

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony and Exhibit of  
4 Richard W. Dodd  
Docket No. 110007-EI  
Date of Filing: August 26, 2011

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

6 A. My name is Richard W. Dodd. My business address is One Energy Place,  
7 Pensacola, Florida 32520-0780. I am the Supervisor of Rates and  
8 Regulatory Matters at Gulf Power Company.

9  
10 Q. Please briefly describe your educational background and business  
11 experience.

12 A. I graduated from the University of West Florida in Pensacola, Florida in  
13 1991 with a Bachelor of Arts Degree in Accounting. I also received a  
14 Bachelor of Science Degree in Finance in 1998 from the University of  
15 West Florida. I joined Gulf Power in 1987 as a Co-op Accountant and  
16 worked in various areas until I joined the Rates and Regulatory Matters  
17 area in 1990. After spending one year in the Financial Planning area, I  
18 transferred to Georgia Power Company in 1994 where I worked in the  
19 Regulatory Accounting department and in 1997 I transferred to Mississippi  
20 Power Company where I worked in the Rate and Regulation Planning  
21 department for six years followed by one year in Financial Planning. In  
22 2004 I returned to Gulf Power Company working in the General  
23 Accounting area as Internal Controls Coordinator.

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1 In 2007 I was promoted to Internal Controls Supervisor and in July 2008, I  
2 assumed my current position in the Rates and Regulatory Matters area.  
3 My responsibilities include supervision of: tariff administration, cost of  
4 service activities, calculation of cost recovery factors, and the regulatory  
5 filing function of the Rates and Regulatory Matters Department.

6

7 Q. What is the purpose of your testimony?

8 A. The purpose of my testimony is to present both the calculation of the  
9 revenue requirements and the development of the environmental cost  
10 recovery factors for the period of January 2012 through December 2012.

11

12 Q. Have you prepared an exhibit that contains information to which you will  
13 refer in your testimony?

14 A. Yes, I have. My exhibit consists of 8 schedules, each of which was  
15 prepared under my direction, supervision, or review.

16

Counsel: We ask that Mr. Dodd's exhibit  
17 consisting of eight schedules be marked as  
18 Exhibit No. \_\_\_\_\_(RWD-3).

19

20 Q. What environmental costs is Gulf requesting for recovery through the  
21 Environmental Cost Recovery Clause (ECRC)?

22 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery for  
23 certain environmental compliance operating expenses and capital costs  
24 that are consistent with both the decision of the Commission in Order No.  
25 PSC-94-0044-FOF-EI in Docket No. 930613-EI and with past proceedings

1 in this ongoing recovery docket. The costs we have identified for recovery  
2 through the ECRC are not currently being recovered through base rates or  
3 any other cost recovery mechanism.  
4

5 Q. How was the amount of projected O&M expenses to be recovered through  
6 the ECRC calculated?

7 A. Mr. Vick has provided me with projected recoverable O&M expenses for  
8 January 2012 through December 2012. Schedule 2P of my exhibit shows  
9 the calculation of the recoverable O&M expenses broken down between  
10 demand-related and energy-related expenses. Schedule 2P also provides  
11 the appropriate jurisdictional factors and amounts related to these  
12 expenses. All O&M expenses associated with compliance with the Clean  
13 Air Act Amendments of 1990 (CAAA) were considered to be energy-  
14 related, consistent with Commission Order No. PSC-94-0044-FOF-EI.  
15 O&M expenses associated with Gulf's Clean Air Interstate Rule (CAIR)  
16 and Clean Air Visibility Rule (CAVR) Compliance Program were  
17 considered to be energy-related pursuant to FPSC Order No. PSC-06-  
18 0972-FOF-EI issued November 22, 2006. The remaining expenses were  
19 broken down between demand and energy consistent with Gulf's last  
20 approved cost-of-service methodology in Docket No. 010949-EI.

21

22 Q. Please describe Schedules 3P and 4P of your exhibit.

23 A. Schedule 3P summarizes the monthly recoverable revenue requirements  
24 associated with each capital investment project for the recovery period.  
25 Schedule 4P shows the detailed calculation of the revenue requirements

1 associated with each investment project. These schedules also include  
2 the calculation of the jurisdictional amount of recoverable revenue  
3 requirements. Mr. Vick has provided me with the expenditures, clearings,  
4 retirements, salvage, and cost of removal related to each capital project as  
5 well as the monthly costs for emission allowances. From that information,  
6 plant-in-service and construction work in progress (non interest bearing)  
7 was calculated. Additionally, depreciation, amortization and  
8 dismantlement expense and the associated accumulated depreciation  
9 balances were calculated based on Gulf's approved depreciation rates,  
10 amortization periods, and dismantlement accruals. The capital projects  
11 identified for recovery through the ECRC are those environmental projects  
12 which were not included in the approved June 2002 through May 2003  
13 test year on which present base rates were set.

14

15 Q. How was the amount of property taxes to be recovered through the ECRC  
16 derived?

17 A. Property taxes were calculated by applying the applicable tax rate to  
18 taxable investment. In Florida, pollution control facilities are taxed based  
19 only on their salvage value. For the recoverable environmental  
20 investment located in Florida, the amount of property taxes is estimated to  
21 be \$0. In Mississippi, there is no such reduction in property taxes for  
22 pollution control facilities. Therefore, property taxes related to recoverable  
23 environmental investment at Plant Daniel are calculated by applying the  
24 applicable millage rate to the assessed value of the property.

25

1 Q. What capital structure and return on equity were used to develop the rate  
2 of return used to calculate the revenue requirements as shown on 8P?

3 A. Consistent with Commission policy, the capital structure used in  
4 calculating the rate of return for recovery clause purposes is based on the  
5 capital structure approved in Gulf's last completed rate case. The rate of  
6 return for the ECRC is based on the capital structure approved in Docket  
7 No. 010949-EI, FPSC Order No. PSC-02-0787-FOF-EI dated June 10,  
8 2002. The rate of return used to calculate ECRC revenue requirements  
9 includes a return on equity of 12.0% for the period January 1, 2012  
10 through December 31, 2012.

11

12 Q. How was the breakdown between demand-related and energy-related  
13 investment costs determined?

14 A. The investment costs associated with compliance with the CAAA were  
15 considered to be energy-related consistent with Commission Order No.  
16 PSC-94-0044-FOF-EI, dated January 12, 1994, in Docket No. 930613-EI.  
17 The investment costs associated with Gulf's CAIR and CAVR Compliance  
18 Program were considered to be energy-related pursuant to FPSC Order  
19 No. PSC-06-0972-FOF-EI issued November 22, 2006. The remaining  
20 investment costs of environmental compliance were allocated 12/13th  
21 based on demand and 1/13th based on energy, consistent with Gulf's last  
22 approved cost-of-service study. The calculation of this breakdown is  
23 shown on Schedule 4P and summarized on Schedule 3P.

24

25

1 Q. What is the total amount of projected recoverable costs related to the  
2 period January 2012 through December 2012?

3 A. The total projected jurisdictional recoverable costs for the period January  
4 2012 through December 2012 is \$169,103,827 as shown on line 1c of  
5 Schedule 1P. This includes costs related to O&M activities of  
6 \$25,215,471 and costs related to capital projects of \$143,888,356 as  
7 shown on lines 1a and 1b of Schedule 1P.

8

9 Q. What is the total recoverable revenue requirement to be recovered in the  
10 projection period January 2012 through December 2012 and how was it  
11 allocated to each rate class?

12 A. The total recoverable revenue requirement including revenue taxes is  
13 \$153,972,770 for the period January 2012 through December 2012 as  
14 shown on line 5 of Schedule 1P. This amount includes the recoverable  
15 costs related to the projection period and the total true-up cost of  
16 \$15,241,838 to be refunded. Schedule 1P also summarizes the energy  
17 and demand components of the requested revenue requirement. These  
18 amounts are allocated by rate class using the appropriate energy and  
19 demand allocators as shown on Schedules 6P and 7P.

20

21 Q. How were the allocation factors calculated for use in the Environmental  
22 Cost Recovery Clause?

23 A. The demand allocation factors used in the ECRC were calculated using  
24 the 2009 load data filed with the Commission in accordance with FPSC

25

1 Rule 25-6.0437. The energy allocation factors were calculated based on  
2 projected KWH sales for the period adjusted for losses. The calculation  
3 of the allocation factors for the period is shown in columns 1 through 9 on  
4 Schedule 6P.

5

6 Q. How were these factors applied to allocate the requested recovery amount  
7 properly to the rate classes?

8 A. As I described earlier in my testimony, Schedule 1P summarizes the  
9 energy and demand portions of the total requested revenue requirement.  
10 The energy-related recoverable revenue requirement of \$144,972,155 for  
11 the period January 2012 through December 2012 was allocated using the  
12 energy allocator, as shown in column 3 on Schedule 7P. The demand-  
13 related recoverable revenue requirement of \$9,000,615 for the period  
14 January 2012 through December 2012 was allocated using the demand  
15 allocator, as shown in column 4 on Schedule 7P. The energy-related and  
16 demand-related recoverable revenue requirements are added together to  
17 derive the total amount assigned to each rate class, as shown in  
18 column 5.

19

20 Q. What is the monthly amount related to environmental costs recovered  
21 through this factor that will be included on a residential customer's bill for  
22 1,000 kwh?

23 A. The environmental costs recovered through the clause from the residential  
24 customer who uses 1,000 kwh will be \$13.28 monthly for the period  
25 January 2012 through December 2012.

1 Q. When does Gulf propose to collect its environmental cost recovery  
2 charges?

3 A. The factors will be effective beginning with Cycle 1 billings in January  
4 2012 and will continue through the last billing cycle of December 2012.

5

6 Q. Mr. Dodd, does this conclude your testimony?

7 A. Yes.

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Schedule 1P

**Gulf Power Company**  
 Environmental Cost Recovery Clause (ECRC)  
**Total Jurisdictional Amount to be Recovered**

For the Projected Period  
**January 2012 - December 2012**

<u>Line No.</u>	<u>Energy (\$)</u>	<u>Demand (\$)</u>	<u>Total (\$)</u>
1			
Total Jurisdictional Rev. Req. for the projected period			
a			
Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	21,533,397	3,682,074	25,215,471
b			
Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>137,644,370</u>	<u>6,243,986</u>	<u>143,888,356</u>
c			
Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	159,177,767	9,926,060	169,103,827
2			
True-Up for Estimated Over/(Under) Recovery for the period January 2011 - December 2011 (Schedule 1E, Line 3)	13,494,673	885,840	14,380,513
3			
Final True-Up for the period January 2010 - December 2010 (Schedule 1A, Line 3)	<u>815,244</u>	<u>46,081</u>	<u>861,325</u>
4			
Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2012 - December 2012 (Line 1c - Line 2 - Line 3)	<u>144,867,850</u>	<u>8,994,139</u>	<u>153,861,989</u>
5			
Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>144,972,155</u>	<u>9,000,615</u>	<u>153,972,770</u>

Notes:

Allocation to energy and demand in each period are in proportion to the respective period split of costs indicated on Lines 7 & 8 of Schedules 5E & 7E and 5A & 7A.

