	(130,368)	(222,511)	(199,910)	(274,655)	(196,691)
7	448	Interdepartmental Sales	-	-	-	-	-	-	-	-	-	-
8	449	Provision for Rate Refund (Less)	-	-	-	14	-	134	-	50	-	137
9	451	Misc Service Revenues	(43,674)	(43,652)	(44,659)	(44,663)	(45,730)	(41,826)	(39,179)	(38,441)	(37,934)	(37,555)
10	454	Rent from Electric Property	(5,827)	(5,699)	(5,467)	(5,499)	(5,504)	(5,407)	(5,006)	(5,435)	(4,715)	(6,210)
11	455	Interdepartmental Rent	-	-	-	-	-	-	-	-	-	-
12	456	Other Electric Revenues	(19,949)	(5,152)	(12,382)	(25,028)	36,076	87,433	31,703	(63,037)	38,458	8,597
13		Total Operating Revenues	(1,565,561)	(1,552,486)	(1,546,312)	(1,590,369)	(1,596,994)	(1,302,433)	(1,325,870)	(1,387,374)	(1,331,402)	(1,259,930)
14		<u>Production Expenses</u>										
15	500	Operation, Supervision & Engineering	10,997	10,789	9,764	8,659	9,512	7,032	10,018	9,919	8,644	9,016
16	501	Fuel Expense	448,059	506,276	549,955	529,208	600,886	363,253	404,964	437,672	438,212	400,605
17	502	Steam Expenses	24,742	24,366	23,959	16,126	13,772	7,014	7,334	8,315	7,774	7,402
18	505	Electric Expense	4,731	4,662	5,073	3,772	5,463	3,381	5,157	4,089	4,944	4,473
19	506	Misc Steam Power Expense	18,766	19,035	20,407	22,861	18,762	17,214	16,016	15,067	15,029	15,003
20	507	Rents	-	-	-	-	-	-	-	-	-	-
21	509	Allowances	-	-	12,881	11,386	32,418	18,903	8,002	6,465	16,217	10,486
22	546	Operation, Supervision & Engineering	411	402	413	861	399	582	361	536	342	468
23	547	Fuel Expense - Other Production	163,503	154,325	125,844	201,331	160,551	190,964	187,866	191,136	189,921	162,198
24	548	Generation Expenses	696	689	757	859	770	977	1,028	961	1,023	1,048
25	549	Misc Other Power Generation Expense	802	768	785	302	310	146	325	129	303	120
26		Total Generation Operation	672,707	721,312	749,838	795,365	842,843	609,466	641,071	674,289	682,409	610,819

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/06

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1) Line No.	(2) Acct. No.	(3) Account Title	(4) Budget	(5) Actual
			2006	
1		<u>Operating Revenues</u>		
2	440	Residential Sales	(471,720)	(491,930)
3	442	Commercial and Industrial Sales	(386,345)	(416,524)
4	444	Public Street and Highway Lighting	(3,735)	(3,571)
5	445	Other Sales to Public Authorities	-	-
6	447	Sales for Resale	(221,419)	(205,239)
7	448	Interdepartmental Sales	-	-
8	449	Provision for Rate Refund (Less)	-	(66)
9	451	Misc Service Revenues	(33,687)	(34,309)
10	454	Rent from Electric Property	(4,411)	(4,738)
11	455	Interdepartmental Rent	-	-
12	456	Other Electric Revenues	6,687	(47,658)
13		Total Operating Revenues	(1,114,630)	(1,204,035)
14		<u>Production Expenses</u>		
15	500	Operation, Supervision & Engineering	7,968	9,553
16	501	Fuel Expense	343,368	378,200
17	502	Steam Expenses	8,655	6,360
18	505	Electric Expense	4,717	4,524
19	506	Misc Steam Power Expense	15,491	14,441
20	507	Rents	-	-
21	509	Allowances	4	4,138
22	546	Operation, Supervision & Engineering	383	433
23	547	Fuel Expense - Other Production	137,658	152,490
24	548	Generation Expenses	908	829
25	549	Misc Other Power Generation Expense	342	219
26		Total Generation Operation	519,494	571,187

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Years Ended 12/31/07 through 12/31/10

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J.  
Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Acct.	Account	2012	2011	2010	2009	2008	2007				
No.	No.	Title	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	510	Maintenance,Supervision & Engineering	9,369	9,292	8,435	7,014	7,572	6,764	7,614	7,756	6,740	6,943
2	511	Maintenance of Structures	5,660	5,386	4,569	5,650	4,861	3,791	4,106	3,602	3,879	3,812
3	512	Maintenance of Boiler Plant	37,083	36,227	28,579	26,301	26,065	24,856	24,841	25,253	20,772	19,353
4	513	Maintenance of Electric Plant	15,210	11,705	6,828	6,093	7,340	6,357	7,947	9,489	10,211	8,396
5	514	Maintenance of Misc Steam Plant	2,663	2,554	2,392	3,176	2,168	3,187	2,231	3,096	2,282	2,750
6	551	Maint.,Supervision & Engineering-Other	774	673	591	134	651	152	430	167	420	142
7	552	Maintenance of Structures	3	3	1	413	1	333	31	75	179	155
8	553	Maint.of Generation & Elec.Equip.	4,121	4,861	4,503	7,311	3,183	2,692	3,375	3,452	1,884	2,862
9	554	Maint.of Misc.Other Power Gen.Plant	433	425	127	124	52	113	61	40	54	37
10		Total Maintenance	75,316	71,126	56,025	56,216	51,893	48,245	50,636	52,930	46,421	44,450
11	555	Purchased & Interchanged Power	129,283	109,667	119,099	97,227	129,077	91,982	76,616	109,340	67,305	71,494
12	556	System Control & Load Dispatch	2,019	1,865	1,603	1,620	1,779	1,399	2,465	1,736	1,949	1,870
13	557	Other Production Expenses	2,705	2,555	2,492	2,327	2,200	2,884	1,971	1,864	1,486	1,423
14		Total Other Power Supply	134,007	114,087	123,194	101,174	133,056	96,265	81,052	112,940	70,740	74,787
15		Total Production	882,030	906,525	929,057	952,755	1,027,792	753,976	772,759	840,159	799,570	730,056
16		<u>Transmission Expenses</u>										
17	560	Operation Supervision & Engineering	1,170	1,090	1,083	975	1,218	922	1,077	928	1,652	2,174
18	561	Load Dispatching	3,545	3,455	3,069	2,918	3,019	2,819	3,223	3,023	2,721	2,762
19	562	Station Expenses	239	237	204	48	75	69	98	78	139	182
20	563	Overhead Line Expenses	297	248	413	141	405	(55)	431	675	489	443
21	564	Underground Line Expenses	-	-	-	-	-	-	-	-	-	-
22	565	Trans-Trans of Elec by Others	300	300	300	150	500	147	600	238	600	484
23	566	Misc.Transmission Expenses	814	1,633	824	979	822	885	696	930	633	536
24	567	Rents	2,521	2,521	2,525	2,531	312	1,487	311	319	588	547
25		Total Operation	8,886	9,484	8,418	7,742	6,351	6,274	6,436	6,191	6,822	7,128

Supporting Schedules:

Recap Schedules: C-9

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/06

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J.  
Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)
Line	Acct.	Account	2006	
No.	No.	Title	Budget	Actual
1	510	Maintenance, Supervision & Engineering	7,315	7,627
2	511	Maintenance of Structures	4,266	4,394
3	512	Maintenance of Boiler Plant	21,272	23,126
4	513	Maintenance of Electric Plant	5,497	4,347
5	514	Maintenance of Misc Steam Plant	2,391	2,895
6	551	Maint., Supervision & Engineering-Other	514	264
7	552	Maintenance of Structures	233	347
8	553	Maint. of Generation & Elec. Equip.	3,380	2,530
9	554	Maint. of Misc. Other Power Gen. Plant	55	32
10		Total Maintenance	44,923	45,562
11	555	Purchased & Interchanged Power	65,014	73,823
12	556	System Control & Load Dispatch	1,431	1,537
13	557	Other Production Expenses	1,900	1,869
14		Total Other Power Supply	68,345	77,229
15		Total Production	632,762	693,978
16		<u>Transmission Expenses</u>		
17	560	Operation Supervision & Engineering	1,621	1,341
18	561	Load Dispatching	2,196	2,578
19	562	Station Expenses	61	147
20	563	Overhead Line Expenses	450	291
21	564	Underground Line Expenses	-	-
22	565	Recoverable Energy Expenses	100	835
23	566	Misc. Transmission Expenses	568	566
24	567	Rents	1,164	1,163
25		Total Operation	6,160	6,921

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Years Ended 12/31/07 through 12/31/10

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Acct.	Account	2012	2011	2010	2009	2008	2007				
No.	No.	Title	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	568	Maintenance, Supervision & Engineering	1,058	1,021	873	621	745	493	851	641	769	658
2	569	Maintenance of Structures	706	572	496	389	446	252	210	117	206	151
3	570	Maintenance of Substation Equipment	900	847	801	996	721	616	635	629	727	706
4	571	Maint. of Overhead Lines	2,575	2,351	1,570	2,396	1,316	1,583	1,321	1,074	1,325	1,134
5	572	Maintenance of Underground Lines	-	-	-	-	-	-	-	-	-	-
6	573	Maint. of Misc. Transmission Lines	144	144	147	105	166	137	145	182	158	126
7		Total Maintenance	5,383	4,935	3,887	4,507	3,394	3,081	3,162	2,643	3,185	2,775
8		Total Transmission	14,269	14,419	12,305	12,249	9,745	9,355	9,598	8,834	10,007	9,903
9		<u>Distribution Expenses</u>										
10	580	Operation Supervision & Engineering	6,165	5,941	5,731	5,294	5,946	4,928	6,174	5,986	5,487	7,294
11	581	Load Dispatching	819	745	628	617	657	596	979	619	878	720
12	582	Station Expenses	455	447	393	256	422	197	309	344	372	333
13	583	Overhead Line Expenses	2,812	2,805	2,937	2,658	2,221	2,913	1,816	2,329	1,525	1,948
14	584	Underground Line Expenses	870	860	995	906	667	848	1,189	1,032	1,011	1,039
15	585	Street Lighting & Signal System Exp	595	594	487	640	342	710	332	775	254	836
16	586	Meter Expenses	3,707	3,668	3,522	3,295	3,519	3,113	2,945	3,215	2,936	2,988
17	587	Customer Installation Expense	733	728	746	821	747	758	548	717	600	595
18	588	Misc. Distribution Expense	4,821	4,829	3,273	3,222	3,427	2,876	2,350	2,213	2,342	2,087
19	589	Rents	22	22	22	-	22	-	19	-	20	3
20		Total Operation	20,999	20,639	18,734	17,709	17,970	16,939	16,661	17,230	15,425	17,843

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/06

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J.  
Erickson

DOCKET NO.: 110138-EI

(000's)

(1) Line	(2) Acct. No.	(3) Account Title	(4) Budget	(5) 2006 Actual
1	568	Maintenance, Supervision & Engineering	795	662
2	569	Maintenance of Structures	186	152
3	570	Maintenance of Substation Equipment	296	654
4	571	Maint. of Overhead Lines	1,699	1,178
5	572	Maintenance of Underground Lines	-	-
6	573	Maint. of Misc. Transmission Lines	169	141
7		Total Maintenance	3,145	2,787
8		Total Transmission	9,305	9,708
9		<u>Distribution Expenses</u>		
10	580	Operation Supervision & Engineering	5,253	5,375
11	581	Load Dispatching	828	755
12	582	Station Expenses	201	391
13	583	Overhead Line Expenses	1,514	1,856
14	584	Underground Line Expenses	818	1,236
15	585	Street Lighting & Signal System Exp	814	769
16	586	Meter Expenses	2,319	2,867
17	587	Customer Installation Expense	664	633
18	588	Misc. Distribution Expense	2,541	2,293
19	589	Rents	20	14
20		Total Operation	14,972	16,189

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
  - Prior Year Ended 12/31/11
  - Historical Years Ended 12/31/07 through 12/31/10
- Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Acct.	Account	2012	2011	2010		2009		2008		2007	
No.	No.	Title	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	590	Maintenance,Supervision & Engineering	3,570	3,538	3,460	2,974	3,296	2,699	3,473	3,224	3,045	3,017
2	591	Maintenance of Structures	2,098	2,001	1,723	1,844	1,681	1,817	1,597	1,746	1,555	1,682
3	592	Maintenance of Substation Equipment	1,083	1,035	1,319	1,180	1,254	1,120	1,195	1,772	1,088	1,268
4	593	Maint.of Overhead Lines	12,172	12,086	10,543	11,888	9,455	10,448	9,291	9,233	10,345	10,440
5	594	Maintenance of Underground Lines	1,790	1,792	1,864	2,371	2,204	2,189	1,889	1,783	2,241	2,649
6	595	Maint.of Line Transformers	873	870	980	802	598	791	638	882	640	786
7	596	Maint.of Street Lighting & Signal Sys.	598	598	556	446	329	489	372	425	192	557
8	597	Maintenance of Meters	134	134	134	177	118	155	125	149	141	158
9	598	Maint.of Misc.Distribution Plant	464	464	490	426	594	457	502	497	493	398
10		Total Maintenance	22,782	22,518	21,069	22,108	19,529	20,165	19,082	19,711	19,740	20,955
11		Total Distribution	43,781	43,157	39,803	39,817	37,499	37,104	35,743	36,941	35,165	38,798
12		<u>Customer Accounting Expenses</u>										
13	901	Customer Accounts Supervision	415	387	322	443	572	494	377	374	351	1,263
14	902	Meter Reading Expenses	1,978	2,628	2,518	2,641	2,406	2,567	2,358	2,522	2,214	2,427
15	903	Customer Records & Collection Expense	16,596	16,151	14,999	13,539	14,770	13,328	14,675	13,855	14,404	14,145
16	904	Uncollectible Accounts	4,349	4,306	4,807	3,907	3,543	3,753	2,594	3,850	2,725	3,279
17	905	Misc.Customer Accounts Expense	1,385	1,295	1,154	1,191	1,216	1,101	1,198	1,272	1,391	1,272
18		Total Customer Accounting	24,723	24,767	23,800	21,721	22,507	21,243	21,202	21,873	21,085	22,386
19		<u>Customer Service and Information</u>										
20	907	Cust.Srv. and Information Supervision	3,351	3,240	3,291	2,086	3,070	2,121	3,142	3,067	2,798	2,908
21	908	Customer Assistance Expense	33,540	31,107	23,400	17,912	20,371	25,632	18,290	20,862	17,233	19,442
22	909	Information & Institutional Adv.	1,789	1,788	1,803	1,225	1,679	1,955	1,601	1,539	1,763	1,163
23	910	Misc.Customer Service & Info Exp.	77	75	89	65	91	65	265	247	239	227
24		Total Customer Serv. and Information	38,757	36,210	28,583	21,288	25,211	29,773	23,298	25,715	22,033	23,740

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/06

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1) Line	(2) Acct. No.	(3) Account Title	(4) Budget	(5) Actual
			2006	
1	590	Maintenance, Supervision & Engineering	3,184	3,219
2	591	Maintenance of Structures	1,389	1,381
3	592	Maintenance of Substation Equipment	1,065	1,096
4	593	Maint. of Overhead Lines	8,198	8,126
5	594	Maintenance of Underground Lines	1,801	2,551
6	595	Maint. of Line Transformers	470	748
7	596	Maint. of Street Lighting & Signal Sys.	319	464
8	597	Maintenance of Meters	126	121
9	598	Maint. of Misc. Distribution Plant	466	444
10		Total Maintenance	17,018	18,150
11		Total Distribution	31,990	34,339
12		<u>Customer Accounting Expenses</u>		
13	901	Customer Accounts Supervision	329	419
14	902	Meter Reading Expenses	1,949	2,349
15	903	Customer Records & Collection Expense	14,057	13,386
16	904	Uncollectible Accounts	2,624	2,695
17	905	Misc. Customer Accounts Expense	1,191	1,313
18		Total Customer Accounting	20,150	20,162
19		<u>Customer Service and Information</u>		
20	907	Cust. Srv. and Information Supervision	2,613	2,755
21	908	Customer Assistance Expense	14,454	14,574
22	909	Information & Institutional Adv.	1,751	1,122
23	910	Misc. Customer Service & Info Exp.	225	244
24		Total Customer Serv. and Information	19,043	18,695

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Years Ended 12/31/07 through 12/31/10

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Acct.	Account	2012	2011	2010	2009	2008	2007				
No.	No.	Title	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1		<u>Sales Expenses</u>										
2	911	Sales Supervision	-	-	-	-	-	-	-	-	-	-
3	912	Demonstration & Selling Expense	1,097	1,085	948	1,061	1,027	878	1,120	1,116	1,542	1,397
4	913	Advertising & Promotional Expense	-	-	-	-	-	-	-	-	-	-
5		Total Sales Expense	1,097	1,085	948	1,061	1,027	878	1,120	1,116	1,542	1,397
6		<u>Administrative &amp; General Expenses</u>										
7	920	Administrative & General Salaries	14,944	14,360	13,289	13,738	12,798	11,383	12,213	11,799	12,956	13,142
8	921	Office Supplies & Expenses	4,014	3,926	3,645	3,728	3,559	2,823	3,772	3,616	3,644	3,852
9	922	Admin.Expense Transferred (Credit)	(332)	(324)	(344)	(332)	(304)	(338)	(300)	(314)	(312)	(292)
10	923	Outside Services Employed	19,081	19,840	18,495	18,817	18,095	15,488	18,697	15,659	16,305	16,014
11	924	Property Insurance	7,907	7,398	7,643	7,319	20,130	17,867	33,104	33,095	31,397	31,925
12	925	Injuries and Damages	2,914	2,869	2,847	2,899	2,730	2,766	2,748	2,631	2,765	2,664
13	926	Employee Pension and Benefits	23,706	18,730	18,194	16,613	17,878	16,556	18,389	15,524	18,472	15,543
14	927	Franchise Requirements	-	-	-	-	-	-	-	-	-	-
15	928	Regulatory Commission Expense	1,314	1,284	1,163	1,389	1,196	1,231	1,070	1,012	794	1,219
16	929	Duplicate Charges (Credit)	(1,095)	(1,065)	(2,306)	(1,311)	(2,078)	(2,122)	(1,855)	(2,517)	(2,468)	(2,296)
17	930	Misc.General & Advertising Expenses	8,874	7,797	3,054	7,683	6,268	6,741	5,792	6,632	10,687	6,825
18	931	Rents	332	325	298	314	627	582	51	255	51	43
19		Total Operation	81,659	75,140	65,978	70,857	80,899	72,977	93,681	87,392	94,291	88,639
20	935	Admin.& General Maintenance	519	515	541	544	646	562	574	594	573	491
21		Total Administrative & General	82,178	75,655	66,519	71,401	81,545	73,539	94,255	87,986	94,864	89,130
22		Total Operation & Maintenance	1,086,835	1,101,818	1,101,015	1,120,292	1,205,326	925,868	957,975	1,022,624	984,266	915,410

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/06

Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

(000's)

(1) Line	(2) Acct. No.	(3) Account Title	(4) Budget	(5) 2006 Actual
1		<u>Sales Expenses</u>		
2	911	Sales Supervision	-	-
3	912	Demonstration & Selling Expense	1,428	1,462
4	913	Advertising & Promotional Expense	-	-
5		Total Sales Expense	<u>1,428</u>	<u>1,462</u>
6		<u>Administrative &amp; General Expenses</u>		
7	920	Administrative & General Salaries	12,842	12,000
8	921	Office Supplies & Expenses	3,674	4,231
9	922	Admin.Expense Transferred (Credit)	(328)	(301)
10	923	Outside Services Employed	14,024	16,320
11	924	Property Insurance	4,928	34,079
12	925	Injuries and Damages	2,656	2,661
13	926	Employee Pension and Benefits	17,322	16,631
14	927	Franchise Requirements	-	-
15	928	Regulatory Commission Expense	977	1,270
16	929	Duplicate Charges (Credit)	(2,131)	(2,071)
17	930	Misc.General & Advertising Expenses	9,908	4,531
18	931	Rents	52	46
19		Total Operation	<u>63,924</u>	<u>89,397</u>
20	935	Admin.& General Maintenance	<u>623</u>	<u>645</u>
21		Total Administrative & General	<u>64,547</u>	<u>90,042</u>
22		Total Operation & Maintenance	<u>779,225</u>	<u>868,386</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Years Ended 12/31/07 through 12/31/10

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove, R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Line	Acct.	Account	2012	2011	2010	2009	2008	2007				
No.	No.	Title	Budget	Budget	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1		<u>Other Operating Expenses</u>										
2	403	Depreciation Expense	135,208	125,315	111,734	118,487	92,501	90,965	87,907	87,200	85,630	84,377
3	404	Amortization of Limited Plant	5,904	5,793	3,854	3,826	3,501	3,577	3,001	2,992	2,731	2,730
4	406	Amortization of Plant Acquisition Adj.	-	-	-	-	-	-	-	-	-	-
5	407	Amort. of Property Losses	324	324	45	183	88	(72)	153	(47)	350	35
6	408	Taxes Other than Income Taxes	105,485	102,166	102,126	101,778	102,035	94,506	89,127	87,246	87,033	82,992
7	409	Current Income Tax - Operating Income	(57,204)	(13,962)	40,682	(12,253)	89,289	71,983	76,946	32,723	83,112	58,441
8	410	Provision for Deferred Income Tax	136,798	93,981	42,419	189,298	36,395	95,994	18,855	82,520	16,792	45,302
9	411	Provision for Deferred Income Tax (CR)	(15,049)	(18,821)	(18,891)	(104,246)	(71,385)	(112,535)	(42,960)	(60,906)	(52,914)	(56,112)
10	411	Accretion			-	656	-	642	-	631	-	619
11	411	Investment Tax Credit (Net)	(1,304)	(1,349)	(1,548)	(1,544)	(1,608)	(1,603)	(1,728)	(1,732)	(1,848)	(1,734)
12	412	Gains from Disp. Of Utility Plant	-	-	-	(6)	-	-	-	(732)	-	-
13	412	Losses from Disp. Of Utility Plant	-	-	-	-	-	-	-	25	-	-
14	412	Gains from Disposition of Allowances	(264)	(108)	(77)	(110)	(73)	(112)	(99)	(418)	(61)	(417)
15		Total Other Operating Expenses	309,898	293,339	280,344	296,069	250,743	243,345	231,202	229,502	220,825	216,233

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the test year is PROJECTED, provide the budgeted versus actual operating revenues and expenses by primary account for a historical five year period and the forecasted data for the test year and the prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/06

COMPANY: GULF POWER COMPANY

Witness: W. G. Buck, R. J. McMillan, R. W. Grove,  
R.S. Moore, P. C. Caldwell, M. D. Neyman, C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)
Line	Acct.	Account	2006	
No.	No.	Title	Budget	Actual
1		<u>Other Operating Expenses</u>		
2	403	Depreciation Expense	88,516	89,155
3	404	Amortization of Limited Plant	2,802	2,354
4	406	Amortization of Plant Acquisition Adj.	-	-
5	407	Amort. of Property	-	(411)
6	408	Taxes Other than Income Taxes	77,932	79,809
7	409	Current Income Tax - Operating Income	63,054	43,718
8	410	Provision for Deferred Income Tax	16,727	47,557
9	411	Provision for Deferred Income Tax (CR)	(33,653)	(46,383)
10	411	Accretion	-	786
11	411	Investment Tax Credit (Net)	(1,864)	(1,848)
12	412	Gains from Disp. Of Utility Plant	-	-
13	412	Losses from Disp. Of Utility Plant	-	-
14	412	Gains from Disposition of Allowances	(162)	(866)
15		Total Other Operating Expenses	<u>213,352</u>	<u>213,871</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: If the requested revenue requirements are based on a historical test year, provide actual monthly operation and maintenance expense by primary account for the test year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R.J. McMillan

DOCKET NO.: 110138-EI

(1)  
Line  
No.

1 Not applicable, requested revenue requirements are based on projected test year, not historical.

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the changes in primary accounts that exceed 1/20th of one percent (.0005) of total operating expenses and ten percent from the prior year to the test year. Quantify each reason for the change.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R.J. McMillan, R.W. Grove, P.C. Caldwell  
M.D. Neyman, C.J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1)	(2)	(3)	(4)	(5)	(6) Increase/(Decrease)		(7)	(8)
Line No.	Acct. No.	Account	Test Year Ended 12/31/12	Prior Year Ended 12/31/11	Dollars (4)-(5) (000's)	Percent (6)/(5) (%)		Reason(s) for Change
1		<u>Operating &amp; Maintenance Expense</u>						
2	513	Steam Power Maintenance - Electric Plant	15,211	11,705	3,506	29.95%		See Note 1
3	553	Maintenance of Generating & Electric Plant	4,121	4,861	(740)	-15.22%		See Note 2
4	555	Purchased Power	129,283	109,667	19,616	17.89%		See Note 3
5	566	Miscellaneous Transmission Expenses	814	1,633	(819)	-50.15%		See Note 4
6	926	Employee Pensions and Benefits	23,706	18,730	4,976	26.57%		See Note 5
7	930	Miscellaneous General Expenses	8,874	7,797	1,077	13.81%		See Note 6
8	Note 1 :	Major outages are budgeted in 2012 for Crist Units 6 and 7.						
9	Note 2 :	In 2011 there is \$1,000,000 budgeted in material purchases for the HRSG (Heat Recovery Steam Generator) at Smith Plant. Only \$500,000 budgeted in 2012.						
10	Note 3 :	Not included in base rates - recovered through fuel cost recovery clause.						
11	Note 4 :	\$300,000 additional budgeted in 2011 for right-of-way access and erosion control.						
12		\$500,000 additional budgeted in 2011 for equipment painting to prevent premature equipment failure as well as for substation equipment repairs and animal control.						
13	Note 5 :	\$150,000 increase in post retirement medical expense.						
14		\$978,000 increase in medical and \$98,000 increase in Long Term Disability expenses.						
15		\$3,510,000 increase in pensions.						
16	Note 6 :	\$404,000 increase in Joint Ownership for Plant Daniel mostly due to increases in pension expense and also, to a lesser extent, other employee benefits.						
17		\$801,000 increase in Joint Ownership for Plant Scherer due to a planned outage in 2012. These costs are non-jurisdictional, and as such are removed from NOI.						

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule showing the change in cost, by functional group, for the last five years.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/05-12/31/10

Witness: C.J. Erickson, M.D. Neyman

R.W. Grove, P.C. Caldwell

COMPANY: Gulf Power Company

DOCKET NO.: 110138-EI

(1) Line No.	(2) Description of Functional Group	(3) Type of Cost	(4) 2010		(6) 2009		(8) 2008		(10) 2007		(12) 2006		(14) 2005
			Dollars (000's)	Percent Change	Dollars (000's)								
1	Fuel	Variable	730,540	31.81%	554,217	-11.86%	628,808	11.73%	562,803	6.05%	530,690	27.63%	415,789
2	Interchange	Semi-Variable	97,227	5.70%	91,982	-15.88%	109,340	52.94%	71,494	-3.15%	73,823	-24.97%	98,397
3	Production	Semi-Variable	124,988	15.97%	107,777	5.65%	102,011	6.53%	95,759	7.04%	89,465	5.44%	84,853
4	Transmission	Semi-Variable	12,249	30.94%	9,355	5.90%	8,834	-10.80%	9,903	2.01%	9,708	1.68%	9,548
5	Distribution	Semi-Variable	39,817	7.31%	37,104	0.44%	36,941	-4.79%	38,798	12.99%	34,339	-4.32%	35,889
6	Customer Account	Semi-Variable	21,721	2.25%	21,243	-2.88%	21,873	-2.29%	22,386	11.03%	20,162	8.73%	18,543
7	Customer Service & Information & Sales	Semi-Variable	22,349	-27.09%	30,651	14.24%	26,831	6.74%	25,137	24.71%	20,157	9.30%	18,442
9	Administrative and General	Semi-Variable	71,401	-2.91%	73,539	-16.42%	87,986	-1.29%	89,130	-1.01%	90,042	8.85%	82,722
11	Depreciation	Fixed	121,493	30.08%	93,398	6.23%	87,919	2.69%	85,613	-3.99%	89,170	4.90%	85,002
12	Taxes	Semi-Variable	174,576	16.43%	149,947	5.91%	141,583	8.39%	130,620	4.75%	124,701	3.44%	120,558
13	Interest (without AFUDC)	Semi-Variable	54,771	14.47%	47,847	1.65%	47,071	2.94%	45,728	3.24%	44,294	8.48%	40,832
15	TOTAL		1,471,132	20.88%	1,217,060	-6.32%	1,299,197	10.35%	1,177,371	4.51%	1,126,551	11.48%	1,010,575

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a detailed breakdown of rate case expenses by service provided for each outside consultant, attorney, engineer or other consultant providing professional services for the case.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R.J. McMillan

DOCKET NO.: 110138-EI

(1) Line No.	(2) Vendor Name	(3) Counsel, Consultant, or Witness	(4) Specific Services Rendered	(5) Fee (\$)	(6) Basis of Charge	(7) Travel Expenses (\$)	(8) Other (\$)	(9) Total (5+7+8) (\$)	(10) Type of Services (A)
<u>OUTSIDE CONSULTANTS</u>									
1	Various	Consultant/ Witness	Cost of Capital, Other, Rate Design, Cost of Service	725,000	Contract	0	0	725,000	B, O, R, S
2	TOTAL OUTSIDE CONSULTANTS			<u>725,000</u>		<u>0</u>	<u>0</u>	<u>725,000</u>	
<u>OUTSIDE LEGAL SERVICES</u>									
3	Various	Counsel	Legal Services	1,475,000	Contract	0	0	1,475,000	L
4	TOTAL OUTSIDE LEGAL SERVICES			<u>1,475,000</u>		<u>0</u>	<u>0</u>	<u>1,475,000</u>	
<u>MISCELLANEOUS EXPENSES</u>									
5	Various		Meals and Travel	0		175,000	0	175,000	O
6	Various		Other Expenses*	0		0	425,000	425,000	O, S
7	TOTAL MISCELLANEOUS EXPENSES			<u>0</u>		<u>175,000</u>	<u>425,000</u>	<u>600,000</u>	
8	TOTAL RATE CASE EXPENSE			<u>2,200,000</u>		<u>175,000</u>	<u>425,000</u>	<u>2,800,000</u>	
9	*Includes SCS expenses, postage, printing, and other miscellaneous costs.								
10	(A) TYPE OF SERVICE								
11	A = ACCOUNTING								
12	B = COST OF CAPITAL								
13	C = ENGINEERING								
14	L = LEGAL								
15	O = OTHER								
16	R = RATE DESIGN								
17	S = COST OF SERVICE								

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SCHEDULE OF RATE CASE EXPENSE AMORTIZATION IN TEST YEAR

Rate Case	Total Expenses (\$000's)	Rate Order Date	Amortization Period	Unamortized Amount (\$000's)	Test Year Amortization (\$000's)
18 Docket No. 110138-EI	2,800	N/A	4 years	2,800	700

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following information concerning bad debts for the four most recent historical years and the test year. In addition, provide a calculation of the bad debt component of the Revenue Expansion Factor.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/07-12/31/10

Witness: C.J. Erickson

DOCKET NO.: 110138-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Year	Write-Offs (Retail) (000's)	Gross Revenues From Sales of Electricity (Retail) (000's)	Adjustments to Gross Revenues (Specify) (000's)	Adjusted Gross Revenues (000's)	Bad Debt Factor (3) / (6)
1	2007	2,883	1,028,209	0	1,028,209	0.2804%
2	2008	3,416	1,080,602	0	1,080,602	0.3161%
3	2009	4,029	1,212,400	0	1,212,400	0.3323%
4	2010	3,806	1,295,892	0	1,295,892	0.2937%
5	2011	<u>4,352</u>	<u>1,307,587</u>	<u>0</u>	<u>1,307,587</u>	<u>0.3328%</u>
6	4 Year Totals	<u>15,603</u>	<u>4,896,481</u>	<u>0</u>	<u>4,896,481</u>	<u>0.3187%</u>
7	2012	<u>4,343</u>	<u>1,307,803</u>	<u>0</u>	<u>1,307,803</u>	<u>0.3321% *</u>

8 \* Calculation of the Bad Debt Component included in the Revenue Expansion Factor.

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FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide a schedule of jurisdictional administrative, general, customer service, R&D, and other miscellaneous expenses by category and on a per customer basis for the test year and the most recent historical year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: C. J. Erickson, M. D. Neyman

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Jurisdictional Adjusted Administrative Expenses	Test Year Ended 2012	Historical Year Ended 2010	Difference (3) - (4)	Percent Increase/(Decrease) (5)/(4)
1	Total Administrative & General Expenses	76,800	66,025	10,775	16%
2	(Accounts 920 - 935)				
3	Customer Accounting Expense	24,278	21,717	2,561	12%
4	(Accounts 901 - 905)				
5	Customer Service & Information Expense	20,687	13,506	7,181	53%
6	(Accounts 907 - 910)				
7	Sales Expense	959	914	45	5%
8	(Accounts 911 - 916)				
9	Total Jurisdictional Administrative Expenses	<u>122,724</u>	<u>102,162</u>	<u>20,562</u>	20%
10	(Accounts 901 - 935)				
11	Average Number of Customers	<u>436,565</u>	<u>430,030</u>	<u>6,535</u>	<u>2%</u>
12	Administrative Expense per Customer	<u>0.28</u>	<u>0.24</u>	<u>0.04</u>	<u>17%</u>

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FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide a schedule of charges to Account 930.2 (Miscellaneous General Expenses) by type of charge for the most recent historical year. Aggregate all charges that do not exceed \$100,000 and all similar charges that exceed \$100,000.

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: C. J. Erickson

(1)	(2)	(3)	(4)	(5)
Line No.	Description	Electric Utility \$	Jurisdictional Factor	Amount \$
1	Total Miscellaneous General			
2	Expenses of \$100,000 or Less	419,737	0.9789301	410,893
3	Miscellaneous General Expenses			
4	Exceeding \$100,000 (Specify)			
5	Industry Association Dues *	587,571	0.9789301	575,191
6	Directors Fees & Expenses	657,865	0.9789301	644,004
7	A&G for Joint Ownership **	4,847,656	0.9789301	4,745,516
8	Commitment Fees	841,299	0.9789301	823,573
9	Total Miscellaneous General Expenses	<u>7,354,128</u>		<u>7,199,177</u>
10	Average Number of Customers	430,030		430,028
11	Miscellaneous General Expenses Per Customer	17.10		16.74
12	* Industry association dues have been adjusted consistent with Commission's decision in Gulf's prior base rate case (Docket No. 010949-EI)			
13	** A&G for Joint Ownership has been reduced for the amount related to UPS sales from Scherer Unit 3, consistent with Gulf's prior base rate case (Docket No. 010949-EI)			

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: M. D. Neyman, R. J. McMillan

DOCKET NO.: 110138-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Account/ Sub Account Number	Work Order	Account/ Sub Account/ Work Order Title	Projected Year Electric Utility (000's)	NOI Adjustment (000's)	Projected Year Electric Utility Net (000's)	Jurisdictional Factor	Amount (000's)
1	ACCOUNT 909							
2	ECCR							
3	90900000		CS&I - Info & Instruct Advertising Exp					
4		ME116A	ECCR Residential Energy Audit Advertising	140	(140)	0		
5		ME118A	ECCR Residential Mail-In Energy Audit Advertising	85	(85)	0		
6		ME161A	ECCR Residential Advanced Energy Management Advertising	398	(398)	0		
7		ME201A	ECCR Commercial Buildings Advertising	2	(2)	0		
8		ME216A	ECCR Commercial Energy Aud/Tech Assist Advertising	4	(4)	0		
9		ME876A	ECCR Mkt Svcs Earthcents Solar Advertising	28	(28)	0		
10			Total ECCR Advertising	657	(657)	0	0.0000000	0
11	Non-ECCR							
12	90900000		CS&I - Info & Instruct Advertising Exp					
13		GN121A	Corporate Advertising	21	0	21		
14		MN101A	Non-ECCR Residential New Home Market Advertising	226	0	226		
15		MN106A	Non-ECCR Residential Existing Home Market Advertising	183	0	183		
16		MN121A	RS-ESS - Cust Serv	573	0	573		
17		MN188A	Non-ECCR Residential Water Htr Conversions Advertising	20	0	20		
18		MN276A	Non-ECCR Commercial Hospitality Advertising	1	0	1		
19		MN288A	Non-ECCR Commercial EnergyDirect.Com Advertising	5	0	5		
20		MN291A	Non-ECCR Commercial General Advertising	3	0	3		
21		MN346A	Non-ECCR Industrial Lighting Marketing Advertising	100	0	100		
22			Total Non-ECCR Advertising	1,132	0	1,132	1.0000000	1,132
23	Total Account 909			1,789	(657)	1,132		1,132
24	ACCOUNT 930							
25	93010155	GN120A	Advertising - Media	60	(60)	0		
26	93010170	GN110A	Advertising - Production	70	(70)	0		
27			Total Account 930.1	130	(130)	0	0.9799869	0
28	Total Advertising Expenses			1,919	(787)	1,132		1,132
29	Average Number of Customers			437	437	437		437
30	Advertising Expenses per Customer			4.39	(1.80)	2.59		2.59

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of advertising expenses by subaccounts for the test year and the most recent historical year for each type of advertising that is included in base rate cost of service.