**Gulf Power Company**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
 January 2012 - December 2012

**O & M Activities**  
 (in Dollars)

Line	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period (12-Month)	Method of Classification Demand	Energy
1 Description of O & M Activities															
.1 Sulfur	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.2 Air Emission Fees	-	701,000	-	-	-	-	-	-	-	-	-	-	0	0	0
.3 Title V	8,313	9,313	9,478	10,328	8,528	13,743	9,028	9,828	10,278	10,028	124,374	10,278	825,374	0	825,374
.4 Asbestos Fees	-	-	-	-	-	500	-	-	-	900	-	-	1,400	0	1,400
.5 Emission Monitoring	59,469	45,469	44,992	54,992	59,992	58,279	46,992	64,992	50,992	47,492	57,779	49,003	640,443	0	640,443
.6 General Water Quality	24,147	44,147	68,344	61,344	93,344	68,067	80,294	102,794	100,694	87,325	103,922	63,644	898,066	898,066	0
.7 Groundwater Contamination Investigation	117,550	117,550	119,573	272,923	271,923	141,281	122,073	121,240	271,423	274,923	139,173	117,236	2,083,868	2,083,868	0
.8 State NPDES Administration	-	-	-	-	-	-	-	-	-	-	-	34,500	34,500	0	34,500
.9 Lead and Copper Rule	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,373	1,377	16,480	16,480	0
.10 Env Auditing/Assessment	-	-	-	-	-	-	-	3,500	3,500	-	-	-	7,000	7,000	0
.11 General Solid & Hazardous Waste	31,014	33,083	33,992	36,492	33,424	42,536	35,992	43,247	44,748	43,248	43,037	37,181	457,994	457,994	0
.12 Above Ground Storage Tanks	5,508	5,508	23,922	20,722	22,522	24,183	3,122	4,022	25,822	3,022	783	23,321	162,457	162,457	0
.13 Low NOx	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.14 Ash Pond Diversion Curtains	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.15 Mercury Emissions	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.16 Sodium Injection	11,333	2,000	11,333	2,000	11,333	2,000	10,333	1,000	10,333	1,000	10,335	1,000	74,000	0	74,000
.17 Gulf Coast Ozone Study	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.18 SPCC Substation Project	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.19 FDEP NOx Reduction Agreement	164,913	152,294	146,145	147,234	149,059	150,941	143,682	144,682	144,682	92,240	92,499	144,679	1,673,050	0	1,673,050
.20 CAIR/CAMR/CAVR Compliance Program	1,221,652	1,302,610	1,209,175	1,221,675	1,562,877	1,606,944	1,650,870	1,688,129	1,577,134	1,153,863	1,039,894	1,150,093	16,384,916	0	16,384,916
.21 MACT/ICR	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.22 Cris Water Conservation	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	156,000	156,000	0
.23 Mercury Allowances	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
.24 Annual NOx Allowances	5,954	5,954	5,954	5,954	5,954	8,215	20,440	21,027	6,357	5,954	5,954	5,954	103,671	0	103,671
.25 Seasonal NOx Allowances	-	-	-	-	-	-	-	516,439	1,202,586	-	-	-	1,719,025	0	1,719,025
.26 SO2 Allowances	32,454	43,280	61,406	65,283	65,143	68,660	83,187	86,460	65,651	59,834	50,607	35,033	716,998	0	716,998
2 Total of O & M Activities	<u>1,696,680</u>	<u>2,476,581</u>	<u>1,748,687</u>	<u>1,913,320</u>	<u>2,298,472</u>	<u>2,199,722</u>	<u>2,220,386</u>	<u>2,821,733</u>	<u>3,528,573</u>	<u>1,791,202</u>	<u>1,695,523</u>	<u>1,686,299</u>	<u>26,077,178</u>	<u>3,817,765</u>	<u>22,259,413</u>
3 Recoverable Costs Allocated to Energy	1,504,088	2,261,920	1,488,483	1,507,466	1,862,886	1,908,782	1,964,532	2,532,557	3,068,013	1,370,411	1,394,235	1,396,040	22,259,413		
4 Recoverable Costs Allocated to Demand	192,592	214,661	260,204	405,854	435,586	290,940	255,854	289,176	460,560	420,791	301,288	290,259	3,817,765		
5 Retail Energy Jurisdictional Factor	0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848			
6 Retail Demand Jurisdictional Factor	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582			
7 Jurisdictional Energy Recoverable Costs (A)	1,452,794	2,183,878	1,439,546	1,458,517	1,804,732	1,849,956	1,903,229	2,451,983	2,968,752	1,326,938	1,346,648	1,346,424	21,533,397		
8 Jurisdictional Demand Recoverable Costs (B)	<u>185,747</u>	<u>207,032</u>	<u>250,956</u>	<u>391,429</u>	<u>420,104</u>	<u>280,589</u>	<u>246,760</u>	<u>278,898</u>	<u>444,191</u>	<u>405,835</u>	<u>290,580</u>	<u>279,943</u>	<u>3,682,074</u>		
9 Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8)	<u>1,638,541</u>	<u>2,390,910</u>	<u>1,690,502</u>	<u>1,849,946</u>	<u>2,224,836</u>	<u>2,130,555</u>	<u>2,149,989</u>	<u>2,730,881</u>	<u>3,412,943</u>	<u>1,732,773</u>	<u>1,637,228</u>	<u>1,626,367</u>	<u>25,215,471</u>		

Notes:  
 (A) Line 3 x Line 5 x line loss multiplier  
 (B) Line 4 x Line 6

**Gulf Power Company**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Projected Period Amount  
 January 2012 - December 2012

**Capital Investment Projects - Recoverable Costs**  
 (in Dollars)

Line	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	End of	Method of Classification	
	January	February	March	April	May	June	July	August	September	October	November	December	12-Month	Demand	Energy
1	Description of Investment Projects (A)														
1	5,404	5,367	5,328	5,289	5,252	5,213	5,174	5,136	5,097	5,057	5,018	4,979	62,314	0	62,314
2	272,549	338,345	442,113	516,164	529,601	512,255	617,126	615,825	614,523	613,222	611,920	610,618	6,294,497	0	6,294,497
3	13,983	13,981	13,979	13,977	13,974	13,973	13,971	13,969	13,967	13,965	13,963	13,961	167,663	0	167,663
4	163,044	162,793	162,543	162,293	162,043	161,793	161,543	161,292	161,042	160,791	160,541	160,291	1,940,009	0	1,940,009
5	116,953	116,753	116,552	116,353	116,153	115,953	115,753	115,553	115,354	115,154	114,954	114,754	1,390,239	0	1,390,239
6	8,531	8,508	8,485	8,463	8,440	8,417	8,395	8,372	8,349	8,327	8,304	8,281	100,872	93,113	7,759
7	2,157	2,150	2,144	2,138	2,131	2,125	2,117	2,111	2,104	2,098	2,091	2,085	25,451	23,495	1,956
8	4,889	4,887	4,885	4,884	4,883	4,880	4,879	4,878	4,876	4,874	4,873	4,871	58,559	54,054	4,505
9	3,948	3,936	3,923	3,911	3,898	3,886	3,873	3,861	3,848	3,835	3,823	3,811	46,553	42,971	3,582
10	532	531	529	527	525	523	522	519	518	516	514	512	6,268	5,785	483
11	698	695	692	689	686	684	681	679	675	672	670	667	8,188	7,558	630
12	406	405	404	401	400	399	396	395	394	392	390	388	4,770	4,404	366
13	3,876	3,866	3,855	3,844	3,834	3,823	3,813	3,802	3,791	3,781	3,771	3,759	45,815	0	45,815
14	20,694	20,622	20,550	20,478	20,405	20,333	20,261	20,189	20,117	20,045	19,973	19,901	243,568	224,832	18,736
15	2,968	2,963	2,959	2,954	2,950	2,945	2,940	2,936	2,930	2,926	2,921	2,916	35,308	32,592	2,716
16	170,936	170,494	170,051	169,609	169,167	168,725	168,283	167,840	167,398	166,956	166,514	166,072	2,022,045	1,866,501	155,544
17	51,893	52,990	54,088	56,285	59,583	62,882	66,180	69,479	72,777	76,076	79,374	82,672	784,279	723,949	60,330
18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	1,379,115	1,375,368	1,371,621	1,369,447	1,367,744	1,364,044	1,361,888	1,359,731	1,357,899	1,356,076	1,355,509	1,354,620	16,373,062	0	16,373,062
20	10,009	9,983	9,958	9,933	9,907	9,881	9,856	9,830	9,804	9,779	9,753	9,728	118,421	109,343	9,078
21	621	620	618	616	614	613	611	609	608	606	604	603	7,343	0	7,343
22	324,826	324,029	323,232	322,435	321,638	320,841	320,045	319,247	318,450	317,653	316,856	316,059	3,845,311	0	3,845,311
23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	233,709	233,163	232,616	232,069	231,523	230,976	230,431	229,884	229,337	228,791	228,244	227,698	2,768,441	2,555,486	212,955
25	66,251	66,080	65,909	65,738	65,566	65,395	65,224	65,054	64,882	64,711	64,540	64,369	783,719	723,433	60,286
26	7,677,495	7,657,264	7,637,318	8,364,006	9,679,298	9,892,393	9,933,065	9,947,886	9,948,632	9,948,994	9,938,479	10,039,441	110,664,271	0	110,664,271
27	624	619	614	608	603	598	593	588	583	578	573	569	7,150	6,600	550
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	143,568	0	143,568
30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	71,586	71,229	70,735	70,138	69,523	68,891	68,175	67,325	66,657	66,065	65,545	65,140	821,059	0	821,059
2	10,619,661	10,659,605	10,737,665	11,535,213	12,862,305	13,054,405	13,197,759	13,209,004	13,206,576	13,203,904	13,191,681	13,290,965	148,768,743	6,474,086	142,294,657
3	10,085,897	10,126,042	10,204,307	11,001,041	12,326,305	12,516,574	12,658,099	12,667,512	12,663,259	12,658,757	12,644,707	12,742,157	142,294,657	0	142,294,657
4	533,764	533,563	533,358	534,172	536,000	537,831	539,660	541,492	543,317	545,147	546,974	548,808	6,474,086	0	6,474,086
5	0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	0.9605081	0.9601143	0.9597205
6	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
7	9,741,939	9,776,669	9,868,816	10,643,827	11,941,514	12,130,833	12,263,107	12,264,492	12,253,558	12,257,190	12,213,131	12,289,294	137,644,370	0	137,644,370
8	514,793	514,599	514,401	515,187	516,950	518,716	520,480	522,246	524,017	525,774	527,534	529,302	6,243,986	0	6,243,986
9	10,256,732	10,291,266	10,383,217	11,159,014	12,458,464	12,649,549	12,783,587	12,786,738	12,777,565	12,782,961	12,740,665	12,818,596	143,888,356	0	143,888,356

Notes:

- (A) Pages 1-27 of Schedule Bf, Line 9, Pages 28-31 of Schedule Bf, Line 6
- (B) Line 3 x Line 5 x Line loss multiplier
- (C) Line 4 x Line 6

**Gulf Power Company**  
Environmental Cost Recovery Clause (E-CRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Air Quality Assurance Testing  
P.E.s 1006 & 1244  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812
3	Less: Accumulated Depreciation (C)	(217,739)	(221,908)	(226,078)	(230,249)	(234,421)	(238,594)	(242,768)	(246,943)	(251,119)	(255,295)	(259,471)	(263,647)	(267,823)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	133,073	128,904	124,734	120,563	116,391	112,218	108,044	103,869	99,693	95,517	91,341	87,165	82,989	
6	Average Net Investment		130,989	126,819	122,649	118,477	114,305	110,131	105,957	101,781	97,605	93,429	89,253	85,077	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		962	932	901	870	840	809	778	748	717	686	656	625	9,524
b	Debt Component (Line 6 x Debt Component x 1/12)		273	265	256	247	239	230	221	212	204	195	186	178	2,706
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		4,169	4,170	4,171	4,172	4,173	4,174	4,175	4,176	4,176	4,176	4,176	4,176	50,084
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		5,404	5,367	5,328	5,289	5,252	5,213	5,174	5,136	5,097	5,057	5,018	4,979	62,314
a	Recoverable Costs Allocated to Energy		5,404	5,367	5,328	5,289	5,252	5,213	5,174	5,136	5,097	5,057	5,018	4,979	62,314
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640521	0.9636582	0.9632643	0.9628704	0.9624765	0.9620826	0.9616887	0.9612948	0.9609009	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		5,220	5,182	5,153	5,117	5,088	5,052	5,013	4,973	4,932	4,897	4,847	4,802	60,276
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		5,220	5,182	5,153	5,117	5,088	5,052	5,013	4,973	4,932	4,897	4,847	4,802	60,276