Type of Data Shown:  
 \_\_\_\_\_ Projected Test Year Ended 12/31/12  
 \_\_\_\_\_ Prior Year Ended 12/31/11  
 X  Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: M. D. Neyman, R. J. McMillan

DOCKET NO.: 110138-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Line No.	Account/ Sub Account Number	Work Order	Account/ Sub Account/ Work Order Title	Historical Year Electric Utility (000's)	NOI Adjustment (000's)	Historical Year Electric Utility Net (000's)	Jurisdictional Factor	Amount (000's)
1	ACCOUNT 909							
2	ECCR							
3	<u>90900000</u>		CS&I - Info & Instruct Advertising Exp					
4		ME116A	ECCR Residential Energy Audit Advertising	128	(128)	0		
5		ME118A	ECCR Residentail Mail-In Energy Audit Advertising	70	(70)	0		
6		ME120A	ECCR Residential New Home Audit Advertising	1	(1)	0		
7		ME151A	ECCR Residential Geothermal Heat Pump Advertising	0	0	0		
8		ME161A	ECCR Residential Advanced Energy Management Advertising	405	(405)	0		
9		ME201A	ECCR Commerical Buildings Advertising	1	(1)	0		
10		ME216A	ECCR Commercial Energy Aud/Tech Assist Advertising	1	(1)	0		
11		ME876A	ECCR Mkt Svcs Earthcents Solar Advertising	3	(3)	0		
12			Total ECCR Advertising	<u>609</u>	<u>(609)</u>	<u>0</u>	0.000000	<u>0</u>
13	Non-ECCR							
14	<u>90900000</u>		CS&I - Info & Instruct Advertising Exp					
15		GN121A	Corporate Advertising	23	0	23		
16		MN011A	Marketing-White Page Listing	4	0	4		
17		MN101A	Non-ECCR Residential New Home Market Advertising	108	0	108		
18		MN106A	Non-ECCR Residential Existing Home Market Advertising	15	0	15		
19		MN121A	RS-ESS - Cust Serv	425	0	425		
20		MN188A	Non-ECCR Residential Water Htr Conversions Advertising	1	0	1		
24		MN346A	Non-ECCR Industrial Lighting Marketing Advertising	39	0	39		
25			Total Non-ECCR Advertising	<u>615</u>	<u>0</u>	<u>615</u>	1.000000	<u>615</u>
26	Total Account 909			<u>1,224</u>	<u>(609)</u>	<u>615</u>		<u>615</u>
27	ACCOUNT 930							
28	93010155	GN120A	Advertising - Media	29	(29)	0		
29	93010170	GN110A	Advertising - Production	1	(1)	0		
30			Total Account 930.1	<u>30</u>	<u>(30)</u>	<u>0</u>	0.9799869	<u>0</u>
31	Total Advertising Expenses			<u>1,254</u>	<u>(639)</u>	<u>615</u>		<u>615</u>
32	Average Number of Customers			<u>430</u>	<u>430</u>	<u>430</u>		<u>430</u>
33	Advertising Expenses per Customer			<u>2.92</u>	<u>(1.49)</u>	<u>1.43</u>		<u>1.43</u>

Supporting Schedules:

Recap Schedules:

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Name of Organization	Nature of Organization	Electric Utility \$	Jurisdictional Factor	Amount \$
1	Edison Electric Institute	Business Association	222,162	0.9799869	217,716
2	Florida Electric Power Coordinating Group	Business Association	140,000	0.9799869	137,198
3	Florida Council of 100	Community Development	5,000	0.9799869	4,900
4	North American Electric Reliability Corporation	Business Association	260,750	0.9799869	255,532
5	Total Industry Association Dues		627,912		615,346
6	Average Number of Customers		436,565		436,565
7	Dues Per Customer		1.44		1.41
8	Lobby Expenses Included in Industry Association Dues		0		0

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of industry association dues included in cost of service by organization for the test year and the most recent historical year. Indicate the nature of each organization. Individual dues less than \$10,000 may be aggregated.

COMPANY: GULF POWER COMPANY

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(1)	(2)	(3)	(4)	(5)	(6)
			Jurisdictional		
Line No.	Name of Organization	Nature of Organization	Electric Utility \$	Factor	Amount \$
1	Edison Electric Institute	Business Association	251,581	0.9799869	246,546
2	Florida Electric Power Coordinating Group	Business Association	117,186	0.9799869	114,841
3	Florida Reliability Coordinating Council	Business Association	10,000	0.9799869	9,800
4	North American Electric Reliability Corporation	Business Association	203,754	0.9799869	199,676
5	Southeastern Electric Exchange	Business Association	12,228	0.9799869	11,983
6	Other Industry Dues	Technical/Professional	6,100	0.9799869	5,978
7	Total Industry Association Dues		600,849		588,824
8	Average Number of Customers		430,030		430,030
9	Dues Per Customer		1.40		1.37
10	Lobby Expenses Included in Industry Association Dues		0		0

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide the following information regarding the use of outside professional services during the test year. Segregate the services by types such as accounting, financial, engineering, legal or other. If a projected test period is used, provide on both a projected and a historical basis for services exceeding the greater of \$1,000,000 or .5% (.005) of operation and maintenance expenses.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: R.J. McMillan

(1) Line No.	(2) Type of Service	(3) Description of Service(s)	(4) Accounts Charged	(5) Test Year Costs	(6) Historical Year Costs
1	Accounting			None over the threshold in any year	
2	Financial			None over the threshold in any year	
3	Engineering			None over the threshold in any year	
4	Legal			None over the threshold in any year	
5	Other (specify)			None over the threshold in any year	
6	Total Outside Professional Services				

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Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the following information concerning pension cost for the test year and the most recent historical year if the test year is projected.  
 COMPANY: GULF POWER COMPANY

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: C. J. Erickson

DOCKET NO.: 110138-EI

(000's)

(1) Line No.	(2) Description	(3) Test Year 12/31/12 *	(4) Historical Year 12/31/10
1	Service Cost	8,775	7,853
2	Interest Cost	17,886	17,305
3	Expected/Actual Return on Assets	(27,021)	(24,695)
4	Net Amortization and Deferral	1,577	398
5	Amortization of Prior Service Cost	1,526	1,302
6	Total Net Periodic Pension Cost	2,743	2,163
7	For the Year:		
8	Expected Return on Assets	27,021	24,695
9	Assumed Rate of Return on Plan Assets	8.75%	8.75%
10	Amortization of Transition Asset or Obligation	\$0	\$0
11	Percent of Pension Cost Capitalized	1.94%	3.74%
12	Pension Cost Recorded in Account 926	4,635	2,077
13	Minimum Required Contribution Per IRS	0	0
14	Maximum Allowable Contribution Per IRS	Note 1	Note 1
15	Actual Contribution Made to the Trust Fund	0	27,711
16	Actuarial Attribution Approach Used for Funding	unit credit cost method	unit credit cost method
17		per IRC § 430	per IRC § 430
18	Assumed Discount Rate for Computing Funding	Note 2	Note 2
19	Allocation Method Used to Assign Costs if the Utility Is Not the		
20	Sole Participant in the Plan. Attach the Relevant Procedures.	Note 3	Note 3

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FLORIDA PUBLIC SERVICE COMMISSION EXPLANATION: Provide the following information concerning pension cost for the test year, and the prior year if the test year is projected.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)
Line No.	Description	Test Year 12/31/2012 *	Historical Year 12/31/2010
1	At Year End:		
2	Accumulated Benefit Obligation	Note 4	289,890
3	Projected Benefit Obligation	343,149	316,286
4	Vested Benefit Obligation	Note 5	Note 5
5	Assumed Discount Rate (Settlement Rate)	5.53%	5.53%
6	Assumed Rate for Salary Increases	3.84%	3.84%
7	Fair Value of Plan Assets	330,443	307,828
8	Market Related Value of Assets	324,481	334,715
9	Balance in Working Capital (Specify Account No. 128-00920 & 228-30068)	9,728	7,291
10	* Projections		
11	Note 1	Gulf Power is a participant in The Southern Company pension plan. If the maximum allowed contribution was allocated between the participants, based on actual 2010 plan contributions, Gulf's maximum contribution would be approximately \$116 million in 2010.	
12			
13	Note 2	2010 Rate is based upon the year the payment occurs: 4.60% for payments in years 1 - 5; 6.65% for payments in years 6 - 20; 6.76% for payments in years >20.	
14			
15		2011/2012 rates projected assuming no change in interest rates as of early 2011.	
16	Note 3	Gulf Power is a participant in The Southern Company pension plan; however, for accounting purposes, its pension benefit liabilities, assets, and annual costs are calculated as if it sponsored its own plan.	
17			
18	Note 4	Projected amount not readily available.	
19	Note 5	Amount is not required to be disclosed by GAAP and is not supplied with Gulf Power Co.'s actuarial information.	

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule, by organization, of any expenses for lobbying, civic, political, and related activities for civic/charitable contributions included for recovery in cost of service for the test year and the most recent historical year.

Type of Data Shown:

- Projected Test Year Ended 12/31/2012
- Prior Year Ended 12/31/2011
- Historical Year Ended 12/31/2010

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: R. J. McMillan

Line  
No.

1 LOBBYING AND OTHER POLITICAL EXPENSES

2 No lobbying and other political expenses are included in determining  
3 Net Operating Income. All are accounted for "below the line."

4 CIVIC / CHARITABLE CONTRIBUTIONS

5 All charitable contributions are treated as "below the line" expenses.

6 Civic expenses such as Chamber of Commerce dues are listed below:

7	<u>(000's)</u>
8 Test Year	30
9 Historical Year	13

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FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: Provide a schedule for each Amortization/Recovery amount by account or sub-account currently in effect or proposed and not shown on Schedule B-9.	Type of Data Shown: <input checked="" type="checkbox"/> Projected Test Year Ended 12/31/12 <input type="checkbox"/> Prior Year Ended 12/31/11 <input type="checkbox"/> Historical Year Ended 12/31/10
COMPANY: GULF POWER COMPANY	(\$000's)	Witness: R. J. McMillan, C. J. Erickson
DOCKET NO.: 110138-EI		

(1) Line No.	(2) Account/ Sub-account Number	(3) Plant Account Title	(4) Total Amort/Recovery Expense	(5) Effective Date	(6) Amortization/ Recovery Period	(7) Reason
1	411	Gains on Disposition of Emission Allowances	(264)	Various	Various	Gains from the disposition of emission allowances are amortized annually by the vintage year. These are recoverable through the environmental clause and are included in the environmental adjustments.
2	403	Incremental Depreciation Expense on AMI Meters	1,327	1/1/2012	15 Years	Gulf is seeking to depreciate these AMI meters using a 15 year service life.
3	403	Amortization of Non-AMI Meters Being Replaced	1,772	1/1/2012	4 Years	Accelerated replacement of Non-AMI meters will result in an unrecovered net investment of \$7,088,000 as of 12/31/2011. Gulf proposes a 4 year amortization schedule to recover these capital investments.

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 7, 8 and 9 for the historical base year and test year only.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: C. J. Erickson

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(\$000's)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Type of Tax	Rate	Tax Basis \$	Total Amount	Amount Charged to Operating Expense	Jurisdictional Factor	Jurisdictional Amount	Jurisdictional Amount Charged to Operating Expenses
1	Federal Unemployment	0.008	Wages	91	80	0.9543202	87	76
2	State Unemployment	Various	Wages	129	129	0.9543202	123	123
3	FICA	0.0765	Wages	8,188	6,587	0.9543202	7,814	6,286
4	Federal Vehicle	Various	Various	12	0	0.9801980	12	0
5	State Intangible	NA	NA	0	0	0.9801980	0	0
6	Utility Assessment Fee	0.00072	1,377,778	992	992	1.0000000	992	992
7	Property	Various	Assessed Values	25,571	25,519	0.9137953	23,367	23,319
8	Gross Receipts	0.025	1,344,640	33,616	33,616	1.0000000	33,616	33,616
9	Franchise Fee	Various	Revenue	38,228	38,228	1.0000000	38,228	38,228
10	Occupational License	Various	Various	12	12	0.9801980	12	12
11	Other - Mississippi Franchise Tax	0.0025	98,800	247	247	0.9676113	239	239
12	Other - Florida Use Tax - Electricity	Various	Various	63	63	0.9801980	62	62
13	Other - Georgia Net Worth Tax	Various	Various	5	5	0.9801980	5	5
14	Other - Miscellaneous	Various	Various	7	7	0.9801980	7	7
15	Total			<u>\$ 107,161</u>	<u>\$ 105,485</u>		<u>\$ 104,564</u>	<u>\$ 102,965</u>

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 7, 8 and 9 for the historical base year and test year only.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: C. J. Erickson

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(\$000's)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Line No.	Type of Tax	Rate	Tax Basis \$	Total Amount	Amount Charged to Operating Expense	Jurisdictional Factor	Jurisdictional Amount	Jurisdictional Amount Charged to Operating Expenses
1	Federal Unemployment	0.008	Wages	91	80	0.9543202	87	76
2	State Unemployment	Various	Wages	129	129	0.9543202	123	123
3	FICA	0.0765	Wages	7,950	6,395	0.9543202	7,587	6,103
4	Federal Vehicle	Various	Various	12	0	0.9801980	12	0
5	State Intangible	NA	NA	0	0	0.9801980	0	0
6	Utility Assessment Fee	0.00072	1,362,500	981	981	1.0000000	981	981
7	Property	Various	Assessed Values	22,462	22,415	0.9137953	20,526	20,483
8	Gross Receipts	0.025	1,344,480	33,612	33,612	1.0000000	33,612	33,612
9	Franchise Fee	Various	Revenue	38,248	38,248	1.0000000	38,248	38,248
10	Occupational License	Various	Various	12	12	0.9801980	12	12
11	Other - Mississippi Franchise Tax	0.0025	87,200	218	218	0.9676113	211	211
12	Other - Florida Use Tax - Electricity	Various	Various	63	63	0.9801980	62	62
13	Other - Georgia Net Worth Tax	Various	Various	5	5	0.9801980	5	5
14	Other - Miscellaneous	Various	Various	8	8	0.9801980	8	8
15	Total			<u>\$ 103,791</u>	<u>\$ 102,166</u>		<u>\$ 101,474</u>	<u>\$ 99,924</u>

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide a schedule of taxes other than income taxes for the historical base year + 1, and the test year. For each tax, indicate the amount charged to operating expenses. Complete columns 7, 8 and 9 for the historical base year and test year only.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10  
 Witness: C. J. Erickson

(1) Line No.	(2) Type of Tax	(3) Rate	(4) Tax Basis \$	(\$000's)		(7) Jurisdictional Factor	(8) Jurisdictional Amount	(9) Jurisdictional Amount Charged to Operating Expenses
				(5) Total Amount	(6) Amount Charged to Operating Expense			
1	Federal Unemployment	0.008	Wages	86	69	0.9543202	82	66
2	State Unemployment	Various	Wages	57	55	0.9543202	54	52
3	FICA	0.0765	Wages	7,883	6,495	0.9543202	7,523	6,198
4	Federal Vehicle	Various	Various	6	0	0.9801980	6	0
5	State Intangible	NA	NA	0	0	0.9801980	0	0
6	Utility Assessment Fee	0.00072	1,371,069	987	987	1.0000000	987	987
7	Property	Various	Assessed Values	21,390	20,757	0.9137953	19,546	18,968
8	Gross Receipts	0.025	1,328,767	33,219	33,219	1.0000000	33,219	33,219
9	Franchise Fee	Various	Revenue	39,881	39,881	1.0000000	39,881	39,881
10	Occupational License	Various	Various	12	12	0.9801980	12	12
11	Other - Mississippi Franchise Tax	0.0025	60,400	151	151	0.9676113	146	146
12	Other - Florida Use Tax - Electricity	Various	Various	147	147	0.9801980	144	144
13	Other - Georgia Net Worth Tax	Max. Amount - \$5,000	Various	5	5	0.9801980	5	5
14	Total			<u>\$ 103,824</u>	<u>\$ 101,778</u>		<u>\$ 101,605</u>	<u>\$ 99,678</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a calculation of the Gross Receipts Tax and Regulatory Assessment Fee for the historical base year, historical base year + 1, and the test year.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

DOCKET NO.: 110138-EI

Witness: C. J. Erickson

		(\$000's)					
(1)		(2)	(3)	(4)	(5)	(6)	(7)
Line No.		GROSS RECEIPTS TAX			REGULATORY ASSESSMENT FEE		
		2010	2011	2012	2010	2011	2012
1	TOTAL OPERATING REVENUES	\$ 1,590,368	\$ 1,552,486	\$ 1,565,561	\$ 1,590,368	\$ 1,552,486	\$ 1,565,561
2	ADJUSTMENTS:						
3	Less: Miscellaneous Service Revenues	4,203	4,394	4,437	0	0	0
4	Rent - Electric Property	5,499	5,699	5,827	0	0	0
5	O/U Recovery - Clauses	12,757	(13,978)	0	0	0	0
6	Other Operating Revenues	12,072	19,130	19,949	0	0	0
7	Provision for Rate Refunds	(14)	0	0	0	0	0
8	Non - Territorial Sales	180,792	152,319	150,102	180,792	152,319	150,102
9	Sales for Resale - Territorial	38,508	38,077	38,209	38,508	38,077	38,209
10	Unbilled Revenue	3,877	2,374	2,401	0	0	0
11	Bad Debts *	3,907	0	0	0	0	0
12	TOTAL ADJUSTMENTS	261,601	208,015	220,925	219,300	190,396	188,311
13	ADJUSTED OPERATING REVENUES	1,328,767	1,344,471	1,344,636	1,371,068	1,362,090	1,377,250
14	TAX RATE	0.025	0.025	0.025	0.00072	0.00072	0.00072
15	TAX AMOUNT	\$ 33,219	\$ 33,612	\$ 33,616	\$ 987	\$ 981	\$ 992

16 \* In the forecast years, bad debt expense was not included in the calculation of gross receipts tax. There is no net effect on Net Operating Income.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal income taxes for the historical base year and the projected test year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(4) CURRENT TAX			(8) DEFERRED TAX		
		(3) STATE	(4) FEDERAL	(5) TOTAL	(6) STATE	(7) FEDERAL	(8) TOTAL
1	NET UTILITY OPERATING INCOME	\$ 168,828	\$ 168,828				
2	ADD INCOME TAX ACCOUNTS	63,241	63,241				
3	LESS INTEREST CHARGES (FROM C-23)	(66,002)	(66,002)				
4	TAXABLE INCOME PER BOOKS	166,067	166,067				
5	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)						
6	ADD: BOOK DEPRECIATION	135,205	135,205				
7	LESS: AFUDC Equity	(13,858)	(13,858)				
8	LESS: TAX DEPRECIATION	(285,644)	(482,662)				
9	Tax over book depreciation	(164,297)	(361,315)		8,290	118,655	
10	Purchased Power Capacity Recovery	0	0		0	0	
11	Employee Benefits	6,303	6,303		(318)	(2,070)	
12	Emission Allowances	2,748	2,748		(139)	(902)	
13	Energy Conservation Cost Recovery	0	0		0	0	
14	Environmental Cost Recovery	0	0		0	0	
15	Deferred Revenues	(154)	(154)		8	51	
16	Railcar Lease	0	0		0	0	
17	Bad Debt Reserve	4	4		0	(1)	
18	Fuel Cost Recovery	0	0		0	0	
19	Injuries & Damages Reserve	(21)	(21)		1	7	
20	Property Damage Reserve	3,569	3,569		(180)	(1,172)	
21	Loss/Gain on Reacquired Debt	1,269	1,269		(64)	(417)	
22	Other	0	0		0	0	
23		13,718	13,718		(692)	(4,504)	
24	TOTAL TEMPORARY DIFFERENCES	(150,579)	(347,597)		7,598	114,151	

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal income taxes for the historical base year and the projected test year.

Type of Data Shown:

Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(4) CURRENT TAX			(7) DEFERRED TAX		
		(3) STATE	(4) FEDERAL	(5) TOTAL	(6) STATE	(7) FEDERAL	(8) TOTAL
1	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)						
2	Non-deductible book depreciation	2,388	2,439				
3	AFUDC Equity	13,858	13,858				
4	Meals and Entertainment	270	270				
5	Medicare Subsidy	(1,130)	(1,130)				
6	Other	55	60				
7	TOTAL PERMANENT ADJUSTMENTS	15,441	15,497		0	0	
8	ADJUSTMENTS TO DEFERRED TAXES				0	0	
9	STATE TAXABLE INCOME	30,929			7,598	114,151	
10	STATE INCOME TAX (5.5% OR APPLICABLE RATE)						
11	Florida 5.5%; Mississippi 5.0%; Georgia 5.7%	1,701					
12	ADJUSTMENTS TO STATE INCOME TAX (LIST)						
13	State of Georgia Investment Tax Credit	(237)			0		
14	FIN 48 Reserve	24			0		
15	Return to Accrual Out of Period Adj	0			0		
16	TOTAL ADJUSTMENTS TO STATE INCOME TAX	(213)			0		
17	STATE INCOME TAX	1,488			7,598		
18	FEDERAL TAXABLE INCOME		(166,033)			114,151	
19	State Tax Deduction		(1,464)				
20			(167,497)				
21	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)		(58,624)				

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal income taxes for the historical base year and the projected test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(3) CURRENT TAX			(6) DEFERRED TAX		
		(4) STATE	(5) FEDERAL	(8) TOTAL	(7) STATE	(8) FEDERAL	(8) TOTAL
1	ADJUSTMENTS TO FEDERAL INCOME TAX						
2	ORIGINATING ITC						
3	WRITE OFF OF EXCESS DEFERRED TAXES						
4	OTHER ADJUSTMENTS (LIST)						
5	R&D Credit		(113)			0	
6	FIN 48 Reserve		45			0	
7	Return to Accrual Out of Period Adj		0			0	
8	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		(68)			0	
9	FEDERAL INCOME TAX		(58,692)			114,151	
10	ITC AMORTIZATION	0	(1,304)				
11	SUMMARY OF INCOME TAX EXPENSE:						
12		FEDERAL	STATE	TOTAL			
13	CURRENT TAX EXPENSE	(58,692)	1,488	(57,204)			
14	DEFERRED INCOME TAXES	114,151	7,598	121,749			
15	INVESTMENT TAX CREDITS, NET	(1,304)	0	(1,304)			
16	TOTAL INCOME TAX PROVISION	54,155	9,086	63,241			

GG

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal  
income taxes for the historical base year and the projected test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(4) CURRENT TAX			(6) STATE	(7) DEFERRED TAX		(8) TOTAL
		(3) STATE	(4) FEDERAL	(5) TOTAL		(7) FEDERAL	(8) TOTAL	
1	NET UTILITY OPERATING INCOME	\$ 174,006	\$ 174,006					
2	ADD INCOME TAX ACCOUNTS	71,255	71,255					
3	LESS INTEREST CHARGES (FROM C-23)	(51,897)	(51,897)					
4	TAXABLE INCOME PER BOOKS	193,364	193,364					
5	TEMPORARY ADJUSTMENTS TO TAXABLE INCOME (LIST)							
6	ADD: BOOK DEPRECIATION	118,487	118,487					
7	LESS: AFUDC Equity	(7,213)	(7,213)					
8	LESS: TAX DEPRECIATION	(232,636)	(336,161)					
9	Tax over book depreciation	(121,362)	(224,887)		6,292		73,365	
10	Purchased Power Capacity Recovery	2,870	2,870		(149)		(936)	
11	Employee Benefits	14,899	14,899		(772)		(4,861)	
12	Emission Allowances	4,804	4,804		(249)		(1,567)	
13	Energy Conservation Cost Recovery	1,650	1,650		(86)		(538)	
14	Environmental Cost Recovery	(1,328)	(1,328)		69		433	
15	Deferred Revenues	(154)	(154)		8		50	
16	Railcar Lease	(227)	(227)		12		74	
17	Bad Debt Reserve	101	101		(5)		(33)	
18	Fuel Cost Recovery	(15,053)	(15,053)		781		4,911	
19	Injuries & Damages Reserve	(976)	(976)		51		318	
20	Property Damage Reserve	5,111	5,111		(265)		(1,667)	
21	Loss/Gain on Reacquired Debt	(1,275)	(1,275)		66		416	
22	Other	17	18		(1)		(6)	
23		10,439	10,440		(540)		(3,406)	
24	TOTAL TEMPORARY DIFFERENCES	(110,923)	(214,447)		5,752		69,959	

B7

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal income taxes for the historical base year and the projected test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(3)	(4) CURRENT TAX			(6) STATE	(7) DEFERRED TAX		(8)
			STATE	FEDERAL	TOTAL		FEDERAL	TOTAL	
1	PERMANENT ADJUSTMENTS TO TAXABLE INCOME (LIST)								
2	Non-deductible book depreciation	1,936		1,956					
3	AFUDC Equity	7,213		7,213					
4	Meals and Entertainment	255		255					
5	Medicare Subsidy	(1,004)		(1,004)					
6	Other	67		72					
7	TOTAL PERMANENT ADJUSTMENTS	8,467		8,492		0		0	
8	ADJUSTMENTS TO DEFERRED TAXES					0		0	
9	STATE TAXABLE INCOME	90,908				5,752		69,959	
10	STATE INCOME TAX (5.5% OR APPLICABLE RATE)								
11	Florida 5.5%; Mississippi 5.0%; Georgia 5.7%	4,920							
12	ADJUSTMENTS TO STATE INCOME TAX (LIST)								
13	State of Georgia Investment Tax Credit	(1,562)				0			
14	FIN 48 Reserve	433				(287)			
15	Return to Accrual Out of Period Adj	1,206				(1,460)			
16	TOTAL ADJUSTMENTS TO STATE INCOME TAX	77				(1,747)			
17	STATE INCOME TAX	4,997				4,005			
18	FEDERAL TAXABLE INCOME			(12,591)				69,959	
19	State Tax Deduction			(3,357)					
20				(15,948)					
21	FEDERAL INCOME TAX (35% OR APPLICABLE RATE)			(5,581)					

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculations of state and federal income taxes for the historical base year and the projected test year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET: 110138-EI

(000's)

(1) Line No.	(2) DESCRIPTION	(4) CURRENT TAX			(6) STATE	(7) DEFERRED TAX	
		(3) STATE	FEDERAL	(5) TOTAL		FEDERAL	(8) TOTAL
1	ADJUSTMENTS TO FEDERAL INCOME TAX						
2	ORIGINATING ITC						
3	WRITE OFF OF EXCESS DEFERRED TAXES						
4	OTHER ADJUSTMENTS (LIST)						
5	R&D Credit		(68)			0	
6	FIN 48 Reserve		1,798			(1,819)	
7	Return to Accrual Out of Period Adj		(13,399)			12,907	
8	TOTAL ADJUSTMENTS TO FEDERAL INCOME TAX		(11,669)			11,088	
9	FEDERAL INCOME TAX		(17,250)			81,047	
10	ITC AMORTIZATION	0	(1,544)				
11	SUMMARY OF INCOME TAX EXPENSE:						
		FEDERAL	STATE	TOTAL			
12	CURRENT TAX EXPENSE	(17,250)	4,997	(12,253)			
13	DEFERRED INCOME TAXES	81,047	4,005	85,052			
14	INVESTMENT TAX CREDITS, NET	(1,544)	0	(1,544)			
15	TOTAL INCOME TAX PROVISION	62,253	9,002	71,255			

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET.: 110138-EI

EXPLANATION: Provide the amount of interest expense used to calculate net operating income taxes on Schedule C-22. If the basis for allocating interest used in the tax calculation differs from the basis used in allocating current income tax expense, the differing bases should be clearly identified.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R.J. McMillan

(\$000's)

(1)	(2)	(3)	(4)
Line		Historical Base Year	Test Year
No.	Description	Ended	Ended
		12/31/10	12/31/12
1	Interest on Long Term Debt	\$49,298	\$66,243
2	Amortization of Debt Discount, Premium, Issuing	2,918	2,357
3	Expense & Loss on Reacquired Debt		
4	Interest on Short Term Debt	145	761
5	Interest on Customer Deposits	2,147	2,164
6	Other Interest Expense	263	0
7	Less Allowance for Funds Used During Construction	<u>(2,874)</u>	<u>(5,523)</u>
8	Total Interest Expense	<u>\$51,897</u>	<u>\$66,002</u>

02

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If a projected test period is used, provide on both a projected and historical basis.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

DOCKET NO.: 110138-EI

Witness: R. S. Teel

(1) Line No.	(2) Description	(3) Amount (000's)	(4) Percent of Capital	(5) Cost Rate	(6) Weighted Cost
1	Long-Term Debt	1,250,000	9.47%	4.69%	0.44%
2	Short-Term Debt	672,030	5.09%	2.25%	0.11%
3	Preferred Stock	0	0.00%		0.0%
4	Common Equity*	11,280,298	85.44%		0.0%
5	Deferred Income Tax	0	0.00%		0.0%
6	Investment Tax Credits	0	0.00%		0.0%
7	Other (specify)	0	0.00%		0.0%
8	Total	<u>\$ 13,202,328</u>	<u>100.00%</u>		<u>0.55%</u>
9	Weighted cost of parent debt 0.55% x Consolidated tax rate 38.575% x equity* of subsidiary \$1,001,996,000 =				<u>\$ 2,126,000</u>

10 \* Excluding retained earnings

11 As discussed in Witness Teel's testimony, a parent debt adjustment is not appropriate.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide information required in order to adjust income tax expenses by reason of interest expense of parent(s) that may be invested in the equity of the utility in question. If a projected test period is used, provide on both a projected and historical basis.

Type of Data Shown:

 Projected Test Year Ended 12/31/12

 Prior Year Ended 12/31/11

 Historical Year Ended 12/31/10

Witness: R. S. Teel

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2) Description	(3) Amount (000's)	(4) Percent of Capital	(5) Cost Rate	(6) Weighted Cost
1	Long Term Debt	1,558,853	12.62%	3.47%	0.44%
2	Short Term Debt	364,809	2.95%	0.33%	0.01%
3	Preferred Stock	0	0.00%		0.0%
4	Common Equity*	10,425,353	84.43%		0.0%
5	Deferred Income Tax	0	0.00%		0.0%
6	Investment Tax Credits	0	0.00%		0.0%
7	Other (specify)	0	0.00%		0.0%
8	Total	<u>\$ 12,349,015</u>	<u>100.00%</u>		<u>0.45%</u>
9	Weighted cost of parent debt 0.45% x Consolidated tax rate 38.575% x equity* of subsidiary \$836,514,000 =				<u>\$ 1,452,000</u>

10 \* Excluding retained earnings

11 As discussed in Witness Teel's testimony, a parent debt adjustment is not appropriate.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: To provide information required to present the excess/deficient deferred tax balances due to protected and unprotected timing differences at statutory tax rates different from the current tax rate. The protected deferred tax balances represent timing differences due to Life and Method effect on depreciation rates.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: C. J. Erickson

DOCKET NO.: 110138-EI

(1) Line No.	(2) Balance and Activity	(3) Taxes Protected	(4) Taxes Unprotected	(5) Total Excess/(Deficient)
1	Balance at Beginning of Historical Year	2,531,152	3,455,800	5,986,952
2	Historical Year Amortization	<u>(743,077)</u>	<u>(283,769)</u>	<u>(1,026,846)</u>
3	Balance at Beginning of Historical Year + 1	1,788,075	3,172,031	4,960,106
4	Historical Year + 1 Amortization	<u>(450,357)</u>	<u>(219,245)</u>	<u>(669,602)</u>
5	Balance at Beginning of Projected Test Year	1,337,718	2,952,786	4,290,504
6	Projected Test Year Amortization	<u>(370,440)</u>	<u>(221,498)</u>	<u>(591,938)</u>
7	Balance at End of Projected Test Year	<u>967,278</u>	<u>2,731,288</u>	<u>3,698,566</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a copy of the company's most recent consolidated Federal Income Tax Return, State Income Tax Return and most recent final IRS revenue agent's report.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line

No.

1 Gulf's portion of the Consolidated Federal Income Tax Return and Gulf's section  
2 of the most recent final IRS revenue agent's report along with the State Income  
3 Tax Return will be made available for review at the Company's Corporate Office  
4 located at 500 Bayfront Parkway, Pensacola, FL 32501.

5 The remaining portions of the Consolidated Return and the IRS agent's  
6 report are located at 241 Ralph McGill Blvd., Atlanta, GA 30308-3374.

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a summary of the specific tax effects  
(in dollars) of filing a consolidated return for the test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

Identify the nature and amount of benefits to the company and to  
the ratepayers.

DOCKET NO.: 110138-EI

Line

No.

- 1 For the Southern system, the only tax effect that occurs from the filing of a consolidated Federal Income Tax Return relates to the  
2 allocation of Southern Company's Tax loss on taxable income to the members of the consolidated group. Gulf Power records  
3 its portion of the tax loss from Southern Company as a capital contribution. The reduction in income tax expense is recorded  
4 at The Southern Company.
- 5 The Southern Company's consolidated tax reduction should not be treated as a reduction in Gulf Power Company's tax expense for  
6 ratemaking purposes because the related expenses creating the benefit have not been included in expenses for ratemaking purposes.
- 7 The tax loss of The Southern Company results from the deductions of various corporate expenses of The Southern Company such as  
8 Annual Report costs, director's fees and expenses, stockholders' meeting expenses, transfer agents and dividend paying agent's fees and  
9 expenses, legal fees and interest expenses. These expenses of The Southern Company are not paid by Gulf Power Company, its ratepayers  
10 or any other company included in this affiliated group. These expenses are borne solely by the stockholders of The Southern Company  
11 rather than the ratepayers of Gulf Power Company.
- 12 If The Southern Company were to allocate its expenses to the operating companies, and if these expenses were included in the computation of  
13 Gulf's net operating income for ratemaking purposes, then, and only then, would it be appropriate for the related tax reduction to be included  
14 as an adjustment and "passed on."
- 15 The requested information will be made available for your review at the Company's General Office located at 500 Bayfront Parkway,  
16 Pensacola, FL 32501.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the requested miscellaneous tax information.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	1.	For profit and loss purposes, which IRC section 1552							
2	2	method is used for tax allocation?		1552(a)(1)					
3	3.	2. What tax years are open with the IRS?		2007 and forward					
4	4.	3. For the last three tax years, what dollars were paid to or							
5	5	received from the parent for federal income taxes?							
6	6			2008	2009	2010			
7	7	Federal Income Tax Paid (Received)		\$32,705,653	\$69,987,913	\$7,239,994			
8	8.	4. How were the amounts in (3) treated?		Estimated payments were remitted to The Southern Company (parent)					
9	9			who remitted the consolidated payment to the IRS.					
10	10.	5. For each of the last three years, what was the dollar amount of		Southern Company files a consolidated tax return and does not have a parent only tax return.					
11	11	interest deducted on the parent ONLY tax return?							
12	12.	6. Complete the following chart for the last three years:							
13	13			Income (loss)					
14	14			Book Basis <sup>(a)</sup>			Tax Basis		
15	15			Year			Year		
16	16			2008	2009	2010	2008	2009	
17	17	Parent Only		(\$43,819,490)	(\$237,560,746)	(\$41,763,132)	(\$227,429,509)	(\$224,171,082)	2010 <sup>(b)</sup>
18	18	Applicant Only		\$98,344,762	\$111,233,107	\$121,510,993	\$82,942,573	\$145,487,976	(\$17,173,231)
19	19	Total Group		\$1,741,669,260	\$1,642,594,345	\$1,975,472,208	\$1,618,158,254	\$1,547,257,452	\$657,329,000
20	20	Total Group Excluding		\$1,687,143,988	\$1,768,921,984	\$1,895,724,347	\$1,762,645,190	\$1,625,940,558	\$898,418,112
21	21	Parent & Applicant							
22	22	(a) Net Income After Dividends on Preferred and Preference Stock							
23	23	(b) Estimated tax basis for year 2010							

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide a schedule of gains and losses on disposition of plant and property previously used in providing electric service for the test year and the four prior years. List each item with a gain or loss of \$1 million or more, or more than .1% of total plant. List amounts allowed in prior cases, and the test year of such prior cases.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
  - Prior Year Ended 12/31/11
  - Historical Year Ended 12/31/08-12/31/10
- Witness: C.J. Erickson, R. J. McMillan

(\$000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Line No	Description of Property	Date Acquired	Date Disposed	Original Classification Account	Reclassification Account(s)	Reclassification Date(s)	Original Amount Recorded	Additions or (Retirements)	Depreciation and Amortization	Net Book Value on Disposal Date	Gain or (Loss)	Amounts Allowed Prior Cases	Prior Cases Test Year Ended 12/31/12	
1			2012				No gains or losses, in excess of \$1 million, on dispositions of property are forecasted.						N/A	N/A
2			2011				No gains or losses, in excess of \$1 million, on dispositions of property are forecasted.						N/A	N/A
3			2010				No gains or losses, in excess of \$1 million, on dispositions of property.						N/A	N/A
4			2009				No gains or losses, in excess of \$1 million, on dispositions of property.						N/A	N/A
5	Sale of Pace Blvd Office and Surrounding Land													
6	Office Building	1957	2008	101	N/A	N/A	5,641	N/A	4,195	1,446	2,852	0	N/A	
7	Utility Land	Various	2008	101	N/A	N/A	101	N/A	N/A	101	199	0	N/A	
8	Future Use Land	Various	2008	105	N/A	N/A	371	N/A	N/A	371	732	0	N/A	
9	Non-Utility Land	Various	2008	121	N/A	N/A	14	N/A	N/A	14	28	0	N/A	
10	Total						6,127		4,195	1,932	3,811			

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule detailing transactions with affiliated companies and related parties for the test year including intercompany charges, licenses, contracts and fees.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Test Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: R. J. McMillan, C. J. Erickson

Line No.	(1) Name of Company Or Related Party	(2) Relation to Utility	(3) Type of Service Provided or Received	(4) Effective Contract Date	(5) Charge or Credit		(7) Amount Included in Test Year	(8) Allocation Method Used to Allocate Charges Between Companies
					During Year	Account		
					\$000			
1	Alabama Power Company	Associated Company	Trans. Facility Services		416	555	416	Cost
2	Georgia Power Company	Associated Company	Plant Scherer Unit 3	03/01/84	11,684	Various	11,684	Per Contract
3	Mississippi Power Company	Associated Company	Plant Daniel	06/01/81	24,594	Various	24,594	Cost
4			Trans. Facility Services	04/20/81	164	567	164	Cost
5					24,758		24,758	
6	Southern Company Services	Service Company	Service Agreement	01/01/84	58,249	Various	58,249	Cost
7			Interchange - Purchases	05/01/07	67,617	Various	67,617	Cost
8			Interchange - Sales	05/01/07	(38,574)	Various	(38,574)	Cost
9			Unit Power Sales	Various	(103,737)	Various	(103,737)	Cost
10					(16,445)		(16,445)	
11	Southern Company	Parent Company	Common Stock Dividends	n/a	118,800	238	118,800	Earnings
12	Southern Power	Associated Company	Purchased Power Agreement	10/19/06	15,650	Various	15,650	Per Contract
13			TOTAL Transactions with Affiliated Companies		<u>154,863</u>		<u>154,863</u>	

14 Note: The amounts shown above are the significant amounts included in Gulf's financial forecast that could be specifically identified as transactions to be made with an affiliate. The affiliated transactions shown are not all-inclusive. Gulf's budgeting process does not include the identification of specific vendors (affiliated or non-affiliated) that will be utilized in company transactions.

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a copy of the Diversification Report included in the company's most recently filed Annual Report as required by Rule 25-6.135, Florida Administrative Code. Provide any subsequent changes affecting the test year.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Projected Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line

No.

1

See Attachment-Gulf Power Company's most recently filed Diversification Report.