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) Applicable depreciation rate or rates.
- (F) PE 1244 7 year amortization; PE 1006 fully amortized
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist 5, 6 & 7 Precipitator Projects  
P.E.s 1038, 1119, 1216, 1243, 1249  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		5,000,000	6,500,000	10,500,000	2,750,000	200,000	50,000	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	36,146,453	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	6,216,000	0	0	0	0	0	0	0	0
d	Cost of Removal		0	2,550,000	2,550,000	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	(50,000)
2	Plant-in-Service/Depreciation Base (B)	13,909,529	13,909,529	13,909,529	13,909,529	13,909,529	7,693,529	43,839,982	43,839,982	43,839,982	43,839,982	43,839,982	43,839,982	43,839,982	43,839,982
3	Less: Accumulated Depreciation (C)	(4,031,354)	(4,082,017)	(1,582,680)	916,657	865,994	7,031,331	6,998,800	6,860,830	6,722,860	6,584,890	6,446,920	6,308,950	6,220,980	6,220,980
4	CWIP - Non Interest Bearing	11,167,011	16,167,011	22,667,011	33,167,011	35,917,011	36,117,011	20,558	20,558	20,558	20,558	20,558	20,558	20,558	20,558
5	Net Investment (Lines 2 + 3 + 4)	21,045,186	25,994,523	34,993,860	47,993,197	50,692,534	50,841,871	50,859,340	50,721,370	50,583,400	50,445,430	50,307,460	50,169,490	50,081,520	
6	Average Net Investment		23,519,855	30,494,192	41,493,529	49,342,866	50,767,203	50,850,606	50,790,355	50,652,385	50,514,415	50,376,445	50,238,475	50,125,505	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		172,800	224,041	304,853	362,522	372,987	373,599	373,157	372,143	371,129	370,116	369,102	368,272	4,034,721
b	Debt Component (Line 6 x Debt Component x 1/12)		49,086	63,641	86,597	102,979	105,951	106,125	105,999	105,712	105,424	105,136	104,848	104,612	1,146,110
8	Investment Expenses														
a	Depreciation (E)		40,574	40,574	40,574	40,574	40,574	22,442	127,881	127,881	127,881	127,881	127,881	127,881	992,598
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Disamortization (G)		10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	10,089	121,068
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		272,549	338,345	442,113	516,164	529,601	512,255	617,126	615,825	614,523	613,222	611,920	610,854	6,294,497
a	Recoverable Costs Allocated to Energy		272,549	338,345	442,113	516,164	529,601	512,255	617,126	615,825	614,523	613,222	611,920	610,854	6,294,497
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		263,254	326,671	427,577	499,405	513,068	496,468	597,869	596,232	594,641	593,769	591,035	589,144	6,089,133
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		263,254	326,671	427,577	499,405	513,068	496,468	597,869	596,232	594,641	593,769	591,035	589,144	6,089,133

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist 7 Blue Gas Conditioning  
P.I. 1228  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	1,459,714	1,459,501	1,459,288	1,459,075	1,458,862	1,458,649	1,458,436	1,458,223	1,458,010	1,457,797	1,457,584	1,457,371	1,457,158	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	1,459,714	1,459,501	1,459,288	1,459,075	1,458,862	1,458,649	1,458,436	1,458,223	1,458,010	1,457,797	1,457,584	1,457,371	1,457,158	
6	Average Net Investment		1,459,608	1,459,395	1,459,182	1,458,969	1,458,756	1,458,543	1,458,330	1,458,117	1,457,904	1,457,691	1,457,478	1,457,265	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		10,724	10,722	10,721	10,719	10,717	10,716	10,714	10,713	10,711	10,710	10,708	10,707	128,582
b	Debt Component (Line 6 x Debt Component x 1/12)		3,046	3,046	3,045	3,045	3,044	3,044	3,044	3,043	3,043	3,042	3,042	3,041	36,525
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		213	213	213	213	213	213	213	213	213	213	213	213	2,556
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		13,983	13,981	13,979	13,977	13,974	13,973	13,971	13,969	13,967	13,965	13,963	13,961	167,663
a	Recoverable Costs Allocated to Energy		13,983	13,981	13,979	13,977	13,974	13,973	13,971	13,969	13,967	13,965	13,963	13,961	167,663
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636583	0.9632643	0.9628703	0.9624763	0.9620823	0.9616883	0.9612943	0.9609003	0.9605063
11	Demand Jurisdictional Factor		0.9644582	0.9640582	0.9636582	0.9632582	0.9628582	0.9624582	0.9620582	0.9616582	0.9612582	0.9608582	0.9604582	0.9600582	0.9596582
12	Retail Energy-Related Recoverable Costs (H)		13,506	13,499	13,519	13,523	13,538	13,542	13,535	13,525	13,515	13,522	13,486	13,465	162,175
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		13,506	13,499	13,519	13,523	13,538	13,542	13,535	13,525	13,515	13,522	13,486	13,465	162,175

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Low NOx Burners, Cris 6 & 7  
P.L.s 1234, 1236, 1242, 1284  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearing to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924	9,097,924
3	Less: Accumulated Depreciation (C)	5,384,847	5,358,308	5,331,769	5,305,230	5,278,691	5,252,152	5,225,613	5,199,074	5,172,535	5,145,996	5,119,457	5,092,918	5,066,379	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	14,482,771	14,456,232	14,429,693	14,403,154	14,376,615	14,350,076	14,323,537	14,296,998	14,270,459	14,243,920	14,217,381	14,190,842	14,164,303	
6	Average Net Investment		14,469,502	14,442,963	14,416,424	14,389,885	14,363,346	14,336,807	14,310,268	14,283,729	14,257,190	14,230,651	14,204,112	14,177,573	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		106,307	106,112	105,917	105,722	105,528	105,333	105,138	104,943	104,748	104,553	104,358	104,163	1,262,822
b	Debt Component (Line 6 x Debt Component x 1/12)		30,198	30,142	30,087	30,032	29,976	29,921	29,866	29,810	29,755	29,699	29,644	29,589	358,719
8	Investment Expenses														
a	Depreciation (E)		26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	26,539	318,468
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		163,044	162,793	162,543	162,293	162,043	161,793	161,543	161,292	161,042	160,791	160,541	160,291	1,940,009
a	Recoverable Costs Allocated to Energy		163,044	162,793	162,543	162,293	162,043	161,793	161,543	161,292	161,042	160,791	160,541	160,291	1,940,009
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644261	0.9640273	0.9636285	0.9632297	0.9628309	0.9624321	0.9620333	0.9616345	0.9612357	0.9608369	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		157,484	157,176	157,199	157,023	156,984	156,807	156,502	156,160	155,832	155,690	155,062	154,594	1,876,513
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		157,484	157,176	157,199	157,023	156,984	156,807	156,502	156,160	155,832	155,690	155,062	154,594	1,876,513

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**January 2012 - December 2012**

Return on Capital Investments, Depreciation and Taxes

For Project: CIMS - Plants Crist, Scholz, Smith, & Daniel

P.E.s 1001, 1060, 1154, 1164, 1217, 1240, 1245, 1247, 1256, 1283, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1357, 1358, 1364, 1440, 1441, 1442, 1444, 1454, 1459, 1460, 1558, 1570, 1592, 1658, 1829 & 1830  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497	7,262,497
3	Less: Accumulated Depreciation (C)	2,770,487	2,749,305	2,728,123	2,706,941	2,685,759	2,664,577	2,643,395	2,622,213	2,601,031	2,579,849	2,558,667	2,537,485	2,516,303	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	10,032,984	10,011,802	9,990,620	9,969,438	9,948,256	9,927,074	9,905,892	9,884,710	9,863,528	9,842,346	9,821,164	9,799,982	9,778,800	
6	Average Net Investment		10,022,393	10,001,211	9,980,029	9,958,847	9,937,665	9,916,483	9,895,301	9,874,119	9,852,937	9,831,755	9,810,573	9,789,391	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		73,635	73,479	73,323	73,168	73,012	72,856	72,701	72,545	72,390	72,234	72,078	71,923	873,344
b	Debt Component (Line 6 x Debt Component x 1/12)		20,917	20,873	20,828	20,784	20,740	20,696	20,651	20,607	20,563	20,519	20,475	20,430	248,083
8	Investment Expenses														
a	Depreciation (E)		20,954	20,954	20,954	20,954	20,954	20,954	20,954	20,954	20,954	20,954	20,954	20,954	251,448
b	Amortization (F)		228	228	228	228	228	228	228	228	228	228	228	228	2,736
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		1,219	1,219	1,219	1,219	1,219	1,219	1,219	1,219	1,219	1,219	1,219	1,219	14,628
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		116,953	116,753	116,552	116,353	116,153	115,953	115,753	115,553	115,354	115,154	114,954	114,754	1,390,239
a	Recoverable Costs Allocated to Energy		116,953	116,753	116,552	116,353	116,153	115,953	115,753	115,553	115,354	115,154	114,954	114,754	1,390,239
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	0.9605081
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		112,965	112,725	112,720	112,575	112,527	112,380	112,141	111,877	111,622	111,501	111,031	110,676	1,344,740
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		112,965	112,725	112,720	112,575	112,527	112,380	112,141	111,877	111,622	111,501	111,031	110,676	1,344,740

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Beginning Balances and Ending Balances: Crist, \$4,026,450; Scholz \$916,802; Smith \$1,734,877; Daniel \$584,368,11.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) Crist: 3.5%; Smith 3.3%; Scholz 4.1%; Daniel 2.8% annually
- (F) Pl: 1364 & 1658 have a 7 year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Sub. Contam. Mobile Groundwater Treat. Sys.  
P.E. 1007, 3400, & 3412  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024	918,024
3	Less: Accumulated Depreciation (C)	(267,358)	(269,762)	(272,166)	(274,570)	(276,974)	(279,378)	(281,782)	(284,186)	(286,590)	(288,994)	(291,398)	(293,802)	(296,206)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	650,666	648,262	645,858	643,454	641,050	638,646	636,242	633,838	631,434	629,030	626,626	624,222	621,818	
6	Average Net Investment		649,464	647,060	644,656	642,252	639,848	637,444	635,040	632,636	630,232	627,828	625,424	623,020	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		4,772	4,754	4,736	4,719	4,701	4,683	4,666	4,648	4,630	4,613	4,595	4,577	56,094
b	Debt Component (Line 6 x Debt Component x 1/12)		1,355	1,350	1,345	1,340	1,335	1,330	1,325	1,320	1,315	1,310	1,305	1,300	15,930
8	Investment Expenses														
a	Depreciation (B)		2,404	2,404	2,404	2,404	2,404	2,404	2,404	2,404	2,404	2,404	2,404	2,404	28,848
b	Amortization (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		8,531	8,508	8,485	8,463	8,440	8,417	8,395	8,372	8,349	8,327	8,304	8,281	100,872
a	Recoverable Costs Allocated to Energy		656	654	653	651	649	647	646	644	642	641	639	637	7,759
b	Recoverable Costs Allocated to Demand		7,875	7,854	7,832	7,812	7,791	7,770	7,749	7,728	7,707	7,686	7,665	7,644	93,113
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		634	631	632	630	629	627	626	624	621	621	617	614	7,506
13	Retail Demand-Related Recoverable Costs (I)		7,595	7,575	7,554	7,534	7,514	7,494	7,474	7,453	7,433	7,413	7,393	7,372	89,804
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		8,229	8,206	8,186	8,164	8,143	8,121	8,100	8,077	8,054	8,034	8,010	7,986	97,310

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Part of PE 1007 depreciable at 2.2% annually, PEs 3400 and 3412 depreciable at 2.2% annually
- (F) The amortizable portion of PE 1007 is fully amortized
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Raw Water Well Flowmeters - Plants Crist & Smith  
P.E. 1155 & 1606  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973	242,973
3	Less: Accumulated Depreciation (C)	(87,457)	(88,150)	(88,843)	(89,536)	(90,229)	(90,922)	(91,615)	(92,308)	(93,001)	(93,694)	(94,387)	(95,080)	(95,773)	(95,773)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	155,516	154,823	154,130	153,437	152,744	152,051	151,358	150,665	149,972	149,279	148,586	147,893	147,200	
6	Average Net Investment		155,170	154,477	153,784	153,091	152,398	151,705	151,012	150,319	149,626	148,933	148,240	147,547	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,140	1,135	1,130	1,125	1,120	1,115	1,109	1,104	1,099	1,094	1,089	1,084	13,344
b	Debt Component (Line 6 x Debt Component x 1/12)		324	322	321	320	318	317	315	314	312	311	309	308	3,791
8	Investment Expenses														
a	Depreciation (E)		693	693	693	693	693	693	693	693	693	693	693	693	8,316
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,157	2,150	2,144	2,138	2,131	2,125	2,117	2,111	2,104	2,098	2,091	2,085	25,451
a	Recoverable Costs Allocated to Energy		166	165	165	164	164	163	163	162	162	161	161	160	1,956
b	Recoverable Costs Allocated to Demand		1,991	1,985	1,979	1,974	1,967	1,962	1,954	1,949	1,942	1,937	1,930	1,925	23,495
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		160	159	160	159	159	158	158	157	157	156	156	154	1,893
13	Retail Demand-Related Recoverable Costs (I)		1,920	1,914	1,909	1,904	1,897	1,892	1,885	1,880	1,873	1,868	1,861	1,857	22,660
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,080	2,073	2,069	2,063	2,056	2,050	2,043	2,037	2,030	2,024	2,017	2,011	24,553