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**Florida Public Service Commission**

**Diversification Report  
Gulf Power Company**

**2010**

**Affiliation of Officers and Directors**

**Company: Gulf Power Company**  
**For the Year Ended December 31, 2010**

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
Officers: P. Bernard Jacob		Director	Baptist Health Care Pensacola, Florida
		Director	Andrews Research & Education Institute Pensacola, Florida
Susan N. Story		Director	Raymond James Financial, Inc. St. Petersburg, Florida
Bentina C. Terry		Director	SunTrust Pensacola, Florida
Directors: C. LeDon Anchors	Attorney	Attorney/Senior Partner/President/Director	Anchors, Smith, & Grimsley Ft. Walton Beach, Florida
Allan G. Bense	Chairman/CEO	Chairman/CEO	Bense Enterprises, Inc. Panama City, Florida
		Director	Bense Family Foundation, Inc. Panama City, Florida
		Director	Roussos Refrigeration, Heating, & Air Conditioning, Inc. Panama City, Florida
		Director	Bense Farms, Inc. Panama City, Florida
		Director	Brown Insurance Services LLC Panama City, Florida
		Director	Bay West Developers, Inc. Panama City, Florida
		Director	Gulf Coast Medical Center Panama City, Florida
		Officer	GAC Contractors, Inc. Panama City, Florida
		Officer	TDW, Inc. Panama City, Florida
		President & CEO	Holiday Golf & Racquet Club Panama City, Florida

***Affiliation of Officers and Directors***

***Company: Gulf Power Company  
For the Year Ended December 31, 2010***

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
William C. Cramer, Jr.	Automobile Dealer	President/ Owner	Bill Cramer Chevrolet Cadillac Buick GMC, Inc. Panama City, Florida
		President/ Owner	Bill Cramer Motors, Inc Donalsonville, Georgia
		President/ Owner	Outlet Rental Car Sales of Dothan, Inc. Dothan, Alabama
		President/ Owner	Cramer Properties, Inc Panama City, Florida
		President/ Owner	Cramer Properties of Alabama, Inc. Dothan, Alabama
		President/ Owner	Cramer Investments, Inc. Panama City, Florida
		President/ Partner	Cramer Investments, LLC Panama City, Florida
		President/ Partner	Cramer Brothers Investments, LLC Dothan, Alabama
		Director	Ceres Technologies, Inc. Panama City, Florida
		Trustee	The Cramer Family Limited Partnership Panama City, Florida
	President & Partner	Outlet Enterprises, LLC Enterprise, Alabama	
Fred C. Donovan, Sr.	Chairman/CEO	Chairman/CEO	Baskerville-Donovan, Inc. Pensacola, Florida
		Board Chairman	Baptist-Health Care, Inc. Pensacola, Florida

***Affiliation of Officers and Directors***

***Company: Gulf Power Company  
For the Year Ended December 31, 2010***

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.			
Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
J. Mort O'Sullivan, III	Managing Partner	Managing Partner	O'Sullivan Creel LLP Pensacola, Florida
		Director	SCI Solutions, Inc. Pensacola, Florida
		Director	KaMedData Inc. Pensacola, Florida
		Director	Arca Tech Systems LLC Mebane, North Carolina
		Director	Agri-Source Fuels Dade City, Florida
		Director	Bio Fuel Investors LLC Pensacola, Florida
William A. Pullum	Realtor/Developer	President/Director	Bill Pullum Realty, Inc. Navarre, Florida
		President/ Director	Belleville Properties, Inc. Navarre, Florida
		Trustee	Betty J. Pullum Irrevocable Insurance Trust Navarre, Florida
		President/ Director	Bill & Martha Pullum Family Foundation, Inc. Navarre, Florida
		President/ Director	BPP, Inc. Navarre, Florida
		Sole Member	BPP, LLC Navarre, Florida

***Affiliation of Officers and Directors***

***Company: Gulf Power Company  
For the Year Ended December 31, 2010***

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.			
Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
Pullum (continued)		President/ Director	Bridgewater Properties, Inc. Pensacola, Florida
		Partner	Centurion Properties Pensacola, Florida
		Managing Member	CHH Enterprise, LLC. Pensacola, Florida
		President/ Director	Cowboy's Steakhouse, Inc. Navarre, Florida
		President/ Director	Crescent Shores Properties, Inc. Navarre, Florida
		Trustee	E. H. Pullum Trust Navarre, Florida
		Partner	Gentry Farms Navarre, Florida
		President/ Director	Helicopters of Northwest Florida, Inc. Navarre, Florida
		Sole Member	Navarre Ventures, LLC Navarre, Florida
		President/ Director	Northwood Properties, Inc. Pensacola, Florida
		President/ Director	Our Town Properties, Inc. Navarre, Florida

**Affiliation of Officers and Directors**

**Company: Gulf Power Company**  
**For the Year Ended December 31, 2010**

For each of the officials named in Part 1 of the Executive Summary, list the principal occupation or business affiliation if other than listed in Part 1 of the Executive Summary and all affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, the official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

Name	Principal Occupation or Business Affiliation	Affiliation or Connection with any Other Business or Financial Organization Firm or Partnership	
		Affiliation or Connection	Name and Address
Pullum (continued)		Manager/Member	OTP, LLC Navarre, Florida
		President/ Director	Paco Properties, Inc. Navarre, Florida
		President/ Director	Persimmon Properties, Inc. Navarre, Florida
		Trustee	Pullum Family Irrevocable Insurance Trust Navarre, Florida
		President/ Director	Pullum Properties, Inc. Navarre, Florida
		President/ Director	Rotary Properties, Inc. Navarre, Florida
		Director	Santa Rosa Properties, Inc. Selma, Alabama
		Sole Member	Snowsnake Aviation, LLC Navarre, Florida
		Director	The Animal Park, Inc. Gulf Breeze, Florida
		Partner	Turkey Creek Developers Pensacola, Florida
		Sole Member	Whiteoak Timber, LLC Navarre, Florida
		President/ Director	White Oak Properties, Inc. Navarre, Florida
		President	Navarre 33, Inc. Navarre, Florida
Winston E. Scott	Dean, College of Aeronautics Florida Institute of Technology	Director	C and C International Computers and Consultants Hollywood, Florida
		Director	Environmental Tectonics Corporation Southampton, Pennsylvania

***Business Contracts with Officers, Directors and Affiliates***

***Company: Gulf Power Company***

***For the Year Ended December 31, 2010***

List all contracts, agreements, or other business arrangements\* entered into during the calendar year (other than compensation-related to position with respondent) between the respondent and each officer and director listed in Part 1 of the Executive Summary. In addition, provide the same information with respect to professional services for each firm, partnership, or organization with which the officer or director is affiliated.

Note \* Business agreement, for this schedule, shall mean any oral or written business deal which binds the concerned parties for products or services during the reporting year or future years.

Name of Officer or Director	Name and Address of Affiliated Entity	Amount	Identification of Product or Service
Fred C. Donovan, Sr.	Baskerville Donovan Engineers, Inc 449 West Main St. Pensacola, FL 32502	17,195.00	Engineering & Design Services
J. Mort O'Sullivan, III	O'Sullivan Creel LLP 316 S. Baylen St., Suite 300 Pensacola, FL 32502	850.00	Accounting Services

**Reconciliation of Gross Operating Revenues  
Annual Report versus Regulatory Assessment Fee Return**

Company: *Gulf Power Company*

For the Year Ended December 31, 2010

For the current year, reconcile the gross operating revenues as reported on Page 300 of this report with the gross operating revenues as reported on the utility's regulatory assessment fee return. Explain and justify any differences between the reported gross operating revenues in column (h).

Line No.	(a) Description	(b) Gross Operating Revenues per Page 300	(c) Intrastate and Sales for Resale Adjustments	(d) Adjusted Intrastate Gross Operating Revenues	(e) Gross Operating Revenues per RAE Return	(f) Intrastate and Sales for Resale Adjustments	(g) Adjusted Intrastate Gross Operating Revenues	(h) Difference (d) - (g)
1	Total Sales to Ultimate Customers (440-446, 448)	\$1,295,892,278.79	\$0.00	\$1,295,892,278.79	\$1,295,892,278.79	\$0.00	\$1,295,892,278.79	\$0.00
2	Sales for Resale (447)	219,300,291.68	180,791,650.82	38,508,640.86	219,300,291.68	180,791,650.82	38,508,640.86	
3	Total Sales of Electricity	1,515,192,570.47	180,791,650.82	1,334,400,919.65	1,515,192,570.47	180,791,650.82	1,334,400,919.65	
4	Provision for Rate Refunds (449.1)	14,018.30		14,018.30	14,018.30		14,018.30	
5	Total Net Sales of Electricity	1,515,178,552.17	180,791,650.82	1,334,386,901.35	1,515,178,552.17	180,791,650.82	1,334,386,901.35	
6	Total Other Operating Revenues (450-456)	75,190,134.94		75,190,134.94	75,190,134.94	0.00	75,190,134.94	0.00
7	Other (Specify)							
8								
9								
10	Total Gross Operating Revenues	\$1,590,368,687.11	\$180,791,650.82	\$1,409,577,036.29	\$1,590,368,687.11	\$180,791,650.82	\$1,409,577,036.29	0.00

Notes:

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Schedule C-31  
Docket No. 110318-EI  
Page 9 of 24

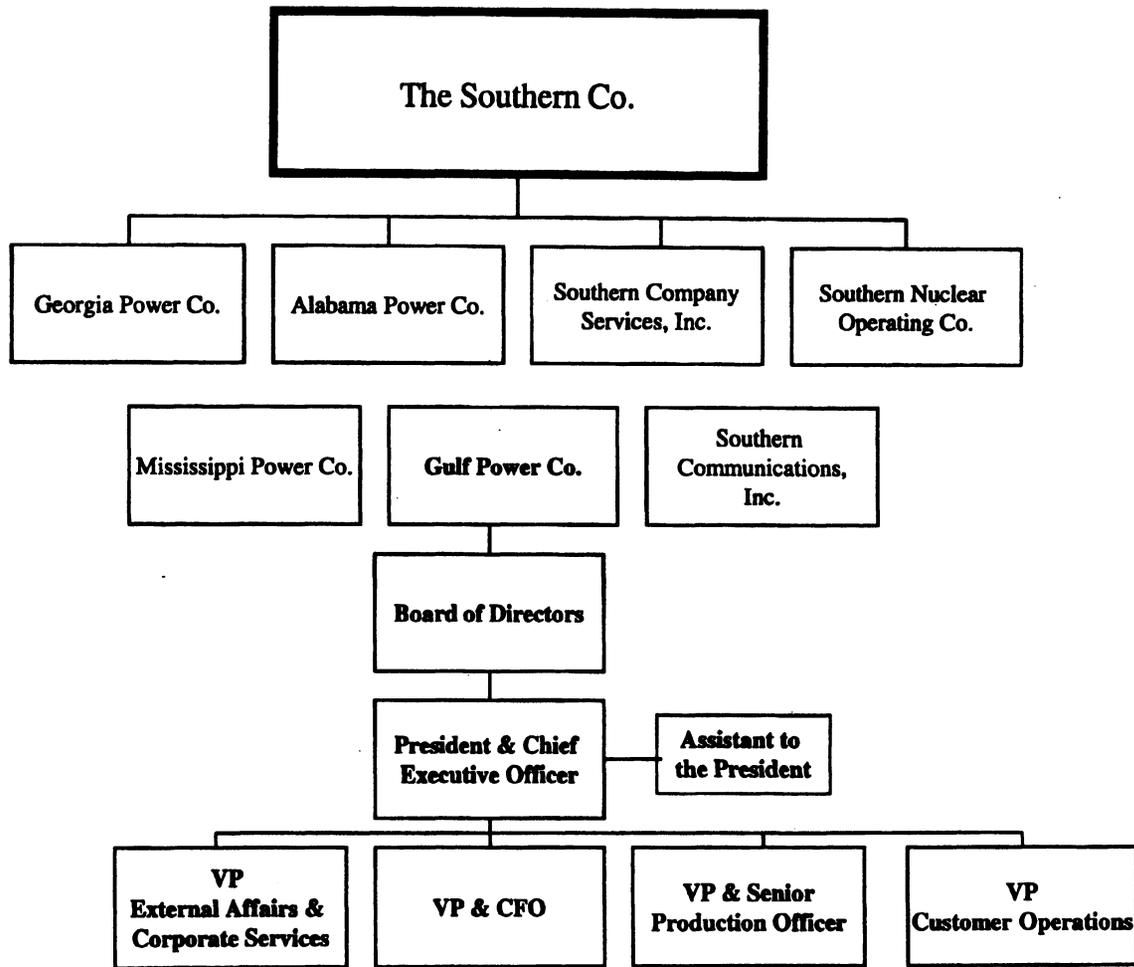
***Analysis of Diversification Activity  
Changes in Corporate Structure***

***Company: Gulf Power Company***

***For the Year Ended December 31, 2010***

Provide any changes in corporate structure including partnerships, minority interest, and joint ventures and an updated organizational chart, including all affiliates.	
Effective Date (a)	Description of Change (b)
	No changes happened to the corporate structure in 2010.

**The Southern Company  
Parent & Affiliates  
December, 2010**



***Analysis of Diversification Activity***  
***New or Amended Contracts with Affiliated Companies***

***Company: Gulf Power Company***  
***For the Year Ended December 31, 2010***

<b>Provide a synopsis of each new or amended contract, agreement, or arrangement with affiliated companies for the purchase, lease, or sale of land, goods, or services (excluding tariffed items). The synopsis shall include, at a minimum, the terms, price, quantity, amount, and duration of the contracts.</b>	
<b>Name of Affiliated Company (a)</b>	<b>Synopsis of Contract (b)</b>
<b>No new or amended contract, agreement, or arrangement has transpired with affiliated companies during 2010.</b>	

**Analysis of Diversification Activity**  
**Individual Affiliated Transactions in Excess of \$500,000**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

Provide information regarding individual affiliated transactions in excess of \$500,000. Recurring monthly affiliated transactions which exceed \$500,000 per month should be reported annually in the aggregate. However, each land or property sales transaction even though similar sales recur, should be reported as a "non-recurring" item for the period in which it occurs.		
Name of Affiliate (a)	Description of Transaction (b)	Dollar Amount (c)
Georgia Power Company	Plant Scherer Unit No. 3 - Capital Cost, Fuel Purchases, O&M Expenses and Labor Benefits and Taxes	77,433,706
	Assembly Fluted Compressor	3,872,654
	Sales to GPC Compressor Rotor & Blades	3,872,654
Mississippi Power Company	Plant Daniel - Capital Cost, Fuel Purchases, O&M Expenses, and Labor Benefits and Taxes	123,930,751
	Sales to MPC Turbine Rotor & Blades	6,200,000
Southern Company Services, Inc.	Common Stock Dividends Paid	104,300,000
	Professional Services	177,103,854
	Other Payments to SCS	
	Income Taxes	17,223,527
	Payroll Related	48,889,784
	Interchange	43,258,897
	Fuel Stock - Gas	131,085,719
	Sales to SCS	
	Interchange	105,327,566
Unit Power Sales	5,438,945	
Misc. Business Transactions	6,998,746	
Southern Nuclear Operating Company, Inc.	Future Generation Project	1,438,420
Southern Power Company	Unbucketed Turbine Rotor	6,265,358
	Sales to SPC Distance Piece	610,000

**Analysis of Diversification Activity**  
**Summary of Affiliated Transfers and Cost Allocations**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved. (a) Enter name of affiliate. (b) Give description of type of service, or name the product involved. (c) Enter contract or agreement effective dates. (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent. (e) Enter utility account number in which charges are recorded. (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.					
Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Alabama Power Company	Substation Design Services	None	P	307	394,423
	Fuel & Fuel Testing	None	P	151, 501, 506	405,214
	Misc. Business Transaction	None	P	Various	1,228,003
	Material & Misc. Bus. Trans.	None	S	Various	428,328
Georgia Power Company	Plant Scherer Unit No. 3	Cost of Ownership	P	Various	77,433,706
	Misc. Business Transactions	None	P	Various	863,032
	Assembly Fluted Compressor	None	P	234	3,872,654
	Material & Misc. Bus. Trans.	None	S	Various	86,170
	Compressor Rotor & Blades	None	S	146	3,872,654
Mississippi Power Company	Trans. Facilities Services	April 20, 1981	P	567	188,550
	Plant Daniel	Cost of Ownership	P	Various	123,930,751
	Misc. Business Transactions	None	P	Various	746,217
	Turbine Rotor & Blades	None	S	146	6,200,000
	Material & Misc. Bus. Trans.	None	S	Various	150,017
Southern Company Energy Solutions, Inc.	Materials & Misc. Bus. Trans.	March 1, 1995	P	Various	82,009
	Materials & Misc. Bus. Trans.	March 1, 1995	S	Various	0
Southern Management Development, Inc.	Material & Misc. Bus. Trans.	None	P	Various	289,311
	Material & Misc. Bus. Trans.	None	S	146	0
Southern Energy, Inc.	Material & Supplies Trans.	July 17, 1981	P	154, 701	0
	Material & Misc. Bus. Trans.	July 17, 1981	S	Various	0
Southern Nuclear Operating Company, Inc.	Future Generation Project	None	P	Various	1,438,420
	Material & Misc. Bus. Trans.	None	S	Various	12,647

**Analysis of Diversification Activity**  
**Summary of Affiliated Transfers and Cost Allocations**

**Company: Gulf Power Company**  
**For the Year Ended December 31, 2010**

Grouped by affiliate, list each contract, agreement, or other business transaction exceeding a cumulative amount of \$300 in any one year, entered into between the Respondent and an affiliated business or financial organization, firm, or partnership identifying parties, amounts, dates, and product, asset, or service involved.

- (a) Enter name of affiliate.
- (b) Give description of type of service, or name the product involved.
- (c) Enter contract or agreement effective dates.
- (d) Enter the letter "p" if the service or product is purchased by the Respondent; "s" if the service or product is sold by the Respondent.
- (e) Enter utility account number in which charges are recorded.
- (f) Enter total amount paid, received, or accrued during the year for each type of service or product listed in column (c). Do not net amounts when services are both received and provided.

Name of Affiliate (a)	Type of Service and/or Name of Product (b)	Relevant Contract or Agreement and Effective Date (c)	Total Charge for Year		
			"p" or "s" (d)	Account Number (e)	Dollar Amount (f)
Southern Company Services, Inc.	Common Stock Dividends Paid	None	P	238	104,300,000
	Service Agreement	January 1, 1984 Amended September 6, 1985	P	Various	375,997,209
	Agency Agreement	January 28, 2000			
	Interchange	February 17, 2000	P	Various	43,258,897
	Interchange	February 17, 2000	S	Various	105,327,566
	Southern Linc	October 1, 1995	P	Various	78,931
	Southern Linc	October 1, 1995	S	Various	1,520
	Misc. Business Transactions	None	S	Various	6,998,746
	Unit Power Sales	Various	S	Various	5,438,945
Southern Power	Unbucketed Turbine Rotor	None	P	Various	6,265,358
	Material & Misc. Bus. Trans.	None	S	Various	49,551
	Distance Piece	None	S	146	610,000

**Analysis of Diversification Activity**  
**Assets or Rights Purchased from or Sold to Affiliates**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

Provide a summary of affiliated transactions involving asset transfers or the right to use assets.

Name of Affiliate	Description of Asset or Right	Cost/Orig. Cost	Accumulated Depreciation	Net Book Value	Fair Market Value	Purchase Price	Title Passed Yes/No
<b>Purchases from Affiliates:</b>		\$	\$	\$	\$	\$	
Georgia Power Company	Compressor Rotor	3,872,654		3,872,654	3,872,654	3,872,654	Yes
Southern Power Company	Turbine Rotor	6,265,358		6,265,358	6,265,358	6,265,358	Yes
Alabama Power Company	Misc. Materials	644,321		644,321	644,321	644,321	Yes
Georgia Power Company	Misc. Materials	1,344,972		1,344,972	1,344,972	1,344,972	Yes
Mississippi Power Company	Misc. Materials	29,181		29,181	29,181	29,181	Yes
<b>Total</b>						\$ 12,156,486	
<b>Sales to Affiliates:</b>		\$	\$	\$	\$	Sales Price	
Georgia Power Company	Compressor Rotor	3,872,654		3,872,654	3,872,654	3,872,654	Yes
Mississippi Power Company	Turbine Rotor	6,200,000		6,200,000	6,200,000	6,200,000	Yes
Alabama Power Company	Misc. Materials	22,373		22,373	22,373	22,373	Yes
Georgia Power Company	Misc. Materials	40,851		40,851	40,851	40,851	Yes
Mississippi Power Company	Misc. Materials	28,647		28,647	28,647	28,647	Yes
Southern Power Company	Distance Piece	408,999		408,999	610,000	610,000	Yes
<b>Total</b>						\$ 10,774,525	

**Analysis of Diversification Activity  
Employee Transfers**

**Company: Gulf Power Company  
For the Year Ended December 31, 2010**

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Gulf Power Co.	Georgia Power Co.	Utilityperson(Plant)	Aux Equipment Operator	Permanent
Gulf Power Co.	Georgia Power Co.	Operator I	Aux Equipment Operator	Permanent
Georgia Power Co.	Gulf Power Co.	COOP-Technical	COOP-Technical	Permanent
Gulf Power Co.	Southern Co Svcs	Accounting Assistant Sr.	Secretary Sr.	Permanent
Gulf Power Co.	Southern Co Svcs	Intern	Marketing Analyst II	Permanent
Southern Co Svcs	Gulf Power Co.	COOP-Technical	Intern	Permanent
Southern Co Svcs	Gulf Power Co.	Administrative Asst SR (East)	Administrative Asst SR	Permanent
Gulf Power Co.	Southern Co Svcs	Independent Contractor	Accounting Analyst II	Permanent
Southern Co Svcs	Gulf Power Co.	Financial Analyst II	Financial Analyst II	Permanent
Gulf Power Co.	Southern Co Svcs	Forecast Specialist II	Business Analyst I	Permanent
Alabama Power Co.	Gulf Power Co.	Engineer III	Engineer III	Permanent
Gulf Power Co.	Southern Co Svcs	Accountant I	Field Office Specialist I	Permanent
Alabama Power Co.	Gulf Power Co.	Engineer II	Engineer II	Permanent
Gulf Power Co.	Georgia Power Co.	Chemical & Results Technician	Laboratory Technician I (SDMS)	Permanent
Gulf Power Co.	Alabama Power Co.	I & C Technician IV	Team Leader Maintenance	Permanent
Gulf Power Co.	Georgia Power Co.	Operator IV	Power System Coordinator II	Permanent
Alabama Power Co.	Gulf Power Co.	Utility Fleet Tech I	Mechanic-Garage	Permanent
Alabama Power Co.	Gulf Power Co.	Plant Control Opr	Team Leader-Operations	Permanent
Gulf Power Co.	Southern Co Svcs	Regulatory Analyst SR	Business Analyst SR	Permanent
Gulf Power Co.	Alabama Power Co.	Accountant I	Accountant I	Permanent

**Analysis of Diversification Activity**  
**Employee Transfers**

**Company: Gulf Power Company**  
**For the Year Ended December 31, 2010**

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Alabama Power Co.	Gulf Power Co.	Engineer I	Team Leader Maintenance	Permanent
Alabama Power Co.	Gulf Power Co.	Engineer I	Engineer I	Permanent
Gulf Power Co.	Southern Co Svcs	Accountant SR	Field Office Specialist SR	Permanent
Southern Co Svcs	Gulf Power Co.	Project Lead	Accountant SR	Permanent
Georgia Power Co.	Gulf Power Co.	Engineer I	Engineer I	Permanent
Gulf Power Co.	Georgia Power Co.	Engineer I	Reliability Engineer I	Permanent
Gulf Power Co.	Georgia Power Co.	Independent Contractor	Reliability Engineer I	Permanent
Mississippi Power Co.	Gulf Power Co.	Team Leader-Support Health/Safety/ERT Specialist SR	Market Specialist SR	Permanent
Gulf Power Co.	Georgia Power Co.	Team Leader-Maintenance	Safety and Health Coord.	Permanent
Gulf Power Co.	Alabama Power Co.	Team Leader-Maintenance	Team Leader-Operations	Permanent
Gulf Power Co.	Southern Co Svcs	Engineer SR	Engineer, Principal	Permanent
Gulf Power Co.	Southern Nuclear Co.	Engineer SR	Contract Compliance Coord.	Permanent
Gulf Power Co.	Mississippi Power Co.	Team Leader-Operations	Engineering Manager	Permanent
Georgia Power Co.	Gulf Power Co.	Methods & Training Specialist SR	Planning & Construction Team Leader	Permanent
Gulf Power Co.	Alabama Power Co.	Engineer SR	Team Leader-Maintenance (DEV)	Permanent
Georgia Power Co.	Gulf Power Co.	Team Leader-Operations	Compliance & Support Manager	Permanent
Gulf Power Co.	Southern Co Svcs	Team Leader-Operations	Monitoring & Diagnostic Analyst SR	Permanent
Gulf Power Co.	Georgia Power Co.	Team Leader-Planning	Operations Manager	Permanent
Gulf Power Co.	Alabama Power Co.	Compliance Specialist-Financial	Team Leader-Financial Compliance	Permanent
Gulf Power Co.	Alabama Power Co.	Team Leader-Planning	O&M Manager	Permanent

**Analysis of Diversification Activity  
Employee Transfers**

**Company: Gulf Power Company  
For the Year Ended December 31, 2010**

List employees earning more than \$30,000 annually transferred to/from the utility to/from an affiliate company.				
Company Transferred From	Company Transferred To	Old Job Assignment	New Job Assignment	Transfer Permanent or Temporary and Duration
Alabama Power Co.	Gulf Power Co.	Operations Assistant Manager	Operations Manager	Permanent
Southern Co Svcs	Gulf Power Co.	Engineer SR	P&C Test Engineer SR	Permanent
Gulf Power Co.	Alabama Power Co.	Supervisor Substation Maintenance	Protection & Control Fld Svc Supervisor	Permanent
Gulf Power Co.	Mississippi Power Co.	District Construction Supervisor	Safety & Skills Training Manager	Permanent
Georgia Power Co.	Gulf Power Co.	TMC Maintenance & Support Manager	Transmission Manager	Permanent
Gulf Power Co.	Georgia Power Co.	Systems Operations Manager	Transmission Maintenance Center Manager	Permanent
Alabama Power Co.	Gulf Power Co.	Operations & Maintenance Manager	Plant Manager	Permanent
Gulf Power Co.	Alabama Power Co.	Plant Manager	Plant Manager	Permanent
Southern Co Svcs	Gulf Power Co.	VP & CFO Operations	VP & CFO Operations	Permanent
Gulf Power Co.	Alabama Power Co.	Vice President & CFO	Vice President & CFO	Permanent
Alabama Power Co.	Gulf Power Co.	Executive VP	Executive VP	Permanent
Gulf Power Co.	Southern Co Svcs	President & CEO	President & CEO	Permanent

**Analysis of Diversification Activity**  
**Non-Tariffed Services and Products Provided by the Utility**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

Provide the following information regarding all non-tariffed services and products provided by the utility.

Description of Product or Service (a)	Account No. (b)	Regulated or non-regulated (c)
Billing Services	Various	Regulated
Building Space/Office Furniture	Various	Regulated
Use of Equipment	Various	Regulated
Professional Services	Various	Regulated
Material Transfers	Various	Regulated
Safety, Health and Wellness	Various	Regulated

**Nonutility Property (Account 121)**

**Company: Gulf Power Company**  
**For the Year Ended December 31, 2010**

1. Give a brief description and state the location of Nonutility property included in Account 121. 2. Designate with a double asterisk any property which is leased to another company. State name of lessee and whether lessee is an associated company. 3. Furnish particulars (details) concerning sales, purchases, or transfers of nonutility property during the year. 4. List separately all property previously devoted to public service and give date of transfer to Account 121, Nonutility Property. 5. Minor items (5% of the balance at the end of the year), for Account 121 or \$100,000, whichever is less) may be-grouped by (1) previously devoted to public service, or (2) other property nonutility property.			
Description and Location	Balance at beginning of year	Purchases, Sales, Transfers, etc.	Balance at end of year
<b>Previously Devoted to Public Service:</b> 38 parcels of minor items previously devoted to Public Service.	276,337	165,973	442,310
<b>Other Non-Utility Property:</b> Blackwater Substation Site - December 1984	181,083	0	181,083
Highway 29 Land	11,111,568	0	11,111,568
Surge Protection Equipment	3,356,930	196,070	3,553,000
3 parcels of minor items devoted to Other Nonutility Property.	19,699	0	19,699
<b>Totals</b>	<b>14,945,617</b>	<b>362,043</b>	<b>15,307,660</b>

**Number of Electric Department Employees**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

<p>1. The data on number of employees should be reported for the payroll period ending nearest to October 31, or any payroll period ending 60 days before or after October 31.</p> <p>2. If the respondent's payroll for the reporting period includes any special construction personnel, include such employees on line 3, and show the number of such special construction employees in a footnote.</p> <p>3. The number of employees assignable to the electric department from joint functions of combination utilities may be determined by estimate, on the basis of employee equivalents. Show the estimated number of equivalent employees attributed to the electric department from joint functions.</p>	
1. Payroll Period Ended (Date)	12/31/2010
2. Total Regular Full-Time Employees	1,312
3. Total Part-Time and Temporary Employees	18
4. Total Employees	1,330
<p>Details Total Employees do not include SCS Employees On-Site.</p>	

**Particulars Concerning Certain Income Deductions and Interest Charges Accounts**

**Company: Gulf Power Company**

**For the Year Ended December 31, 2010**

Report the information specified below, in the order given, for the respective income deduction and interest charges accounts. Provide a subheading for each account and a total for the account. Additional columns may be added if deemed appropriate with respect to any account.

(a) Miscellaneous Amortization (Account 425) – Describe the nature of items included in this account, the contra account charged, the total of amortization charges for the year, and the period of amortization.

(b) Miscellaneous Income Deductions – Report the nature, payee, and amount of other income deductions for the year as required by Accounts 426.1, Donations; 426.2, Life Insurance; 426.3, Penalties; 426.4, Expenditures for Certain Civic, Political and Related Activities; and 426.5, Other Deductions, of the Uniform System of Accounts. Amounts of less than 5% of each account total for the year (or \$1,000, whichever is greater) may be grouped by classes within the above accounts.

(c) Interest on Debt to Associated Companies (Account 430) – For each associated company to which interest on debt was incurred during the year, indicate the amount and interest rate respectively for (a) advances on notes, (b) advances on open account, (c) notes payable, (d) accounts payable, and (e) other debt, and total interest. Explain the nature of other debt on which interest was incurred during the year.

(d) Other Interest Expense (Account 431) – Report particulars (details) including the amount and interest rate for other interest charges incurred during the year.

Item	Amount
<b>Miscellaneous Amortization of Utility (Account 425)</b>	
Plant Acquisition Adjustment-Plant Scherer Common Facilities (Contra Acct 114 Amortized over a period of 34 years.)	255,312
<b>Subtotal - 425</b>	<b>255,312</b>
<b>Miscellaneous Income Deductions (Account 426)</b>	
<b>Account 426.1 Donations</b>	
Religious	4,400
Charitable	75,514
Scientific	1,500
Health & Human Services	56,151
Community	22,582
Civic	49,314
Education	811,015
Miscellaneous Donations	524,530
Donations made indirectly through SCS	1,855
<b>Subtotal - 426.1</b>	<b>1,546,861</b>
<b>Account 426.3 - Penalties</b>	<b>126,153</b>
<b>Account 426.4 Expenditures for Certain Civic, Political &amp; Related Activities</b>	
Salaries and Wages	412,792
Employee Expenses	45,947
Office and Related Expenses	103,722
Organizations & Dues	90,194
Outside Services Employed/Consultants	851,486
PAC Expenses	19,482
<b>Subtotal - 426.4</b>	<b>1,523,623</b>
<b>Account 426.5 Other Deductions</b>	
Miscellaneous Non-operating Expenses	366,861
Employee Fees & Dues in Civic & Social Clubs	77,221
Competitive Trade Losses	(253)
Good Cents National Sales	60,572
<b>Subtotal - 426.5</b>	<b>504,401</b>



FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide an analysis of all non-utility operations such as orange groves, parking lots, etc. that utilized all or part of any utility plant that are not included in Schedule C-31.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Test Year Ended 12/31/10

Witness: R. J. McMillan

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Account No.	Description	Original Purchase Cost	Test Year Revenues (All Accts. 454)	Expense Amounts	Net Revenues

1 NOT APPLICABLE TO TEST OR PRIOR YEAR DUE TO NON-UTILITY OPERATIONS BEING REMOVED FROM RATE BASE.

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule for the last four prior years and the test year of other operation and maintenance expense summary by average customer, selected growth indices, selected growth rates and average number of customers.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Years Ended 12/31/08-12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: R.J. McMillan

(1) Line No.	(2) Description	(3) 2012 Test Year	(4) 2011 Prior Year	(5) 2010 Actual	(6) 2009 Actual	(7) 2008 Actual
1	SUMMARY OF OTHER O&M EXPENSES (DOLLARS PER CUSTOMER)					
2	Power Production Expense	347.41	343.47	278.88	220.79	237.67
3	Transmission Expenses	26.60	27.20	22.08	17.46	20.02
4	Distribution Expenses	100.29	99.82	92.59	86.65	86.05
5	Customer Account Expenses	56.63	57.29	50.51	49.61	50.95
6	Customer Service Expenses	88.78	83.75	49.50	69.52	59.90
7	Sales Expenses	2.51	2.51	2.47	2.05	2.59
8	Administration & General Expenses	187.55	174.76	165.12	171.07	204.11
9	Total Other O & M Expenses	809.77	788.80	661.15	617.15	661.29
10	GROWTH INDICES					
11	Consumer Price Index	226.634	221.167	217.991	214.549	215.247
12	Average Customer	436,565	432,342	430,030	428,206	429,303
13	CPI Percent Increase	2.472%	1.457%	1.604%	-0.324%	3.816%
14	Average Customer Percent Increase	0.977%	0.538%	0.426%	-0.256%	0.824%
15	Index Percent CPI x Customer Growth	1.42797	1.38005	1.35296	1.32594	1.33367
16	Average Customer Increase	4,223	2,312	1,824	(1,097)	3,510

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule for the last four prior years and the test year of other operation and maintenance expense summary by average customer, selected growth indices, selected growth rates and average number of customers.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Years Ended 12/31/08-10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: R.J. McMillan

(1) Line No.	(2) Description	(3) 2012 Test Year	(4) 2011 Prior Year	(5) 2010 Actual	(6) 2009 Actual	(7) 2008 Actual
1	DOLLAR AMOUNTS, IN CURRENT DOLLARS AND ANNUAL GROWTH RATES FOR :					
2	O&M Expense less Fuel per KWH Sold	0.0290	0.0289	0.0242	0.0225	0.0238
3	Capital Cost per Installed Watt of Electricity	980.6006	859.1149	808.2156	760.0461	541.86504
4	Revenue per KWH Sold	0.1106	0.1139	0.1136	0.1065	0.0928
5	AVERAGE NUMBER OF CUSTOMERS					
6	Residential	381,181	377,660	375,847	374,010	374,709
7	Commercial	54,502	53,822	53,349	53,414	53,810
8	Industrial	295	286	275	280	291
9	Street Lighting	585	572	557	500	491
10	Other Sales to Public Authorities	2	2	2	2	2
11	Total	436,565	432,342	430,030	428,206	429,303

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the following statistical data  
for the company, by calendar year for the most recent  
5 historical years.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Years Ended 12/31/06 - 12/31/10

Witness: R. L. McGee, P. C. Caldwell,

R. W. Grove, R. S. Moore

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2) Description	(3) Year 2006	(4) Year 2007	(5) Year 2008	(6) Year 2009	(7) Year 2010	(8) Average Annual Growth Rate (%)
1	THE LEVEL AND ANNUAL GROWTH RATES FOR:						
2	Peak Load (MW)	2,483	2,634	2,541	2,546	2,553	0.70
3	Peak Load Per Customer (kW)	5.98	6.19	5.92	5.95	5.94	(0.17)
4	Energy Sales (MWH)	11,830,383	11,926,565	11,929,723	11,276,304	11,750,660	(0.17)
5	Energy Sales Per Customer (kWh/cust)	28,494	28,010	27,789	26,334	27,325	(1.04)
6	Number of Customers (Average)	415,185	425,793	429,303	428,206	430,030	0.88
7	Installed Generating Capacity (MW)	2,659	2,659	2,659	2,659	2,663	0.04
8	Population of Service Area	791,940	791,770	794,530	797,290	801,980	0.32
9	End of Year Miles of Distribution Lines	7,396	7,499	7,570	7,642	7,684	0.96
10	End of Years Miles of Jurisdictional Transmission Lines	1,591	1,594	1,594	1,595	1,595	0.06

Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide the following payroll and fringe benefits data for the historical test year and two prior years. If a projected test year is used, provide the same data for the projected test year and prior years to include two historical years.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/08-12/31/10

Witness: R.J. McMillan, C.J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2)	2012			2011		
		(3) \$ Amount	(4) % Inc	(5) % CPI	(6) \$ Amount	(7) % Inc	(8) % CPI
1	<u>Total Company Basis</u>						
2	Base Payroll	103,333,012	2.03	2.472	101,277,462	8.30	1.457
3	Variable Payroll	16,464,470	3.63		15,888,181	10.51	
4	Total Payroll	119,797,482	2.25		117,165,643	8.59	
5	Gross Average Salary	80,455	2.25		78,687	-1.69	
6	<u>Fringe Benefits</u>						
7	Medical and Other Group Insurance (less Transf/Cap)	10,021,719	11.17		9,014,540	34.15	
8	Educational Assistance	126,500	10.00		115,000	-8.64	
9	Relocation Assistance	1,246,363	2.51		1,215,841	-24.39	
10	Other Employee Benefits	815,104	15.46		705,971	15.71	
11	Pension (less Transf/Cap)	2,855,073	537.64		(652,385)	-297.07	
12	Supplemental Pension	1,780,000	5.95		1,680,000	-3.80	
13	Employee Savings Plan (less Transf/Cap)	3,367,272	3.06		3,267,299	13.38	
14	Post-Retirement Life (less Transferred)	970,000	5.43		920,000	4.55	
15	Post-Retirement Medical (less Transf & Subsidy)	3,740,000	2.47		3,650,000	-3.52	
16	Post-Retirement Supplemental	30,710	2.80		29,874	-41.48	
17	Worker's Compensation	44,100	-2.22		45,100	-40.23	
18	FICA, Federal, State Unemployment Taxes	6,099,514	2.45		5,953,750	32.27	
19	Sub-Total - Fringes	31,096,355	19.85		25,944,990	11.29	
20	Total Payroll and Fringes	150,893,837	5.44		143,110,633	9.07	
21	Average Employees	1,489	0.00		1,489	10.46	
22	Payroll and Fringes Per Employee	101,339	5.44		96,112	-1.26	