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Beginning and Ending Balances: Crist, \$149,950; Smith \$93,023.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Crist 3.5%; Smith 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9h x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist Cooling Tower Cell  
P.L. 1232  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	500,367	500,198	500,029	499,860	499,691	499,522	499,353	499,184	499,015	498,846	498,677	498,508	498,339	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	500,367	500,198	500,029	499,860	499,691	499,522	499,353	499,184	499,015	498,846	498,677	498,508	498,339	
6	Average Net Investment		500,283	500,114	499,945	499,776	499,607	499,438	499,269	499,100	498,931	498,762	498,593	498,424	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		3,676	3,674	3,673	3,672	3,671	3,669	3,668	3,667	3,666	3,664	3,663	3,662	44,025
b	Debt Component (Line 6 x Debt Component x 1/12)		1,044	1,044	1,043	1,043	1,043	1,042	1,042	1,042	1,041	1,041	1,041	1,040	12,506
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		169	169	169	169	169	169	169	169	169	169	169	169	2,028
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		4,889	4,887	4,885	4,884	4,883	4,880	4,879	4,878	4,876	4,874	4,873	4,871	58,559
a	Recoverable Costs Allocated to Energy		376	376	376	376	376	375	375	375	375	375	375	375	4,505
b	Recoverable Costs Allocated to Demand		4,513	4,511	4,509	4,508	4,507	4,505	4,504	4,503	4,501	4,499	4,498	4,496	54,054
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		363	363	364	364	364	363	363	363	363	363	362	362	4,357
13	Retail Demand-Related Recoverable Costs (I)		4,353	4,351	4,349	4,348	4,347	4,345	4,344	4,343	4,341	4,339	4,338	4,336	52,134
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		4,716	4,714	4,713	4,712	4,711	4,708	4,707	4,706	4,704	4,702	4,700	4,698	56,491

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist Dechlorination System  
P.E. 1180, 1248  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323	455,323
3	Less: Accumulated Depreciation (C)	(177,006)	(178,335)	(179,664)	(180,993)	(182,322)	(183,651)	(184,980)	(186,309)	(187,638)	(188,967)	(190,296)	(191,625)	(192,954)	(192,954)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	278,317	276,988	275,659	274,330	273,001	271,672	270,343	269,014	267,685	266,356	265,027	263,698	262,369	
6	Average Net Investment		277,653	276,324	274,995	273,666	272,337	271,008	269,679	268,350	267,021	265,692	264,363	263,034	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		2,040	2,030	2,020	2,011	2,001	1,991	1,981	1,972	1,962	1,952	1,942	1,933	23,835
b	Debt Component (Line 6 x Debt Component x 1/12)		579	577	574	571	568	566	563	560	557	554	552	549	6,770
8	Investment Expenses														
a	Depreciation (E)		1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	1,329	15,948
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,948	3,936	3,923	3,911	3,898	3,886	3,873	3,861	3,848	3,835	3,823	3,811	46,553
a	Recoverable Costs Allocated to Energy		304	303	302	301	300	299	298	297	296	295	294	293	3,582
b	Recoverable Costs Allocated to Demand		3,644	3,633	3,621	3,610	3,598	3,587	3,575	3,564	3,552	3,540	3,529	3,518	42,971
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644261	0.9640273	0.9636285	0.9632297	0.9628309	0.9624321	0.9620333	0.9616345	0.9612357	0.9608369	0.9604381
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		294	293	292	291	291	290	289	288	286	286	284	283	3,467
13	Retail Demand-Related Recoverable Costs (I)		3,514	3,504	3,492	3,482	3,470	3,460	3,448	3,437	3,426	3,414	3,404	3,393	41,444
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		3,808	3,797	3,784	3,773	3,761	3,750	3,737	3,725	3,712	3,700	3,688	3,676	44,911

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist Diesel Fuel Oil Remediation  
P.E. 1270  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923	68,923
3	Less: Accumulated Depreciation (C)	(33,655)	(33,856)	(34,057)	(34,258)	(34,459)	(34,660)	(34,861)	(35,062)	(35,263)	(35,464)	(35,665)	(35,866)	(36,067)	(36,067)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	35,268	35,067	34,866	34,665	34,464	34,263	34,062	33,861	33,660	33,459	33,258	33,057	32,856	
6	Average Net Investment		35,168	34,967	34,766	34,565	34,364	34,163	33,962	33,761	33,560	33,359	33,158	32,957	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		258	257	255	254	252	251	250	248	247	245	244	242	3,003
b	Debt Component (Line 6 x Debt Component x 1/12)		73	73	73	72	72	71	71	70	70	70	69	69	853
8	Investment Expenses														
a	Depreciation (E)		201	201	201	201	201	201	201	201	201	201	201	201	2,412
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		532	531	529	527	525	523	522	519	518	516	514	512	6,268
a	Recoverable Costs Allocated to Energy		41	41	41	41	40	40	40	40	40	40	40	39	483
b	Recoverable Costs Allocated to Demand		491	490	488	486	485	483	482	479	478	476	474	471	5,785
10	Energy Jurisdictional Factor		0.9652215	0.96448222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		40	40	40	40	39	39	39	39	39	39	39	38	471
13	Retail Demand-Related Recoverable Costs (I)		474	473	471	469	468	466	465	462	461	459	457	456	5,581
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		514	513	511	509	507	505	504	501	500	498	496	494	6,052

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist Bulk Tanker Unload Sec Contain Struc  
P.E. 1271  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495	101,495
3	Less: Accumulated Depreciation (C)	(58,773)	(59,069)	(59,365)	(59,661)	(59,957)	(60,253)	(60,549)	(60,845)	(61,141)	(61,437)	(61,733)	(62,029)	(62,325)	(62,325)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	42,722	42,426	42,130	41,834	41,538	41,242	40,946	40,650	40,354	40,058	39,762	39,466	39,170	
6	Average Net Investment		42,574	42,278	41,982	41,686	41,390	41,094	40,798	40,502	40,206	39,910	39,614	39,318	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (I)		313	311	308	306	304	302	300	298	295	293	291	289	3,610
b	Debt Component (Line 6 x Debt Component x 1/12)		89	88	88	87	86	86	85	85	84	83	83	82	1,026
8	Investment Expenses														
a	Depreciation (E)		296	296	296	296	296	296	296	296	296	296	296	296	3,552
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		698	695	692	689	686	684	681	679	675	672	670	667	8,188
a	Recoverable Costs Allocated to Energy		54	53	53	53	53	53	52	52	52	52	52	51	630
b	Recoverable Costs Allocated to Demand		644	642	639	636	633	631	629	627	623	620	618	616	7,558
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	0.9605081
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		52	51	51	51	51	51	50	50	50	50	50	49	606
13	Retail Demand-Related Recoverable Costs (I)		621	619	616	613	611	609	607	605	601	598	596	594	7,290
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		673	670	667	664	662	660	657	655	651	648	646	643	7,896

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist IWW Sampling System  
P.E. 1275  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
<b>1</b>	<b>Investments</b>														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543	59,543
3	Less: Accumulated Depreciation (C)	(34,798)	(34,972)	(35,146)	(35,320)	(35,494)	(35,668)	(35,842)	(36,016)	(36,190)	(36,364)	(36,538)	(36,712)	(36,886)	(36,886)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	24,745	24,571	24,397	24,223	24,049	23,875	23,701	23,527	23,353	23,179	23,005	22,831	22,657	
6	Average Net Investment		24,658	24,484	24,310	24,136	23,962	23,788	23,614	23,440	23,266	23,092	22,918	22,744	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		181	180	179	177	176	175	173	172	171	170	168	167	2,089
b	Debt Component (Line 6 x Debt Component x 1/12)		51	51	51	50	50	50	49	49	49	48	48	47	593
8	Investment Expenses														
a	Depreciation (E)		174	174	174	174	174	174	174	174	174	174	174	174	2,088
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		406	405	404	401	400	399	396	395	394	392	390	388	4,770
a	Recoverable Costs Allocated to Energy		31	31	31	31	31	31	30	30	30	30	30	30	366
b	Recoverable Costs Allocated to Demand		375	374	373	370	369	368	366	365	364	362	360	358	4,404
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644229	0.9640236	0.9636243	0.9632250	0.9628257	0.9624264	0.9620271	0.9616278	0.9612285	0.9608292	0.9604299
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		30	30	30	30	30	30	29	29	29	29	29	29	354
13	Retail Demand-Related Recoverable Costs (I)		362	361	360	357	356	355	353	352	351	349	347	345	4,248
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		392	391	390	387	386	385	382	381	380	378	376	374	4,602

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1 (0007 line loss multiplier)
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Sodium Injection System  
P.E. 1214 & 1413  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119	391,119
3	Less: Accumulated Depreciation (C)	(98,717)	(99,840)	(100,963)	(102,086)	(103,209)	(104,332)	(105,455)	(106,578)	(107,701)	(108,824)	(109,947)	(111,070)	(112,193)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	292,402	291,279	290,156	289,033	287,910	286,787	285,664	284,541	283,418	282,295	281,172	280,049	278,926	
6	Average Net Investment		291,841	290,718	289,595	288,472	287,349	286,226	285,103	283,980	282,857	281,734	280,611	279,488	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		2,144	2,136	2,128	2,119	2,111	2,103	2,095	2,086	2,078	2,070	2,062	2,053	25,185
b	Debt Component (Line 6 x Debt Component x 1/12)		609	607	604	602	600	597	595	593	590	588	586	583	7,154
8	Investment Expenses														
a	Depreciation (E)		1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	1,123	13,476
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		3,876	3,866	3,855	3,844	3,834	3,823	3,813	3,802	3,791	3,781	3,771	3,759	45,815
a	Recoverable Costs Allocated to Energy		3,876	3,866	3,855	3,844	3,834	3,823	3,813	3,802	3,791	3,781	3,771	3,759	45,815
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640700	0.9636939	0.9633178	0.9629417	0.9625656	0.9621895	0.9618134	0.9614373	0.9610612	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		3,744	3,733	3,728	3,719	3,714	3,705	3,694	3,681	3,668	3,661	3,642	3,625	44,314
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		3,744	3,733	3,728	3,719	3,714	3,705	3,694	3,681	3,668	3,661	3,642	3,625	44,314

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Beginning and Ending Balances: Crist, \$284,622 and Smith \$106,497.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Crist 3.5% annually; Smith 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line less multiplier
- (I) Line 9b x Line 11



**Gulf Power Company**  
Environmental Cost Recovery Clause (E-CRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Smith Stormwater Collection System  
P.E. 1446  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600	2,782,600
3	Less: Accumulated Depreciation (C)	(1,396,276)	(1,403,928)	(1,411,580)	(1,419,232)	(1,426,884)	(1,434,536)	(1,442,188)	(1,449,840)	(1,457,492)	(1,465,144)	(1,472,796)	(1,480,448)	(1,488,100)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	1,386,324	1,378,672	1,371,020	1,363,368	1,355,716	1,348,064	1,340,412	1,332,760	1,325,108	1,317,456	1,309,804	1,302,152	1,294,500	
6	Average Net Investment		1,382,498	1,374,846	1,367,194	1,359,542	1,351,890	1,344,238	1,336,586	1,328,934	1,321,282	1,313,630	1,305,978	1,298,326	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		10,157	10,101	10,045	9,989	9,932	9,876	9,820	9,764	9,707	9,651	9,595	9,539	118,176
b	Debt Component (Line 6 x Debt Component x 1/12)		2,885	2,869	2,853	2,837	2,821	2,805	2,789	2,773	2,758	2,742	2,726	2,710	33,568
8	Investment Expenses														
a	Depreciation (E)		7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	7,652	91,824
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		20,694	20,622	20,550	20,478	20,405	20,333	20,261	20,189	20,117	20,045	19,973	19,901	243,568
a	Recoverable Costs Allocated to Energy		1,592	1,586	1,581	1,575	1,570	1,564	1,559	1,553	1,547	1,542	1,536	1,531	18,736
b	Recoverable Costs Allocated to Demand		19,102	19,036	18,969	18,903	18,835	18,769	18,702	18,636	18,570	18,503	18,437	18,370	224,832
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		1,538	1,531	1,529	1,524	1,521	1,516	1,510	1,504	1,497	1,493	1,484	1,477	18,124
13	Retail Demand-Related Recoverable Costs (I)		18,423	18,359	18,295	18,231	18,166	18,102	18,037	17,974	17,910	17,845	17,782	17,717	216,841
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		19,961	19,890	19,824	19,755	19,687	19,618	19,547	19,478	19,407	19,338	19,266	19,194	234,965