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FLORIDA PUBLIC SERVICE COMMISSION

Explanation: Provide the following payroll and fringe benefits data for the historical, test year and two prior years. If a projected test year is used, provide the same data for the projected test year and prior years to include two historical years.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/08-12/31/10

Witness: R.J. McMillan, C.J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(1) Line No.	(2)	(3)			(7)			(9)
		2010		(5)	2009		2008	
		\$ Amount	% Inc	% CPI	\$ Amount	% Inc	% CPI	\$ Amount
1	<u>Total Company Basis</u>							
2	Base Payroll	93,519,898	4.72	1.604	89,304,727	2.68	-0.324	86,975,637
3	Variable Payroll	14,377,272	65.06		8,710,388	-41.35		14,852,030
4	Total Payroll	107,897,170	10.08		98,015,115	-3.74		101,827,667
5	Gross Average Salary	80,042	10.41		72,496	-4.60		75,991
6	<u>Fringe Benefits</u>							
7	Medical and Other Group Insurance (less Transf/Cap)	6,719,537	-0.59		6,759,639	4.37		6,476,430
8	Educational Assistance	125,882	-10.25		140,255	21.68		115,261
9	Relocation Assistance	1,607,943	55.36		1,034,958	28.23		807,127
10	Other Employee Benefits	610,136	90.52		320,246	-46.30		596,374
11	Pension (less Transf/Cap)	331,043	173.87		(448,133)	58.45		(1,078,490)
12	Supplemental Pension	1,746,329	13.14		1,543,459	-6.98		1,659,285
13	Employee Savings Plan (less Transf/Cap)	2,881,839	-3.56		2,988,342	4.10		2,870,698
14	Post-Retirement Life (less Transferred)	879,965	-23.97		1,157,438	-22.81		1,499,553
15	Post-Retirement Medical (less Transf & Subsidy)	3,783,266	-7.93		4,109,342	22.33		3,359,225
16	Post-Retirement Supplemental	51,050	437.19		(15,140)	-159.07		25,630
17	Worker's Compensation	75,454	11.39		67,739	-10.63		75,799
18	FICA, Federal, State Unemployment Taxes	4,501,169	-11.37		5,078,850	-14.93		5,970,339
19	Sub-Total - Fringes	23,313,613	2.54		22,736,995	1.61		22,377,231
20	Total Payroll and Fringes	131,210,783	8.66		120,752,110	-2.78		124,204,898
21	Average Employees	1,348	-0.30		1,352	0.90		1,340
22	Payroll and Fringes Per Employee	97,337	8.98		89,314	-3.64		92,690

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a comparison of the change in operation and maintenance expenses (excluding fuel) for the last three years and the test year to CPI.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/09-12/31/10

COMPANY: GULF POWER COMPANY

Witness: R.J. McMillan

DOCKET NO.: 110138-EI

(1) Line No.	(2) Description	(3) 2012	(4) 2011	(5) 2010	(6) 2009
1	Non-Fuel Operations & Maintenance Expenses				
2	(Excluding ECCR & ECRC & Transmission Energy &				
3	Capacity adjusted for Regulatory Adjustments)	288,474,000	280,586,000	243,501,000	231,179,000
4	Percent Change in Non-Fuel Operations & Maintenance				
5	Expense Over Previous Year	2.811%	15.230%	5.330%	0.048%
6	Percent Change in CPI Over Previous Year	2.472%	1.457%	1.604%	-0.324%
7	Difference Between Change in CPI and Non-Fuel				
8	Operations & Maintenance Expense	0.339%	13.773%	3.726%	0.372%

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For test year functionalized O&M expenses, provide the benchmark variances.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Line No.	Function	Test Year Total Company Per Books	O&M Adjustments	Adjusted Test Year O&M	Base Year Adjusted O&M	Compound Multiplier	Test Year Benchmark (6) x (7)	Unadjusted Benchmark Variance	Adjusted Benchmark Variance
1	Production - Steam	580,028	(481,454)	98,574	70,695	1.25340	88,609	491,419	9,965
2	Production - Other	167,995	(160,194)	7,801	3,878	1.25340	4,861	163,134	2,940
3	Production - Other Power Supply	134,007	(129,494)	4,513	2,423	1.25340	3,037	130,970	1,476
4	Transmission	14,269	(2,660)	11,609	8,196	1.42797	11,704	2,565	(95)
5	Distribution	43,781	(2,185)	41,596	31,561	1.42797	45,068	(1,287)	(3,472)
6	Customer Accounts	24,723	(441)	24,282	16,617	1.42797	23,729	994	553
7	Customer Service and Information	38,757	(18,070)	20,687	9,893	1.42797	14,127	24,630	6,560
8	Sales Expense	1,097	(138)	959	1,004	1.42797	1,434	(337)	(475)
9	Administrative and General	82,178	(3,725)	78,453	40,432	1.42797	57,736	24,442	20,717
10	Total	1,086,835	(798,361)	288,474	184,699		250,305	836,530	38,169

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the detail of adjustments made to test year per books O&M expenses by function.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(000's)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Line No.	Function	Test Year System Per Books	Direct Fuel, Fuel-Related Expenses and Purchased Power	ECCR	ECRC	Tallahassee Liaison Expenses	Plant Scherer/ UPS	Marketing Support Activities	Management Financial Planning	Economic Development
1	Production									
2	Steam Production	580,028	(440,918)		(30,407)		(10,129)			
3	Other Production	167,995	(160,161)		(33)					
4	Other Power Supply	134,007	(129,283)							
5	Total Production	882,030	(730,362)	0	(30,440)	0	(10,129)	0	0	0
6	Transmission	14,269	(2,657)				(3)			
7	Distribution	43,781			(2,185)					
8	Customer Accounts	24,723								
9	Customer Service & Information	38,757		(18,070)						
10	Sales Expenses	1,097						(87)		(51)
11	Administrative & General	82,178	(300)	(1,241)	(706)	(394)	(2,248)		(13)	(2)
12	Total Adjustments	1,086,835	(733,319)	(19,311)	(33,331)	(394)	(12,380)	(87)	(13)	(53)

III

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the detail of adjustments made to test year per books O&M expenses by function.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(000's)

(1) Line No.	(2) Function	(3) AMI Expense	(4) Wholesale Sales Expense	(5) Advertising	(6) Rate Case Expenses	(7) Property Insurance Reserve	(8) Uncollectible Expense	(9) Other Post Retirement Benefits	(10) Subtotal Adjustments	(11) Total Adjusted O&M
1	Production									
2	Steam Production								(481,454)	98,574
3	Other Production								(160,194)	7,801
4	Other Power Supply		(211)						(129,494)	4,513
5	Total Production	0	(211)	0	0	0	0	0	(771,142)	110,888
6	Transmission								(2,660)	11,609
7	Distribution								(2,185)	41,596
8	Customer Accounts	(235)					(206)		(441)	24,282
9	Customer Service & Information								(18,070)	20,687
10	Sales Expenses								(138)	959
11	Administrative & General			(130)	700	3,300		(2,691)	(3,725)	78,453
12	Total Adjustments	(235)	(211)	(130)	700	3,300	(206)	(2,691)	(798,361)	288,474

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide adjustments to benchmark year O&M expenses related to expenses recoverable through mechanisms other than base rates. Explain any adjustments.

Type of Data Shown:

COMPANY: GULF POWER COMPANY

Projected Test Year Ended 5/31/03  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10

DOCKET NO.: 110138-EI

(\$000's)

Witness: R. J. McMillan

(1) Line No.	(2) Function	(3) 2002/2003 System Per Books	(4) Eliminate Recoverable Fuel and Purchased Power	(5) Eliminate Recoverable ECRC	(6) Eliminate Recoverable ECCR	(7) Other Regulatory O&M Adjustments	(8) 2002/2003 Adjusted System Amount
1	Production	411,855	(326,471)	(2,317)	0	(6,071)	76,996
2	Transmission	8,089	(200)	283	0	24	8,196
3	Distribution	33,799	0	(1,165)	0	(1,073)	31,561
4	Customer Accounts	16,605	0	0	0	12	16,617
5	Customer Service & Information	13,907	0	0	(3,991)	(23)	9,893
6	Sales Expense	1,363	0	0	0	(359)	1,004
7	Administrative & General	42,178	0	0	(321)	(1,425)	40,432
8	Total O&M Expenses by Function	527,796	(326,671)	(3,199)	(4,312)	(8,915)	184,699

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For each year since the benchmark year, provide the amounts and percent increases associated with customers and average CPI. Show the calculation for each compound multiplier.

Type of Data Shown:

Projected Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. J. McMillan

DOCKET NO.: 110138-EI

(1)	(2)	(3) Total Average Customers			(6) Average CPI-U			(9) Inflation and Growth Compound Multiplier
Line No.	Year	Amount	% Increase *	Compound Multiplier **	Amount***	% Increase *	Compound Multiplier **	(5) x (8)
1	2002 June	383,195		1.00000	180.815		1.00000	1.00000
2	2003	389,809	1.726%	1.01726	184.000	1.761%	1.01761	1.03517
3	2004	398,201	2.153%	1.03916	188.908	2.667%	1.04476	1.08567
4	2005	404,087	1.478%	1.05452	195.267	3.366%	1.07993	1.13881
5	2006	415,185	2.746%	1.08348	201.550	3.218%	1.11468	1.20773
6	2007	425,793	2.555%	1.11117	207.335	2.870%	1.14667	1.27415
7	2008	429,304	0.825%	1.12033	215.247	3.816%	1.19043	1.33367
8	2009	428,206	-0.256%	1.11746	214.549	-0.324%	1.18657	1.32594
9	2010	430,030	0.426%	1.12222	217.991	1.604%	1.20560	1.35295
10	2011	432,342	0.538%	1.12826	221.167	1.457%	1.22317	1.38005
11	2012	436,565	0.977%	1.13928	226.634	2.472%	1.25340	1.42797
12	* Percent change from prior year to current year.							
13	** Current year Col. (5) or Col. (8) divided by the base year (2002) in the same column.							
14	***Based on CPI: Urban Consumers; Moody's Analytics, Jan 2011							

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

  X   Projected Test Year Ended 12/31/12

       Prior Year Ended 12/31/11

       Historical Year Ended 12/31/10

Witness: R. J. McMillan, R. W. Grove,  
P. C. Caldwell, R. S. Moore, M. D. Neyman,  
C. J. Erickson

(1) LINE NO.	(2) INDEX	(3) PAGE NO.
1	Summary Justification for each Functional Benchmark Variance	
2	Summary of Test Year Benchmark Expenses	2
3	(A) Total Production Summary	
4	(1) Steam Production	3
5	(2) Production Other	6
6	(3) Production Other Power Supply	8
7	(B) Transmission	10
8	(C) Distribution	11
9	(D) Customer Accounts	12
10	(E) Customer Service & Information	14
11	(F) Sales	16
12	(G) Administrative & General	17

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. J. McMillan, R. W. Grove,  
P. C. Caldwell, R. S. Moore, M. D. Neyman,  
C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

(000's)

**TOTAL ADJUSTED O&M LESS FUEL, PURCHASED POWER, ECCR AND ECRC  
BENCHMARK VARIANCE BY FUNCTION**

2002/2003 ALLOWED COMPARED TO TEST YEAR REQUEST EXPENSES

Line No.

(1)	(2)	(3)	(4)	(5)	(6)
1		2002/2003	Test Year	Test Year	
2	Description	Allowed	Benchmark	Request	Variance
3	Steam Production	70,695	88,609	98,574	9,965
4	Other Production	3,878	4,861	7,801	2,940
5	Other Power Supply	2,423	3,037	4,513	1,476
6	Total Production	76,996	96,507	110,888	14,381
7	Transmission	8,196	11,704	11,609	(95)
8	Distribution	31,561	45,068	41,596	(3,472)
9	Customer Accounts	16,617	23,729	24,282	553
10	Customer Service & Information	9,893	14,127	20,687	6,560
11	Sales	1,004	1,434	959	(475)
12	Administrative & General	40,432	57,736	78,453	20,717
13	<b>Total Adjusted O&amp;M</b>	<b>184,699</b>	<b>250,305</b>	<b>288,474</b>	<b>38,169</b>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. W. Grove

DOCKET NO.: 110138-EI

Line No.

**STEAM PRODUCTION**

1		<u>(\$000)</u>
2	2002/2003 Allowed	70,695
3	Test Year Adjusted Benchmark	88,609
4	Test Year Adjusted Request	98,574
5	System Benchmark Variance	9,965
6	<u>Description</u>	<u>Variance</u>
7	1. Genguard	550
8	2. Research and Development	370
9	3. Renewable Energy Manager	150
10	4. O&M improperly attributed to Scherer Unit 3	2,489
11	5. Planned Outage Expense	4,422
12	6. Enterprise Solutions	587
13	7. Fuels Management Expense	1,135
14	8. Ash disposal and sales	1,421
15	9. Other	(1,159)
16		<u>9,965</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. W. Grove

DOCKET NO.: 110138-EI

Line No.

STEAM PRODUCTION

1

Justification

2

1. Genguard - The Genguard Cyber Security program is Gulf's response to the need to ensure protection and reliability of the grid and to ensure compliance with NERC Cyber security policies of 2009. Gulf is required by law to comply with these policies, subject to penalties. Failure to comply with these policies would also expose Gulf's system to reliability risks. The project improves cyber security and control for selected units whose loss potentially could impact the reliability of the grid. This is an entirely new activity that is necessary to meet requirements that have been imposed since Gulf's last rate case.

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2. Research and Development - This 2012 Steam production O&M R&D expense benchmark variance is primarily due to Gulf's participation in three ongoing projects: (1) Flue Gas Treatment, (2) the Power System Development Facility at Wilsonville, and (3) the 25 MW Carbon Capture center at Plant Barry in Alabama. Additional details on these projects are included in the testimony of Gulf Witness Grove.

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3. Renewable Energy Manager - Gulf is committed to obtaining cost-effective energy supplies for our customers and to obtaining the benefits of fuel diversity, wherever practical. Gulf is also committed to encouraging and promoting renewable energy pursuant to several sections of Chapter 366, including Sections 366.82, 366.91, and 366.92, Florida Statutes. In order to effectively manage the continuous inquiries related to renewable energy projects and to develop cost effective supply side renewable projects, Gulf has created a Renewable Energy Manager position to deal with all issues associated with the supply side renewable energy. This position will play a critical role in developing Gulf's overall renewable energy program in a manner that maximizes the benefits of emerging technologies while at the same time ensuring the impacts to our customers are minimized.

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4. O&M improperly attributed to Scherer Unit 3 - In our prior rate case, Gulf removed all expenses associated with Plant Scherer from our base rate calculation. However, in making that adjustment Gulf made an error and removed \$1,986,000 of Steam Production expenses greater than the Steam Production expenses projected for Plant Scherer. As a result of this error, Gulf's request for Steam Production O&M expense in the prior rate case was \$1,986,000 below what was actually needed for maintenance of Gulf's territorial units. Since Gulf's retail rates were set including this error, Gulf's retail customers have received the benefit of this error for the past ten years. For 2012, only those O&M expenses specifically associated with Plant Scherer have been removed from Gulf's request for Production Steam O&M expense.

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5. Planned Outage Expense - The increase in planned outage dollars is due primarily to two reasons. First, the scope of the outages planned in 2012 are broader than the scope of outages planned in the prior test year. Second, the price of materials and equipment needed to complete the outages has grown at a rate much higher than inflation, as measured by CPI. Additional details on these projects are included in the testimony of Gulf Witness Grove.

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R. W. Grove

DOCKET NO.: 110138-EI

STEAM PRODUCTION

Line No.

1

Justification

2

6. Enterprise Solutions - As described by Gulf Witness Erickson, the Enterprise Solutions project consisted of the installation of Oracle and Maximo to replace the aging accounting, supply chain, and generation systems. Oracle and Maximo are used to input, process, and summarize accounting information. In addition, the system allows users to procure and pay for materials and services, as well as manage work orders. Many of the previous systems were old, highly customized, and were becoming increasingly expensive to maintain. These expenses are the portion of Enterprise Solutions expenses being charged directly to Production Steam that are above the level of expense charged for the old systems.

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7. Fuels Management Expense - Gulf's fuels management expenses have exceeded the benchmark as a result of a variety of changes. They include additional dollars associated with rail car leases and maintenance, fuel services management and oversight, Crist scrubber limestone and gypsum management, and Plant Daniel fuel unloading expenses. Additional details on these projects are included in the testimony of Gulf Witness Grove.

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8. Ash disposal and sales - The major change in ash handling expense is not driven by an increase in volume, as one might expect. The ash contracts (which are competitively bid) are renegotiated every three or four years, and the contract price to handle ash has exceeded CPI growth. As an example, in 2002 the contract for managing ash at Plant Crist was \$339,000; in 2012 the contract is \$800,000, or an increase of 136 percent. This is far beyond the 25.34 percent increase used in the benchmark calculation. Another contributing factor is that in the prior test period, Plant Daniel was able to dispose of ash by selling the ash in the market. Such sales are no longer available. The change in the market for ash sales has reduced revenues which previously were credited against ash disposal costs.

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9. Other - N/A

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. W. Grove

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

OTHER PRODUCTION

1		<u>(\$000)</u>
2	2002/2003 Allowed	3,878
3	Test Year Adjusted Benchmark	4,861
4	Test Year Adjusted Request	7,801
5	System Benchmark Variance	2,940
6	<u>Description</u>	<u>Variance</u>
7	1. Plant Smith Unit 3 planned outage	830
8	2. Plant Smith Unit 3 maintenance	845
9	3. Gas Fuel Management	593
10	4. Perdido	770
11	5. Other	(98)
12		<u><u>2,940</u></u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

X Projected Test Year Ended 12/31/12

\_\_\_ Prior Year Ended 12/31/11

\_\_\_ Historical Year Ended 12/31/10

Witness: R. W. Grove

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

**OTHER PRODUCTION**

1

Justification

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1. Plant Smith Unit 3 planned outage - In the prior rate case, Smith Unit 3 was new, and as a result, Gulf included very little money (\$242,000) in the prior rate case. Since the unit is now 10 years old, the budget reflects the type of work and associated dollars to continue to maintain the unit in a manner which will provide high reliability.

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2. Plant Smith Unit 3 maintenance - There are three major systems at Smith Unit 3 that are causing maintenance to exceed the O&M benchmark: the feedwater system, the combustion turbine system and the heat recovery steam generator system. Maintenance activities performed on these systems is being done to increase the longevity of the systems, while helping to control future costs. Additional details on these projects are included in the testimony of Gulf Witness Grove.

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3. Gas Fuel Management - Smith Unit 3 was Gulf's first large scale gas asset, and in the prior rate case, no dollars were requested to support the gas program. The \$593,000 of Production Other O&M expenses for the gas procurement program covers procuring gas, managing the transportation contract, and managing the hedging program for Smith Unit 3. In addition, these dollars include the gas procurement program for Gulf's three PPAs, totaling over 1,350 MW.