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Smith Waste Water Treatment Facility  
P.L. 1466 & 1643  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962	178,962
3	Less: Accumulated Depreciation (C)	83,718	83,226	82,734	82,242	81,750	81,258	80,766	80,274	79,782	79,290	78,798	78,306	77,814	77,814
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	262,680	262,188	261,696	261,204	260,712	260,220	259,728	259,236	258,744	258,252	257,760	257,268	256,776	
6	Average Net Investment		262,434	261,942	261,450	260,958	260,466	259,974	259,482	258,990	258,498	258,006	257,514	257,022	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,928	1,924	1,921	1,917	1,914	1,910	1,906	1,903	1,899	1,896	1,892	1,888	22,898
b	Debt Component (Line 6 x Debt Component x 1/12)		548	547	546	545	544	543	542	541	539	538	537	536	6,506
8	Investment Expenses														
a	Depreciation (E)		492	492	492	492	492	492	492	492	492	492	492	492	5,904
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		2,968	2,963	2,959	2,954	2,950	2,945	2,940	2,936	2,930	2,926	2,921	2,916	35,308
a	Recoverable Costs Allocated to Energy		228	228	228	227	227	227	226	226	225	225	225	224	2,716
b	Recoverable Costs Allocated to Demand		2,740	2,735	2,731	2,727	2,723	2,718	2,714	2,710	2,705	2,701	2,696	2,692	32,592
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669896	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		220	220	221	220	220	220	219	219	218	218	217	216	2,628
13	Retail Demand-Related Recoverable Costs (I)		2,643	2,638	2,634	2,630	2,626	2,621	2,618	2,614	2,609	2,605	2,600	2,596	31,434
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		2,863	2,858	2,855	2,850	2,846	2,841	2,837	2,833	2,827	2,823	2,817	2,812	34,062

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (E-CRC)  
Calculation of the Projected Period Amount  
**January 2012 - December 2012**

Return on Capital Investments, Depreciation and Taxes  
For Project: Daniel Ash Management Project  
P.E. 1501, 1535, 1555, & 1839  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058	16,234,058
3	Less: Accumulated Depreciation (C)	(6,466,114)	(6,512,984)	(6,559,854)	(6,606,724)	(6,653,594)	(6,700,464)	(6,747,334)	(6,794,204)	(6,841,074)	(6,887,944)	(6,934,814)	(6,981,684)	(7,028,554)	(7,028,554)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	9,767,944	9,721,074	9,674,204	9,627,334	9,580,464	9,533,594	9,486,724	9,439,854	9,392,984	9,346,114	9,299,244	9,252,374	9,205,504	
6	Average Net Investment		9,744,509	9,697,639	9,650,769	9,603,899	9,557,029	9,510,159	9,463,289	9,416,419	9,369,549	9,322,679	9,275,809	9,228,939	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		71,593	71,249	70,904	70,560	70,215	69,871	69,527	69,182	68,838	68,494	68,149	67,805	836,387
b	Debt Component (Line 6 x Debt Component x 1/12)		20,337	20,239	20,141	20,043	19,946	19,848	19,750	19,652	19,554	19,456	19,359	19,261	237,586
8	Investment Expenses														
a	Depreciation (E)		37,874	37,874	37,874	37,874	37,874	37,874	37,874	37,874	37,874	37,874	37,874	37,874	454,488
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	8,996	107,952
d	Property Taxes		32,136	32,136	32,136	32,136	32,136	32,136	32,136	32,136	32,136	32,136	32,136	32,136	385,632
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		170,936	170,494	170,051	169,609	169,167	168,725	168,283	167,840	167,398	166,956	166,514	166,072	2,022,045
a	Recoverable Costs Allocated to Energy		13,149	13,115	13,081	13,047	13,013	12,979	12,945	12,911	12,877	12,843	12,809	12,775	155,544
b	Recoverable Costs Allocated to Demand		157,787	157,379	156,970	156,562	156,154	155,746	155,338	154,929	154,521	154,113	153,705	153,297	1,866,501
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	0.9605081
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		12,701	12,663	12,625	12,587	12,549	12,511	12,473	12,435	12,397	12,359	12,321	12,283	150,454
13	Retail Demand-Related Recoverable Costs (I)		152,179	151,785	151,391	150,998	150,604	150,211	149,817	149,423	149,029	148,636	148,242	147,849	1,800,164
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		164,880	164,448	164,016	163,584	163,152	162,720	162,288	161,856	161,424	160,992	160,560	160,128	1,950,618

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 2.8% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (E-CRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Smith Water Conservation  
P.E. 1601, 1620, 1638  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		116,667	116,667	116,667	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	349,999
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134	134,134
3	Less: Accumulated Depreciation (C)	(30,773)	(31,142)	(31,511)	(31,880)	(32,249)	(32,618)	(32,987)	(33,356)	(33,725)	(34,094)	(34,463)	(34,832)	(35,201)	
4	CWIP - Non Interest Bearing	5,300,001	5,416,668	5,533,335	5,650,002	6,000,002	6,350,002	6,700,002	7,050,002	7,400,002	7,750,002	8,100,002	8,450,002	8,800,001	
5	Net Investment (Lines 2 + 3 + 4)	5,403,362	5,519,666	5,635,958	5,752,256	6,101,887	6,451,518	6,801,149	7,150,780	7,500,411	7,850,042	8,199,673	8,549,304	8,898,934	
6	Average Net Investment		5,461,511	5,577,809	5,694,107	5,927,072	6,276,703	6,626,334	6,975,965	7,325,596	7,675,227	8,024,858	8,374,489	8,724,119	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		40,126	40,980	41,835	43,546	46,115	48,684	51,252	53,821	56,390	58,959	61,527	64,096	607,331
b	Debt Component (Line 6 x Debt Component x 1/12)		11,398	11,641	11,884	12,370	13,099	13,829	14,559	15,289	16,018	16,748	17,478	18,207	172,520
8	Investment Expenses														
a	Depreciation (E)		369	369	369	369	369	369	369	369	369	369	369	369	4,428
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		51,893	52,990	54,088	56,285	59,583	62,882	66,180	69,479	72,777	76,076	79,374	82,672	784,279
a	Recoverable Costs Allocated to Energy		3,992	4,076	4,161	4,330	4,583	4,837	5,091	5,345	5,598	5,852	6,106	6,359	60,330
b	Recoverable Costs Allocated to Demand		47,901	48,914	49,927	51,955	55,000	58,045	61,089	64,134	67,179	70,224	73,268	76,313	723,949
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	0.9605081
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		3,856	3,935	4,024	4,189	4,440	4,688	4,932	5,175	5,417	5,666	5,898	6,133	58,353
13	Retail Demand-Related Recoverable Costs (I)		46,199	47,176	48,153	50,108	53,045	55,982	58,918	61,855	64,791	67,728	70,664	73,601	698,220
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		50,055	51,111	52,177	54,297	57,485	60,670	63,850	67,030	70,208	73,394	76,562	79,734	756,573

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Underground Fuel Tank Replacement  
P.J. 4397  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project.
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Applicable depreciation rate or rates.
- (F) PE 4397 fully amortized.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist FDEP Agreement for Ozone Attainment  
P.E. 1031, 1158, 1167, 1199, 1250, 1287  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	333,334	0	333,334	0	333,334	0	266,666	266,666	266,666	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	1,800,000
c	Retirements		0	0	0	0	687,931	0	0	0	0	0	0	0	2,021,481
d	Cost of Removal		0	0	0	0	100,000	0	0	0	68,666	68,667	68,667	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	124,412,987	124,412,987	124,412,987	124,412,987	124,412,987	123,725,056	123,725,056	123,725,056	123,725,056	123,725,056	123,725,056	123,725,056	123,503,575	
3	Less: Accumulated Depreciation (C)	(20,142,288)	(20,539,588)	(20,936,889)	(21,334,191)	(21,731,494)	(21,340,867)	(21,736,166)	(22,131,466)	(22,526,767)	(22,853,402)	(23,180,036)	(23,506,670)	(21,880,490)	
4	CWIP - Non Interest Bearing	0	0	0	0	333,334	333,334	666,668	666,668	1,000,002	1,000,002	1,266,668	1,533,334	0	
5	Net Investment (Lines 2 + 3 + 4)	104,270,699	103,873,399	103,476,098	103,078,796	103,014,827	102,717,523	102,655,558	102,260,258	102,198,291	101,871,656	101,811,688	101,751,720	101,623,085	
6	Average Net Investment		104,072,049	103,674,749	103,277,447	103,046,812	102,866,175	102,686,541	102,457,908	102,229,275	102,034,974	101,841,672	101,781,704	101,687,403	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		764,617	761,698	758,779	757,085	755,758	754,438	752,758	751,078	749,651	748,231	747,790	747,097	9,048,980
b	Debt Component (Line 6 x Debt Component x 1/12)		217,198	216,369	215,540	215,059	214,682	214,307	213,830	213,352	212,947	212,544	212,418	212,222	2,570,468
8	Investment Expenses														
a	Depreciation (E)		362,273	362,273	362,273	362,273	362,273	360,267	360,267	360,267	360,267	360,267	360,267	360,267	4,333,234
b	Amortization (F)		2,357	2,358	2,359	2,360	2,361	2,362	2,363	2,364	2,364	2,364	2,364	2,364	28,340
c	Dismantlement		32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	32,670	392,040
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		1,379,115	1,375,368	1,371,621	1,369,447	1,367,744	1,364,044	1,361,888	1,359,731	1,357,899	1,356,076	1,355,509	1,354,620	16,373,062
a	Recoverable Costs Allocated to Energy		1,379,115	1,375,368	1,371,621	1,369,447	1,367,744	1,364,044	1,361,888	1,359,731	1,357,899	1,356,076	1,355,509	1,354,620	16,373,062
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636685	0.9632848	0.9629011	0.9625174	0.9621337	0.9617500	0.9613663	0.9609826	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		1,332,083	1,327,914	1,326,526	1,324,980	1,325,047	1,322,006	1,319,391	1,316,471	1,313,966	1,313,058	1,309,244	1,306,476	15,837,162
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		1,332,083	1,327,914	1,326,526	1,324,980	1,325,047	1,322,006	1,319,391	1,316,471	1,313,966	1,313,058	1,309,244	1,306,476	15,837,162

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Portions of 1287 have 7-year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: SPPCC Compliance  
P.E. 1272 & 1404  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
<b>1</b>	<b>Investments</b>														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679	929,679
3	Less: Accumulated Depreciation (C)	(154,622)	(157,332)	(160,042)	(162,752)	(165,462)	(168,172)	(170,882)	(173,592)	(176,302)	(179,012)	(181,722)	(184,432)	(187,142)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	775,057	772,347	769,637	766,927	764,217	761,507	758,797	756,087	753,377	750,667	747,957	745,247	742,537	
6	Average Net Investment		773,702	770,992	768,282	765,572	762,862	760,152	757,442	754,732	752,022	749,312	746,602	743,892	
<b>7</b>	<b>Return on Average Net Investment</b>														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		5,684	5,664	5,645	5,625	5,605	5,585	5,565	5,545	5,525	5,505	5,485	5,465	66,898
b	Debt Component (Line 6 x Debt Component x 1/12)		1,615	1,609	1,603	1,598	1,592	1,586	1,581	1,575	1,569	1,564	1,558	1,553	19,003
<b>8</b>	<b>Investment Expenses</b>														
a	Depreciation (E)		2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	32,520
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		10,009	9,983	9,958	9,933	9,907	9,881	9,856	9,830	9,804	9,779	9,753	9,728	118,421
a	Recoverable Costs Allocated to Energy		770	768	766	764	762	760	758	756	754	752	750	748	9,108
b	Recoverable Costs Allocated to Demand		9,239	9,215	9,192	9,169	9,145	9,121	9,098	9,074	9,050	9,027	9,003	8,980	109,313
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669096	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		744	742	741	739	738	737	734	732	730	728	724	721	8,810
13	Retail Demand-Related Recoverable Costs (I)		8,911	8,887	8,865	8,843	8,820	8,797	8,775	8,751	8,728	8,706	8,683	8,661	105,427
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		9,655	9,629	9,606	9,582	9,558	9,534	9,509	9,483	9,458	9,434	9,407	9,382	114,237

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Beginning Balances: Crist \$919,836; Smith \$9,843. Ending Balances: Crist \$919,836; Smith \$9,843.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Crist 3.5%; Smith 3.3% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Crist Common FTR Monitor  
P.L. 1297  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870	62,870
3	Less: Accumulated Depreciation (C)	(16,321)	(16,504)	(16,687)	(16,870)	(17,053)	(17,236)	(17,419)	(17,602)	(17,785)	(17,968)	(18,151)	(18,334)	(18,517)	(18,517)
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	46,549	46,366	46,183	46,000	45,817	45,634	45,451	45,268	45,085	44,902	44,719	44,536	44,353	
6	Average Net Investment		46,458	46,275	46,092	45,909	45,726	45,543	45,360	45,177	44,994	44,811	44,628	44,445	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		341	340	339	337	336	335	333	332	331	329	328	327	4,008
b	Debt Component (Line 6 x Debt Component x 1/12)		97	97	96	96	95	95	95	94	94	94	93	93	1,139
8	Investment Expenses														
a	Depreciation (E)		183	183	183	183	183	183	183	183	183	183	183	183	2,196
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		621	620	618	616	614	613	611	609	608	606	604	603	7,343
a	Recoverable Costs Allocated to Energy		621	620	618	616	614	613	611	609	608	606	604	603	7,343
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		608	599	598	596	595	594	592	590	588	587	583	582	7,104
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		608	599	598	596	595	594	592	590	588	587	583	582	7,104

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11



**Gulf Power Company**  
Environmental Cost Recovery Clause (I-CRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Precipitator Upgrades for CAM Compliance  
P.L. 1175, 1191, 1305, 1330, 1461, 1462  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678	29,839,678
3	Less: Accumulated Depreciation (C)	(4,320,969)	(4,405,450)	(4,489,931)	(4,574,412)	(4,658,893)	(4,743,374)	(4,827,855)	(4,912,336)	(4,996,817)	(5,081,298)	(5,165,779)	(5,250,260)	(5,334,741)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	25,518,709	25,434,228	25,349,747	25,265,266	25,180,785	25,096,304	25,011,823	24,927,342	24,842,861	24,758,380	24,673,899	24,589,418	24,504,937	
6	Average Net Investment		25,476,469	25,391,988	25,307,507	25,223,026	25,138,545	25,054,064	24,969,583	24,885,102	24,800,621	24,716,140	24,631,659	24,547,178	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		187,176	186,555	185,934	185,314	184,693	184,072	183,452	182,831	182,210	181,589	180,969	180,348	2,205,143
b	Debt Component (Line 6 x Debt Component x 1/12)		53,169	52,993	52,817	52,640	52,464	52,288	52,112	51,935	51,759	51,583	51,406	51,230	626,396
8	Investment Expenses														
a	Depreciation (E)		84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	84,481	1,013,772
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		324,826	324,029	323,232	322,435	321,638	320,841	320,045	319,247	318,450	317,653	316,856	316,059	3,845,311
a	Recoverable Costs Allocated to Energy		324,826	324,029	323,232	322,435	321,638	320,841	320,045	319,247	318,450	317,653	316,856	316,059	3,845,311
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		313,749	312,849	312,605	311,965	311,597	310,953	310,058	309,090	308,147	307,576	306,041	304,826	3,719,456
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		313,749	312,849	312,605	311,965	311,597	310,953	310,058	309,090	308,147	307,576	306,041	304,826	3,719,456

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Beginning Balances and Ending Balances: Crist \$13,997,696; Smith \$15,715,201; Scholz \$126,781.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) Crist 3.5%; Smith 3.3%; Scholz 4.1% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Plant Groundwater Investigation  
P.E. 1218 & 1361  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Less: Accumulated Depreciation (C)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Average Net Investment		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 6 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Investment Expenses														
a	Depreciation (L)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Beginning Balances: Crist \$0; Scholz \$0. Ending Balances: Crist, \$0; Scholz \$0.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Crist 3.5% annually; Scholz 4.1% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Plant Crist Water Conservation Project  
P.I.S. 1178, 1227, 1298  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (H)	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981	19,857,981
3	Less: Accumulated Depreciation (C)	(1,196,087)	(1,254,013)	(1,311,939)	(1,369,865)	(1,427,791)	(1,485,717)	(1,543,643)	(1,601,569)	(1,659,495)	(1,717,421)	(1,775,347)	(1,833,273)	(1,891,199)	
4	CWIP - Non Interest Bearing (J)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	18,661,894	18,603,968	18,546,042	18,488,116	18,430,190	18,372,264	18,314,338	18,256,412	18,198,486	18,140,560	18,082,634	18,024,708	17,966,782	
6	Average Net Investment		18,632,931	18,575,005	18,517,079	18,459,153	18,401,227	18,343,301	18,285,375	18,227,449	18,169,523	18,111,597	18,053,671	17,995,745	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (I)		136,896	136,471	136,045	135,619	135,194	134,768	134,343	133,917	133,491	133,066	132,640	132,215	1,614,665
b	Debt Component (Line 6 x Debt Component x 1/12)		38,887	38,766	38,645	38,524	38,403	38,282	38,162	38,041	37,920	37,799	37,678	37,557	458,664
8	Investment Expenses														
a	Depreciation (E)		57,926	57,926	57,926	57,926	57,926	57,926	57,926	57,926	57,926	57,926	57,926	57,926	689,858
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		233,709	233,163	232,616	232,069	231,523	230,976	230,431	229,884	229,337	228,791	228,244	227,698	2,763,187
a	Recoverable Costs Allocated to Energy		17,978	17,936	17,894	17,851	17,809	17,767	17,725	17,683	17,641	17,599	17,557	17,515	212,955
b	Recoverable Costs Allocated to Demand		215,731	215,227	214,722	214,218	213,714	213,209	212,706	212,201	211,696	211,192	210,687	210,183	2,555,486
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644261	0.9640299	0.9636337	0.9632375	0.9628413	0.9624451	0.9620489	0.9616527	0.9612565	0.9608603	0.9604641
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582
12	Retail Energy-Related Recoverable Costs (H)		17,365	17,317	17,269	17,221	17,173	17,125	17,077	17,029	16,981	16,933	16,885	16,837	205,985
13	Retail Demand-Related Recoverable Costs (I)		208,064	207,577	207,090	206,604	206,118	205,631	205,146	204,659	204,172	203,686	203,199	202,713	2,464,659
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		225,429	224,894	224,396	223,875	223,371	222,850	222,348	221,847	221,346	220,845	220,344	219,843	2,670,644

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11
- (J) Revised to exclude \$73,956 that was incorrectly included in CWIP in December 2008 for PE 1298.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: Plant NPDES Permit Compliance Projects  
P.F. 1204 & 1299  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040	6,218,040
3	Less: Accumulated Depreciation (C)	(1,109,012)	(1,127,150)	(1,145,288)	(1,163,426)	(1,181,564)	(1,199,702)	(1,217,840)	(1,235,978)	(1,254,116)	(1,272,254)	(1,290,392)	(1,308,530)	(1,326,668)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	5,109,028	5,090,890	5,072,752	5,054,614	5,036,476	5,018,338	5,000,200	4,982,062	4,963,924	4,945,786	4,927,648	4,909,510	4,891,372	
6	Average Net Investment		5,099,959	5,081,821	5,063,683	5,045,545	5,027,407	5,009,269	4,991,131	4,972,993	4,954,855	4,936,717	4,918,579	4,900,441	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		37,469	37,336	37,203	37,070	36,936	36,803	36,670	36,537	36,403	36,270	36,137	36,004	440,838
b	Debt Component (Line 6 x Debt Component x 1/12)		10,644	10,606	10,568	10,530	10,492	10,454	10,416	10,379	10,341	10,303	10,265	10,227	125,225
8	Investment Expenses														
a	Depreciation (E)		18,138	18,138	18,138	18,138	18,138	18,138	18,138	18,138	18,138	18,138	18,138	18,138	217,656
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		66,251	66,080	65,909	65,738	65,566	65,395	65,224	65,054	64,882	64,711	64,540	64,369	783,719
a	Recoverable Costs Allocated to Energy		5,096	5,083	5,070	5,057	5,044	5,030	5,017	5,004	4,991	4,978	4,965	4,951	60,286
b	Recoverable Costs Allocated to Demand		61,155	60,997	60,839	60,681	60,522	60,365	60,207	60,050	59,891	59,733	59,575	59,418	723,433
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644229	0.9640236	0.9636243	0.9632250	0.9628257	0.9624264	0.9620271	0.9616278	0.9612285	0.9608292	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		4,922	4,908	4,893	4,879	4,864	4,849	4,834	4,819	4,804	4,789	4,774	4,759	58,344
13	Retail Demand-Related Recoverable Costs (I)		58,981	58,829	58,677	58,524	58,371	58,219	58,067	57,914	57,762	57,610	57,458	57,306	697,721
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		63,903	63,737	63,570	63,407	63,244	63,081	62,918	62,755	62,592	62,430	62,267	62,104	756,035

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) 3.5% annually
- (F) Applicable amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Capital Investments, Depreciation and Taxes  
For Project: CAIR/CAMR/CAVR Compliance

P.E.s 1034, 1035, 1036, 1037, 1222, 1233, 1279, 1362, 1468, 1469, 1512, 1513, 1646, 1647, 1684, 1810, 1824, & 1826  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	158,346,116	27,383,733	6,220,088	4,006,165	2,138,853	2,195,053	2,035,476	0	0	26,933,293
b	Clearings to Plant		0	0	0	158,346,116	27,383,733	6,220,088	4,006,165	2,138,853	2,195,053	2,035,476	0	0	26,933,293
c	Retirements		0	0	0	0	15,907	0	0	0	0	0	0	0	0
d	Cost of Removal		0	59,959	59,959	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	637,705,516	637,705,516	637,705,516	637,705,516	796,051,632	823,419,458	829,639,546	833,645,711	835,784,564	837,979,617	840,015,093	840,015,093	840,015,093	866,948,386
3	Less: Accumulated Depreciation (C)	(55,177,177)	(57,351,722)	(59,466,340)	(61,580,900)	(63,755,451)	(66,375,993)	(69,092,276)	(71,826,705)	(74,572,821)	(77,325,177)	(80,083,935)	(82,848,631)	(85,613,327)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	582,528,339	580,353,794	578,239,206	576,124,616	732,296,181	757,043,465	760,547,270	761,819,006	761,211,743	760,654,440	759,931,158	757,166,462	757,166,462	781,335,059
6	Average Net Investment		581,441,067	579,296,500	577,181,911	654,210,399	744,669,823	758,795,368	761,183,138	761,515,375	760,933,092	760,292,799	758,548,810	769,250,761	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (1)		4,271,848	4,256,091	4,240,556	4,806,484	5,471,089	5,574,870	5,592,413	5,594,853	5,590,575	5,585,871	5,573,058	5,651,685	62,209,393
b	Debt Component (Line 6 x Debt Component x 1/12)		1,213,468	1,208,992	1,204,579	1,365,337	1,554,126	1,583,606	1,588,589	1,589,283	1,588,067	1,586,731	1,583,091	1,605,426	17,671,295
8	Investment Expenses														
a	Depreciation (E)		1,847,172	1,847,172	1,847,172	1,847,172	2,309,068	2,388,900	2,407,044	2,418,729	2,424,969	2,431,371	2,437,309	2,437,309	26,643,387
b	Amortization (F)		12,476	12,478	12,480	12,482	12,484	12,486	12,488	12,490	12,490	12,490	12,490	12,490	149,824
c	Dismantlement		314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	314,897	3,778,764
d	Property Taxes		17,634	17,634	17,634	17,634	17,634	17,634	17,634	17,634	17,634	17,634	17,634	17,634	211,608
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		7,677,495	7,657,264	7,637,318	8,364,006	9,679,298	9,892,393	9,933,065	9,947,886	9,948,632	9,948,994	9,938,479	10,039,441	110,664,271
a	Recoverable Costs Allocated to Energy		7,677,495	7,657,264	7,637,318	8,364,006	9,679,298	9,892,393	9,933,065	9,947,886	9,948,632	9,948,994	9,938,479	10,039,441	110,664,271
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		7,415,671	7,393,070	7,386,223	8,092,419	9,377,139	9,587,525	9,623,107	9,631,392	9,626,759	9,633,387	9,599,269	9,682,634	107,048,595
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		7,415,671	7,393,070	7,386,223	8,092,419	9,377,139	9,587,525	9,623,107	9,631,392	9,626,759	9,633,387	9,599,269	9,682,634	107,048,595