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4. Perdido - In July 2008, Escambia County, Florida issued an Request for Proposal (RFP) for the sale of landfill gas from its Perdido landfill. Landfill gas is defined as a renewable energy resource pursuant to section 366.91(2), Florida Statutes. The Florida Legislature has repeatedly stated that it is in the public interest to promote the development of renewable energy resources in the state. They recognized that renewable energy reduces dependence on natural gas, minimizes volatility of fuel costs, encourages investment in the state and improves environmental conditions. To address these legislative concerns, Gulf began to evaluate the possibility of developing a project to utilize the gas being offered within this RFP. In order to minimize or negate any impact to our customers, Gulf used the RSOC as the basis for determining the price Gulf would be willing to pay the County for its gas. Using the established avoided cost concepts, Gulf submitted a bid for the procurement of the landfill gas being offered under this RFP. The O&M dollars used in this evaluation were part of the overall assessment of avoided cost for the Perdido project. As a result, the cost is prudent, necessary and reflective of expenses going forward.

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5. Other -N/A

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. W. Grove

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

## OTHER POWER SUPPLY

Line No.	Description	Variance
1		(\$000)
2	2002/2003 Allowed	2,423
3	Test Year Adjusted Benchmark	3,037
4	Test Year Adjusted Request	4,513
5	System Benchmark Variance	1,476
6	<u>Description</u>	<u>Variance</u>
7	1. Energy Management Systems	486
8	2. Resource Planning	79
9	3. Fleet Operations and Trading	700
10	4. Financial and Contract Services	277
11	5. Other	(66)
12		<u>1,476</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

Witness: R. W. Grove

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

**OTHER POWER SUPPLY**

1

Justification

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1. Energy Management System - Energy Management System budget increases over the last 10 years are a reflection of expanding industry regulations as well as increasing complexities in managing the bulk electric system. Bulk Power Operations (BPO) is responsible for ensuring a reliable and economic operation of the bulk electric system and as such, provides direct benefit to Gulf. The Sarbanes-Oxley Act of 2002 and the Energy Policy Act of 2005 (along with the resulting establishment of the Electric Reliability Organization and mandatory reliability standards) have resulted in additional processes, procedures, application features, new tools, and resources to maintain and demonstrate compliance with the industry regulations. In addition to the regulatory requirements, new business requirements related to power purchase agreements at Plant Dahlberg, Coral Baconton, and Central Alabama that directly benefit Gulf Power have been implemented.

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2. Resource Planning - The Resource Planning Organization is responsible for developing generation mix studies, Integrated Resource Planning, environmental compliance evaluations and supporting Request for Proposal (RFP) development for supplying generation resources to meet our retail customers growing demands. In addition they support the eventual development of contracts (PPAs) and contract negotiations that develop as a result of an RFP. The complexities associated with planning at a time with so much uncertainty related to potential environmental legislation have also resulted in additional expenses. Additional personnel are needed to support the overall planning process, and the labor, overhead, and expenses of these new employees are being included in Gulf's O&M expenses.

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3. Fleet Operations and Trading - Fleet Operations and Trading (FOT) is responsible for ensuring a reliable and economic generation supply for the Pool. Budget increases in FOT over the last 10 years reflect the ever-increasing complexity in managing the generation Pool and growing compliance requirements. The additional complexity related to the Pool stems from an increased reliance on third-party generation and contract implementation for those resources, as well as managing new challenges in operations. FOT has implemented numerous new contracts, including Gulf's PPAs for facilities located at Plant Dahlberg, Coral Baconton, and Central Alabama. With respect to regulatory and compliance requirements, FOT responsibilities have increased in areas such as NERC requirements, energy auction, market based rates and generation dominance analysis. As a direct result of these additional complexities, FOT has increased its reliance on application/tools to increase efficiency and reduce the risk of errors.

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4. Financial and Contract Services - Financial and Contract Services manages the billings for capacity and energy purchases (PPAs), which ultimately provide energy to our retail customers. This includes Gulf's PPAs for power from the facilities located at Plant Dahlberg, Coral Baconton, and Central Alabama. The costs associated with these contracts are incremental to our prior rate case, and each of these contracts provides value to our retail customers. The other services provided by the Financial and Contract Services group include (a) wholesale fuel and emission reconciliations, which document the wholesale portions of these costs to ensure retail customers do not subsidize the wholesale customers, (b) administration of the Intercompany Interchange Contract, (c) and Pool Billing. The increase in expenses associated with the Financial and Contract group are a direct result of additional workload associated with an increase in the number and complexities of contracts used to support Gulf's retail customers.

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5. Other - N/A

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

COMPANY: GULF POWER COMPANY

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: P. C. Caldwell

DOCKET NO.: 110138-EI

Line No.

**TRANSMISSION**

1		<u>(000's)</u>
2	2002/2003 Allowed	8,196
3	Test Year Adjusted Benchmark	11,704
4	Test Year Adjusted Request	11,609
5	System Benchmark Variance	(95)

6 Description

7 N/A

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: R. S. Moore

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

DISTRIBUTION ACCOUNTS

1		<u>(000's)</u>
2	2002/2003 Allowed	31,561
3	Test Year Adjusted Benchmark	45,068
4	Test Year Adjusted Request	41,596
5	System Benchmark Variance	(3,472)

6 Description

7 N/A

125

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: M. D. Neyman, C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

CUSTOMER ACCOUNTS

1		<u>(\$000)</u>
2	2002/2003 Allowed	16,617
3	Test Year Adjusted Benchmark	23,729
4	Test Year Adjusted Request	24,282
5	System Benchmark Variance	553

6	<u>Description</u>	<u>Variance</u>
7	1. Uncollectible Accounts	1,939
8	2. Other	<u>(1,386)</u>
9		<u><u>553</u></u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: M. D. Neyman, C. J. Erickson

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

CUSTOMER ACCOUNTS

1 Justification

2 1. Uncollectible Accounts expenses do not track with CPI, but are generally determined as a percentage of revenues. Gulf's write-off percentage of 0.32  
3 percent for the test year is slightly below the level experienced by Gulf in 2009 (*words from original version removed by agreement between counsel*  
4 *for OPC and Gulf.*  
5 ) Gulf's 2009 net write-offs was 0.33 percent. Gulf projects write-offs for 2012 to be 0.32 percent, which is slightly lower than 2009 actual (*words*  
6 *from original version removed by agreement between counsel for OPC and Gulf.*)

7 2. N/A

127

COMMISSION CLERK  
11 NOV - 4 - 11 11:00 AM '11  
RECEIVED-FPSC

Supporting Schedules: C-27, C-28, C-39

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

COMPANY: GULF POWER COMPANY

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: M. D. Neyman

DOCKET NO.: 110138-EI

Line No.

**CUSTOMER SERVICE & INFORMATION**

1		<u>(\$000)</u>
2	2002/2003 Allowed	9,893
3	Test Year Adjusted Benchmark	14,127
4	Test Year Adjusted Request	20,687
5	System Benchmark Variance	6,560

6	<u>Description</u>	<u>Variance</u>
7	1. Gulf Power Energy Services	8,282
8	2. Other	<u>(1,722)</u>
9		<u><u>6,560</u></u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

Witness: M. D. Neyman

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Line No.

**CUSTOMER SERVICE & INFORMATION**

1 Justification

2 1. Gulf Power Energy Services (GPES) did not exist in the benchmark year; therefore, there are no expenses in the benchmark. Expenses are \$8,282,000  
3 over the benchmark; however, revenues of \$8,938,000 are projected for the test year and serve to reduce the requested base rate increase.

4 2. N/A

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: M. D. Neyman

DOCKET NO.: 110138-EI

Line No.

SALES

1

(\$000)

2

2002/2003 Allowed

1,004

3

Test Year Adjusted Benchmark

1,434

4

Test Year Adjusted Request

959

5

System Benchmark Variance

(475)

6

Description

7

N/A

130

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

- Projected Test Year Ended 12/31/12
- Prior Year Ended 12/31/11
- Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Witness: C. J. Erickson

Line No.	A&G	(000's)
1		
2	2002/2003 Allowed	40,432
3	Test Year Adjusted Benchmark	57,736
4	Test Year Adjusted Request	78,453
5	System Benchmark Variance	20,717
6	<u>Description</u>	<u>Variance</u>
7	1. Employee Benefits	10,116
8	2. Insurance	4,648
9	3. Duplicate Charges	1,689
10	4. External Audit / Internal Controls	1,453
11	5. Treasury Costs	976
12	6. Joint Ownership	874
13	7. Accounting, Supply Chain, and	
14	Work Order Management Systems	546
15	8. Rate Case Expense	249
16	9. Rent	247
17	10. Other	(81)
18		<u>20,717</u>

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FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

Projected Test Year Ended 12/31/12

Prior Year Ended 12/31/11

Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET NO.: 110138-EI

Line No.

A&G

1 Justification

2 1. Employee benefits includes retirement plan expense and other employee benefits such as employee medical, life and disability insurance. The  
3 benchmark variance is primarily due to retirement benefits being over the benchmark by approximately \$6,938,000 and employee medical benefits  
4 being over the benchmark by approximately \$3,302,000.

5 Pension cost increases are attributable to a number of factors, but the primary factor has been measurement losses. Simply put, pension plan assets  
6 are less than they had been anticipated to be and liabilities are higher than they had been expected to be. These losses offset some of the gains that  
7 Gulf experienced in prior years. Due to those gains, Gulf had more pension assets than liabilities for quite a few years, and Gulf's pension expenses  
8 were actually negative for quite some time, including the last test year. In other words, Gulf's pension was actually contributing to income in spite of  
9 Gulf's employees earning benefits each year. The losses and liabilities associated with the normal benefit accruals have finally eroded the surplus  
10 resulting from the prior gains, and pension expenses are projected to be higher as a result.

11 Medical plan costs are increasing faster than general inflation all across the U.S. and at the Company due to factors that include:

- 12 • Price increases in provider reimbursements driven, in part, by an increase in the number of uninsured individuals and by cost shifting from the
- 13 Medicare and Medicaid programs;
- 14 • Increased utilization of inpatient and outpatient care, as well as pharmaceutical therapies;
- 15 • Adoption of more complex therapies in place of lower cost treatments, increasing the intensity of care delivered;
- 16 • Technological enhancements in medical treatments, therapies and services driving greater utilization and cost; and
- 17 • Provisions in health care legislation requiring coverage improvements and introducing new fees and taxes to the health care industry.

18 These expenses are addressed in more detail in the testimony of Gulf Witnesses Twery and Crumlish.

19 2. Property damage insurance expense increases for non-T&D property have exceeded the O&M benchmark by \$2,389,000. I&D insurance expense  
20 exceeds the O&M benchmark by \$457,000. These variances share the same justification - significant loss events in the insurance markets.  
21 Insurance carriers have increased their premiums for these types of insurance at a rate well above customer growth and inflation. The third element  
22 is a proposed increase in Gulf's annual accrual to the property damage reserve. Gulf has proposed an increase in the annual accrual that results in  
23 the accrual exceeding the O&M benchmark by \$1,802,000. This annual accrual level is the level of the expected average annual loss to be covered by  
24 the reserve as determined in Gulf's Hurricane Loss and Reserve Performance Analysis.

25 3. When non-Gulf employees use Gulf's office space, they are charged an occupancy expense. The 929 account gets credited for this charge. A decline  
26 in office space used by non-Gulf employees from the 2002 to 2012, accounts for \$1,158,000 of this benchmark variance. In May 2010, Gulf made a  
27 change in the accounting for the credits that were flowing to this account. As Gulf employee services are billed out to another company, the benefits for  
28 those employees are now being credited to the benefit accounts rather than this 929 account. This accounting change accounts for an additional  
29 \$505,000 of the benchmark variance.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: C. J. Erickson

DOCKET NO.: 110138-EI

Line No.

A&amp;G

1

Justification

2

4. Significant increase in costs for outside services and other A&G components are primarily due to new compliance requirements with the Sarbanes-Oxley Act. The Sarbanes-Oxley Act was passed subsequent to the Company's last rate case. The new requirements have significantly increased costs for external audit fees due to the additional work required by the Company's external auditors to meet their new requirements. The increased external auditor costs to comply with Sarbanes-Oxley justify \$1,031,000 of this benchmark variance. Additionally, the Company has been required to put additional resources in place to comply with the Act. These internal compliance costs, which have no benchmark, justify another \$422,000.

6

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5. Treasury costs above the benchmark are due to increases in rating agency fees and commitment fees for lines of credit.

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Rating Agency Fees: Gulf must have access to capital markets. Rating agency services are necessary for Gulf to be able to raise capital. The fees charged by rating agencies for their services have grown 50 to 75 percent. These necessary costs have exceeded the benchmark.

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Commitment Fees: Commitment fees are charged by banks for credit facilities. Gulf has increased its credit facilities from \$60,000,000 in 2003 to \$240,000,000 to (a) provide liquidity for variable rate Pollution Control Bonds, (b) support issuance of more commercial paper and (c) to provide additional liquidity protection due to the instability in financial markets since 2008. Commitment fees are market driven, and since the financial collapse they have been volatile, reaching 1.0 percent at one stage compared with 0.075 percent in 2003. Gulf's current expectation for the test year is that commitment fees will be approximately 0.33 percent, an almost five fold increase.

16

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18

6. Joint Ownership refers to Gulf's share of the A&G expenses associated with the coal-fired units at Plant Daniel in Mississippi, which are jointly owned by Mississippi Power and Gulf. The benchmark variance is primarily associated with employee benefits. The benchmark variances associated with employee benefits are addressed by Gulf Witnesses Twery and Crumlish.

19

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21

7. Gulf replaced an aging and highly customized accounting and purchasing system with a competitively bid, highly functional product. These expenses represent the on-going costs to run the new system. Technology costs are not tied to customer growth and inflation. The company's goal is to provide a high level of customer service and operate in the most efficient manner.

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8. In the decade since Gulf's last rate case, the cost of rate cases has increased markedly. A review of the recent rate case experience of other Florida investor owned electric utilities indicates more intervenors, more contested issues and more witnesses than Gulf experienced in its last rate case. When putting together its anticipated rate case budget, Gulf assumed it would have a similar experience. To address these additional anticipated demands, Gulf will have to spend more on incremental internal resources, as well as additional outside consulting and legal fees than it did in its last rate case, as escalated by CPI and customer growth. Gulf is proposing to amortize these rate case expenses over a four-year period beginning in 2012, which is consistent with the Commission's recent decisions regarding the appropriate period over which to amortize rate case expenses.

FLORIDA PUBLIC SERVICE COMMISSION	EXPLANATION: Provide a schedule of operation and maintenance expense by function for the test year, the benchmark year and the variance. For each functional benchmark variance, provide the reason(s) for the difference.	Type of Data Shown:
COMPANY: GULF POWER COMPANY		<input checked="" type="checkbox"/> Projected Test Year Ended 12/31/12
DOCKET NO.: 110138-EI		<input type="checkbox"/> Prior Year Ended 12/31/11
		<input type="checkbox"/> Historical Year Ended 12/31/10
		Witness: C. J. Erickson

Line No.	A&G
1	<u>Justification</u>
2	9. In 2008, Gulf moved out of our Pace Boulevard building that housed, among other departments, our Pensacola Customer Service Office, where customers come in to pay their bills, sign up for energy efficiency programs and do other business with the Company. Gulf relocated the Pensacola Customer Service Office to a new location selected with customer convenience and access in mind. This new office location is next to a public bus route stop; it has 100 parking spaces; and it is accessible on the ground floor.
3	
4	
5	
6	
7	The new rental property required improvements to make it suitable for the customer operations. These leasehold improvements were capitalized and are being expensed over the life of the lease. The lease payments and the additional amount for the leasehold improvements are charged to A&G expense in the rent category. The total expense for this facility in the test year is \$252,000. The \$18 per square foot rental fee is reasonable. Gulf compared rents in the downtown area for class "A/B" space. The comparable rents were in the \$16 to \$24 per square foot range.
8	
9	
10	
10	10. N/A

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

**EXPLANATION:** Provide hedging expenses and plant balances by primary account for the test year and the preceding three years. Hedging refers to initiating and/or maintaining a non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for the utility's retail rate payers, exclusive of the costs referenced in Paragraph 3, Page 5 of Order No PSC-02-1484-FOF-EI. Show hedging expenses and plant recovered through base rates separate from hedging expenses and plant recovered through the fuel clause.

Type of Data Shown:  
 Projected Test Year Ended 12/31/2012  
 Prior Year Ended 12/31/2011  
 Historical Year Ended 12/31/2009 - 12/31/2010  
 Witness: M. L. Burroughs

(1) Line No.	(2) Account No.	(3) Account Title	(5) 2009 Year		(7) 2010 Year		(9) 2011 Year		(11) 2012 Test Year	
			(6) Base Rates	(8) Clause	(6) Base Rates	(8) Clause	(10) Base Rates	(12) Clause	(10) Base Rates	(12) Clause
1			HEDGING EXPENSE							
2	547	Gas Hedging Support (1)	84,068	-	80,667	-	109,000	-	114,000	-
3			ANNUAL PLANT IN SERVICE							
4		There are no capital investments for hedging.								
5		(1) Gas Hedging Support, EWO-4356GH, O&M expenses includes labor, overheads, and expenses of employees engaged in financial hedging of natural gas.								
6										

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FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 110138-EI

Explanation: Provide a schedule of security expenses and security plant balance by primary account and totals for the test year and the preceding three years. Show the security expenses recovered through base rates separate from security expenses recovered through the fuel/capacity clauses. Show the plant balances supporting base rates separate from the plant balances supporting the fuel/capacity clauses. Provide only those security cost incurred after, and as a result of, the terrorist events of September 11, 2001.

Type of Data Shown:  
 Projected Test Year Ended 12/31/12  
 Prior Year Ended 12/31/11  
 Historical Years Ended 12/31/09-12/31/10  
 Witness: R.J. McMillan, C.J. Erickson

(\$000's)

(1) Line No.	(2) Account No.	(3) Account Title	(4) 2009		(5) 2010		(6) 2011		(7) 2012		(11)
			Base Rates	Clauses							
1		EXPENSES									
2	935	Security Expense	73	0	103	0	42	0	45	0	
3		Total Security Expense	73	0	103	0	42	0	45	0	
4		ANNUAL PLANT IN SERVICE									
5		Security Capital Investment									
6	398	Miscellaneous Equipment	2,256	0	2,221	0	2,261	0	2,302	0	
7		Total Security Investment	2,256	0	2,221	0	2,261	0	2,302	0	

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Supporting Schedules:

Recap Schedules:

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the calculation of the revenue expansion factor for the test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/12 Prior Year Ended 12/31/11 Historical Year Ended 12/31/10

COMPANY: GULF POWER COMPANY

Witness: R.J. McMillan

DOCKET NO.: 110138-EI

(1) Line No.	(2) Description	(3) Percent
1	Revenue Requirement	100.0000
2	Regulatory Assessment Rate	0.0720
3	Bad Debt Rate	<u>0.3321</u>
4	Net Before Income Taxes (1) - (2) - (3)	99.5959
5	State Income Tax Rate	5.5000
6	State Income Tax (4) x (5)	<u>5.4778</u>
7	Net Before Federal Income Tax (4) - (6)	94.1181
8	Federal Income Tax Rate	35.0000
9	Federal Income Tax (7) x (8)	<u>32.9413</u>
10	Revenue Expansion Factor (7) - (9)	61.1768
11	Net Operating Income Multiplier (100% / Line 10)	1.634607

137