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable
- (B) Beginning Balances: Crist \$617,356,712; Smith \$4,568,463; Daniel \$6,773,199; Scholz \$9,007,142. Ending Balances: Crist \$857,420,028; Smith \$4,568,463; Daniel \$6,773,199; Scholz \$9,007,142.
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROE is 12%.
- (E) Crist: 3.5%; Plant Smith Steam 3.3%; Smith CT 3.6%; Daniel 2.8%; Scholz 4.1%. Portion of PE 1222 is transmission 2.3%, 3.6%, and 2.5%
- (F) Portion of PE 1222 applicable 7 year amortization period beginning in 2008.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11
- (J) Project #1222 qualifies for AFUDC treatment. As portions of the project are moved to P-I-S, they are included in the ECRC.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**January 2012 - December 2012**

Return on Capital Investments, Depreciation and Taxes  
For Project: General Water Quality  
P.L. 1280  
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021	32,021
3	Less: Accumulated Depreciation (C)	(22,270)	(22,804)	(23,338)	(23,872)	(24,406)	(24,940)	(25,474)	(26,008)	(26,542)	(27,076)	(27,610)	(28,144)	(28,678)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	9,751	9,217	8,683	8,149	7,615	7,081	6,547	6,013	5,479	4,945	4,411	3,877	3,343	
6	Average Net Investment		9,484	8,950	8,416	7,882	7,348	6,814	6,280	5,746	5,212	4,678	4,144	3,610	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		70	66	62	58	54	50	46	42	38	34	30	27	577
b	Debt Component (Line 6 x Debt Component x 1/12)		20	19	18	16	15	14	13	12	11	10	9	8	165
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		534	534	534	534	534	534	534	534	534	534	534	534	6,408
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		624	619	614	608	603	598	593	588	583	578	573	569	7,150
a	Recoverable Costs Allocated to Energy		48	48	47	47	46	46	46	45	45	44	44	44	550
b	Recoverable Costs Allocated to Demand		576	571	567	561	557	552	547	543	538	534	529	525	6,600
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9644461	0.9640523	0.9636585	0.9632647	0.9628709	0.9624771	0.9620833	0.9616895	0.9612957	0.9609019	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (H)		46	46	45	45	45	45	45	44	44	43	42	42	532
13	Retail Demand-Related Recoverable Costs (I)		556	551	547	541	537	532	528	524	519	515	510	506	6,366
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		602	597	592	586	582	577	573	568	563	558	552	548	6,898

**Notes:**

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable
- (B) Applicable beginning of period and end of period depreciable base by production plant names (s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal
- (D) The equity component has been grossed up for taxes. The approved ROI is 12%.
- (E) Applicable depreciation rate or rates.
- (F) 5 year amortization beginning 2008.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0007 line loss multiplier
- (I) Line 9b x Line 11

Gulf Power Company  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Working Capital, Mercury Allowance Expenses  
For Project: Mercury Allowances

(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	0
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Total Working Capital Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Average Net Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Mercury Allowance Expense		0	0	0	0	0	0	0	0	0	0	0	0	0
8	Net Expenses (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	0	0	0	0	0	0
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	0	0	0	0	0	0
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) Equity Component has been grossed up for taxes. Based on ROI of 12% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6E and 7E
- (E) Line 8 is reported on Schedule 4E and 5E

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**January 2012 - December 2012**

Return on Working Capital, Annual NOx Expenses  
For Project: Annual Nox Allowances

(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		5,954	5,954	5,954	5,954	5,954	8,215	20,440	21,027	6,357	5,954	5,954	5,954	
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
a	FERC 158.1 Allowance Inventory	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Total Working Capital Balance	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	
4	Average Net Working Capital Balance		1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	1,268,170	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	9,317	114,804
b	Debt Component (Line 4 x Debt Component x 1/12)		2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	2,647	31,764
6	Total Return Component (D)		11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	11,964	143,568
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Annual Nox Allowance Expense		5,954	5,954	5,954	5,954	5,954	8,215	20,440	21,027	6,357	5,954	5,954	5,954	103,671
8	Net Expenses (E)		5,954	5,954	5,954	5,954	5,954	8,215	20,440	21,027	6,357	5,954	5,954	5,954	103,671
9	Total System Recoverable Expenses (Lines 6 + 8)		17,918	17,918	17,918	17,918	17,918	20,179	32,404	32,991	18,321	17,918	17,918	17,918	247,239
a	Recoverable Costs Allocated to Energy		17,918	17,918	17,918	17,918	17,918	20,179	32,404	32,991	18,321	17,918	17,918	17,918	247,239
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (B)		17,307	17,300	17,329	17,336	17,359	19,557	31,393	31,941	17,728	17,350	17,306	17,281	239,187
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		17,307	17,300	17,329	17,336	17,359	19,557	31,393	31,941	17,728	17,350	17,306	17,281	239,187

Notes:

- (A) Equity Component has been grossed up for taxes. Based on ROI of 12% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6F; and 7E
- (E) Line 8 is reported on Schedule 4E; and 5E



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Working Capital, Seasonal NOx Expenses  
For Project: Seasonal Nox Allowances

(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchases/Transfers		0	0	0	0	0	0	0	516,439	1,202,586	0	0	0	
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital														
a	FERC 158.1 Allowance Inventory	0	0	0	0	0	0	0	0	0	0	0	0	0	
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	
d	FERC 254 Regulatory Liabilities - Gains	0	0	0	0	0	0	0	0	0	0	0	0	0	
3	Total Working Capital Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
4	Average Net Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Debt Component (Line 4 x Debt Component x 1/12)		0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Return Component (D)		0	0	0	0	0	0	0	0	0	0	0	0	0
7	Expenses														
a	Gains		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Seasonal NOx Allowance Expense		0	0	0	0	0	0	0	516,439	1,202,586	0	0	0	1,719,025
8	Net Expenses (E)		0	0	0	0	0	0	0	516,439	1,202,586	0	0	0	1,719,025
9	Total System Recoverable Expenses (Lines 6 + 8)		0	0	0	0	0	0	0	516,439	1,202,586	0	0	0	1,719,025
a	Recoverable Costs Allocated to Energy		0	0	0	0	0	0	0	516,439	1,202,586	0	0	0	1,719,025
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (B)		0	0	0	0	0	0	0	500,008	1,163,678	0	0	0	1,663,686
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	500,008	1,163,678	0	0	0	1,663,686

Notes:

- (A) Equity Component has been grossed up for taxes. Based on ROI of 12% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6E and 7E
- (E) Line 8 is reported on Schedule 4E and 5E

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2012 - December 2012

Return on Working Capital, SO2 Expenses  
For Project: SO2 Allowances

(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Purchase/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Sales/Transfers		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Working Capital														
a	FERC 158.1 Allowance Inventory	8,401,253	8,346,783	8,281,487	8,198,065	8,110,766	8,023,607	7,932,931	7,827,728	7,719,252	7,631,585	7,549,735	7,477,112	7,420,063	
b	FERC 158.2 Allowances Withheld	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	FERC 182.3 Other Regl. Assets - Losses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	FERC 254 Regulatory Liabilities - Gains	(796,891)	(774,875)	(752,859)	(730,843)	(708,827)	(686,811)	(664,795)	(642,779)	(620,763)	(598,747)	(576,731)	(554,715)	(532,699)	
3	Total Working Capital Balance	7,604,362	7,571,908	7,528,628	7,467,222	7,401,939	7,336,796	7,268,136	7,184,949	7,098,489	7,032,838	6,973,004	6,922,397	6,887,364	
4	Average Net Working Capital Balance		7,588,135	7,550,268	7,497,925	7,434,581	7,369,368	7,302,466	7,226,543	7,141,719	7,065,664	7,002,921	6,947,701	6,904,881	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12) (A)		55,750	55,472	55,087	54,622	54,143	53,651	53,093	52,470	51,911	51,450	51,045	50,730	639,424
b	Debt Component (Line 4 x Debt Component x 1/12)		15,836	15,757	15,648	15,516	15,380	15,240	15,082	14,905	14,746	14,615	14,500	14,410	181,635
6	Total Return Component (D)		71,586	71,229	70,735	70,138	69,523	68,891	68,175	67,375	66,657	66,065	65,545	65,140	821,059
7	Expenses														
a	Gains		(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(22,016)	(264,192)
b	Losses		0	0	0	0	0	0	0	0	0	0	0	0	0
c	SO2 Allowance Expense		54,470	65,296	83,422	87,299	87,159	90,676	105,203	108,476	87,667	81,850	72,623	57,049	981,190
8	Net Expenses (E)		32,454	43,280	61,406	65,283	65,143	68,660	83,187	86,460	65,651	59,834	50,607	35,033	716,998
9	Total System Recoverable Expenses (Lines 6 + 8)		104,040	114,509	132,141	135,421	134,666	137,551	151,362	153,835	132,308	125,899	116,152	100,173	1,538,057
a	Recoverable Costs Allocated to Energy		104,040	114,509	132,141	135,421	134,666	137,551	151,362	153,835	132,308	125,899	116,152	100,173	1,538,057
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9652215	0.9648222	0.9664461	0.9668523	0.9681053	0.9685036	0.9681176	0.9675075	0.9669696	0.9676002	0.9651934	0.9637848	
11	Demand Jurisdictional Factor		0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	0.9644582	
12	Retail Energy-Related Recoverable Costs (B)		100,492	110,558	127,797	131,024	130,462	133,312	146,639	148,941	128,027	121,905	112,188	96,613	1,487,958
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		100,492	110,558	127,797	131,024	130,462	133,312	146,639	148,941	128,027	121,905	112,188	96,613	1,487,958

Notes:

- (A) Equity Component has been grossed up for taxes. Based on ROI of 12% and weighted income tax rate of 38.575%
- (B) Line 9a x Line 10 x 1.0007 line loss multiplier
- (C) Line 9b x Line 11
- (D) Line 6 is reported on Schedule 6E and 7E
- (E) Line 8 is reported on Schedule 4E and 5E

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Air Quality Assurance Testing  
PEs 1006 and 1244**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

This line item includes the audit test trailer and associated support equipment used to conduct Relative Accuracy Test Audits (RATAs) on the Continuous Emission Monitoring Systems (CEMS) as required by the 1990 Clean Air Act Amendments (CAAA).

**Accomplishments:**

The RATA test trailer CEM system was replaced during the 2002-2003 recovery period. The CEMS trailer was also replaced in 2010. These replacements provide Gulf with the accuracy and reliability needed to accurately measure SO<sub>2</sub>, NO<sub>x</sub>, and CO<sub>2</sub> and to further maintain compliance with CAAA requirements.

**Project-to-Date:** Plant-in-service of \$350,812 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist 5, 6 & 7 Precipitator Projects**  
**PEs 1038, 1119, 1216, 1243, and 1249**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**  
**Order No. PSC-09-0759-FOF-EI**

**Description:**

The Crist precipitator projects are necessary to improve particulate removal capabilities as a result of burning low sulfur coal. The larger more efficient precipitators with increased collection areas improve particulate collection efficiency.

**Accomplishments:**

The precipitators have successfully reduced particulate emissions while burning low sulfur coal. The upgraded Crist Unit 7 precipitator was placed in service during 2004 as part of the FDEP agreement. Recent inspections of the Crist Unit 6 precipitator have indicated the precipitator internals will need to be replaced.

**Project-to-Date:** Plant-in-service of \$43,839,982 projected at December 2012.

**Progress Summary:** Plant Crist will complete detailed design and award the construction bid package in 2011 and the major equipment is expected to be delivered in the Fall of 2011. This project is expected to be completed in the Spring of 2012. Prudently incurred costs associated with the Crist Unit 6 precipitator project were approved for inclusion in the ECRC in Order No. PSC-09-0759-FOF-EI.

**Projections:** The 2012 projected expenditures for the Plant Crist Unit 6 precipitator project are \$25 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist 7 Flue Gas Conditioning  
PE 1228**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

This project included the injection of sulfur trioxide into the flue gas to enhance particulate removal and improve the collection characteristics of fly ash. Retirement of the Plant Crist Unit 7 flue gas conditioning system was completed during July 2005.

**Accomplishments:**

The system enhanced particulate removal in the precipitator.

**Project-to-Date: \$0**

**Progress Summary: Retired**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Low NO<sub>x</sub> Burners, Crist 6 & 7  
PEs 1234, 1236, 1242, and 1284**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

Low NO<sub>x</sub> burners are unique burners installed to decrease the NO<sub>x</sub> emissions that are formed during the combustion process. This equipment was installed to meet the requirements of the 1990 Clean Air Act Amendments.

**Accomplishments:**

The Low NO<sub>x</sub> burner systems have proven effective in reducing NO<sub>x</sub> emissions. The low NO<sub>x</sub> burners on Crist Unit 7 were replaced during the 2003-2004 time frame and the Crist Unit 6 burners were replaced during December 2005.

**Project-to-Date:** Plant-in-service of \$9,097,924 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: CEMs – Plant Crist, Scholz, Smith, and Daniel**  
**PEs 1001, 1060, 1154, 1164, 1217, 1240, 1245, 1247, 1256, 1283, 1286, 1289,**  
**1290, 1311, 1316, 1323, 1324, 1357, 1364, 1440, 1441, 1442, 1444, 1454, 1459,**  
**1460, 1558, 1570, 1592, 1658, 1829, and 1830**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Continuous Emission Monitoring (CEM) line item includes dilution extraction emission monitors that measure the concentrations of sulfur dioxide (SO<sub>2</sub>), carbon dioxide (CO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) in the flue gas. Opacity and flow monitors were also installed under this line item. All CEMs monitors were installed pursuant to the 1990 Clean Air Act Amendments (CAAA).

**Accomplishments:**

The systems at both Gulf and Mississippi Power continue to successfully exceed routine quality assurance/quality control (QA/QC) audits as required by the 1990 CAAA.

**Project-to-Date:** Plant-in-service of \$7,262,497 projected at December 2012.

**Progress Summary:**

The Plant Scholz Units 1 & 2 CEMS analyzer replacements and the Smith Unit 1 gas analyzers and opacity monitor replacements were completed in 2001 and 2002. The Plant Crist Unit 6 & 7 and the Plant Scholz Units 1&2 flow monitors were replaced during 2005. The Plant Daniel Units 1&2 gas analyzers were also replaced during 2005 and the flow monitors were replaced during 2007. During 2008, the opacity, flow, and gas monitors at Plant Smith and opacity and gas monitors at Plant Scholz were replaced. During the 2009 recovery period, the CEMS project included replacement of opacity monitors at Plant Crist on Units 4 through 7 and the installation of CEMs equipment for the new Plant Crist scrubber stack to monitor SO<sub>2</sub>, NO<sub>x</sub>, CO<sub>2</sub> and flow. Plant Crist completed the installation of two CEMS bypass monitoring systems for Units 4 through 7 in 2011.

**Projections:** In-Service

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Substation Contamination Mobile Groundwater Treatment System  
PEs 1007, 3400, and 3412**

**FPSC Approval: Order No. PSC-95-1051-FOF-EI**

**Description:**

Three groundwater treatment systems were purchased for the treatment of contaminated groundwater at substation sites.

**Accomplishments:**

Systems have proven effective in groundwater remediation.

**Project-to-Date:** Plant-in-service of \$918,024 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Raw Water Flow Meters; Crist and Smith  
PEs 1155 and 1606**

**FPSC Approval: Order No. PSC-96-1171-FOF-EI**

**Description:**

The Raw Water Flow Meters capital project was necessary for Gulf to comply with the Plant Crist and Plant Smith Consumptive Use and Individual Water Use permits issued by the Northwest Florida Water Management District (NFWMD). These permits require the installation and monitoring of in-line totaling water flow meters on all existing and future water supply wells. Gulf incurred costs related to the installation and operation of new in-line totaling water flow meters at Plant Crist and Plant Smith for implementation of this new activity.

**Accomplishments:**

The raw water flow meters have been installed at Plant Crist and Plant Smith.

**Project-to-Date:** Plant-in-service of \$242,973 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist Cooling Tower Cell  
PE 1232**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Crist Cooling Tower cell is a pollution control device which allows condenser cooling water to be continually reinjected into the condenser. The cooling tower reduces water discharge temperatures to meet the National Pollution Discharge Elimination System (NPDES) industrial wastewater requirements.

**Accomplishments:**

Plant Crist has maintained compliance with the temperature discharge limits as required by the facility's NPDES Permit. The original cooling tower cell was retired during July 2007 when the new Crist Unit 7 cooling tower was placed-in-service.

**Project-to-Date: \$0**

**Progress Summary: Retired**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist Dechlorination System  
PE 1248 and PE 1180**

**FPSC Approval: Order No. PSC-94-1207-FOF-EI**

**Description:**

State and Federal Pollution Discharge Elimination System permits require significant reductions in chlorine concentrations prior to discharge from the plant. The Crist dechlorination system uses sodium bisulfite to chemically eliminate the residual chlorine present in the plant industrial wastewater prior to discharge.

**Accomplishments:**

The system has been effective in maintaining chlorine discharge limits.

**Project-to-Date:** Plant-in-service of \$455,323 projected at December 2012.

**Progress Summary:** During 2011, Plant Crist will be replacing the existing sodium bisulfite storage tank as well as installing a new dechlorination system for the Unit 6 and Unit 7 cooling tower blowdowns and the ECUA return water pit. These systems are necessary in order to dechlorinate the industrial wastewater prior to discharge.

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist Diesel Fuel Oil Remediation  
PE 1270**

**FPSC Approval: Order No. PSC-94-1207-FOF-EI**

**Description:**

The Crist diesel fuel oil remediation project included installing monitoring wells in the vicinity of the Crist diesel tank systems to determine if groundwater contamination was present. The project also included the installation of an impervious cap to reduce migration of contaminants to groundwater.

**Accomplishments:** Monitoring wells and an impervious cap were installed.

**Project-to-Date:** Plant-in-service of \$68,923 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist Bulk Tanker Unloading Secondary Containment  
PE 1271**

**FPSC Approval: Order No. PSC-94-1207-FOF-EI**

**Description:**

The Crist Bulk Tanker Unloading Secondary Containment project was necessary to minimize the potential risk of an uncontrolled discharge of pollutants into the waters of the United States. Secondary containment must be installed for tank unloading racks pursuant to the Federal Spill Prevention Control and Countermeasures (SPCC) regulation (40 CFR Part 112).

**Accomplishments:**

The Plant Crist unloading area secondary containment complies with current SPCC regulatory requirements.

**Project-to-Date:** Plant-in-service of \$101,495 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist IWW Sampling System**  
**PE 1275**

**FPSC Approval: Order No. PSC-94-1207-FOF-EI**

**Description:**

The 1993 revision to Plant Crist's National Pollutant Discharge Elimination System (NPDES) industrial wastewater permit moved the compliance point from the end of the discharge canal to a point upstream of Thompson's Bayou. To allow for this sample point modification, an access dock was constructed in the discharge canal. The Crist Industrial Wastewater (IWW) project also included a small building for monitoring and sampling equipment.

**Accomplishments:**

The dock is complete and samples are being collected at the required compliance point.

**Project-to-Date:** Plant-in-service of \$59,543 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Sodium Injection System  
PEs 1214 and 1413**

**FPSC Approval: Order No. PSC-99-1954-FOF-EI**

**Description:**

The Sodium Injection System line item includes silo storage systems and associated components that inject sodium carbonate directly onto the coal feeder belt to enhance precipitator performance when burning low sulfur coal. Sodium injection is used at Plant Smith on Units 1 and 2 and at Plant Crist on Units 4 and 5. The injection of sodium carbonate as an additive to low sulfur coal reduces opacity levels to maintain compliance with the Clean Air Act provisions.

**Accomplishments:**

The silo storage and injection system components at Plants Smith and Crist have been installed. These systems are fully operational.

**Project-to-Date:** Plant-in-service of \$391,119 projected at December 2012.

**Progress Summary:** In Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Smith Stormwater Collection System  
PE 1446**

**FPSC Approval: Order No. PSC-94-1207-FOF-EI**

**Description:**

The National Pollutant Discharge Elimination System (NPDES) stormwater program requires industrial facilities to install stormwater management systems in order to prevent the unpermitted discharge of contaminated stormwater to the surface waters of the United States.

**Accomplishments:**

No unpermitted discharges have occurred since system installation.

**Project-to-Date:** Plant-in-service of \$2,782,600 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Smith Waste Water Treatment Facility  
PEs 1466 and 1643**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

During the 1990's a wastewater treatment facility was installed at Plant Smith to replace the septic tank system that was installed in the early 1960's. In April 2004 a new wastewater treatment facility with additional capacity was installed to replace the facility installed in the 1990's. The new treatment plant includes aeration and chlorination of the wastewater prior to discharge in the Plant Smith ash pond.

**Accomplishments:** Plant Smith has maintained compliance with the NPDES industrial wastewater permit.

**Project-to-Date:** Plant-in-service of \$178,962 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Daniel Ash Management Project  
PEs 1501, 1535, 1555, and 1819**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The original Daniel Ash Management project included the installation of a dry ash transport system, lining the bottom of the ash pond, closure and capping of the existing fly ash pond, and the expansion of the landfill area. During 2006 Plant Daniel completed construction of a new on-site ash storage facility in preparation for the completion and closure of the existing landfill area.

**Accomplishments:** Construction of the new on-site ash storage facility was completed in 2006. Portions of the original Daniel ash storage facility were closed in place during 2010.

**Project-to-Date:** Plant-in-service of \$16,234,058 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Smith Water Conservation  
PEs 1601, 1620, & 1638**

**FPSC Approval: Order No. PSC-01-1788-FOF-EI and  
Order No. PSC-09-0759-FOF-EI**

**Description:**

Specific Condition nine of Plant Smith's consumptive use permit, issued by the Northwest Florida Water Management District (NFWFMD), requires the plant to implement measures to increase water conservation and efficiency at the facility. Phase I of the Smith Water Conservation project consisted of adding pumps, piping, valves, and controls to reclaim water from the ash pond. Phase II, the Smith Closed Loop Cooling System for the laboratory sampling system, was installed during 2005 to further reduce groundwater usage. Phase III includes investigating the feasibility of utilizing reclaimed water at Plant Smith.

Gulf must determine a suitable method to dispose of beneficially used reclaimed water prior to agreeing to accept reclaimed water from suppliers in the Bay County area. Gulf is continuing to investigate the feasibility of utilizing an underground injection well to dispose of used reclaimed water at Plant Smith. Based on the findings of geophysical logs, testing of the deep subsurface intervals later this year and preliminary testing of the upper formation materials, Gulf will make a final determination on whether to move forward with the Plant Smith Reclaimed Water project. If it is determined that the project should be pursued, additional activities such as the installation of additional shallow well(s), monitoring well(s) and the initiation of design of support equipment for the injection of spent fluids into the subsurface would take place. The support equipment necessary for this activity would include but not be limited to the injection pump system, tanks and piping systems.

**Accomplishments:** Plant Smith estimated that the closed loop cooling project reduced water consumption by approximately 125,000 gallons per day.

**Project-to-Date:** Plant-in-service of \$134,134 projected at December 2012.

**Progress Summary:** See Accomplishments

**Projections:** The projected 2012 expenditures for this line item total \$3.5 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Underground Fuel Tank Replacement  
PE 4397**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Underground Fuel Tank Replacement Program provided for the replacement of Gulf's underground storage tanks with new above ground tanks (ASTs). The installation of ASTs significantly reduced the risk of potential petroleum product discharges, groundwater contamination, and subsequent remediation activities.

**Accomplishments:**

All underground storage tanks have been replaced with above ground tank systems.

**Project-to-Date: \$0**

**Progress Summary: See Accomplishments**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist FDEP Agreement for Ozone Attainment  
PEs 1031, 1158, 1167, 1199, 1250, and 1287**

**FPSC Approval: Order No. PSC-02-1396-FOF-EI**

**Description:**

The Florida Department of Environmental Protection (FDEP) and Gulf Power entered into an agreement on August 28, 2002 to support Escambia/Santa Rosa County area's effort to maintain compliance with the 8-hour ozone ambient air quality standards. This agreement included a requirement for Gulf to install Selective Catalytic Reduction (SCR) controls on Crist Unit 7, relocate the Crist Unit 7 precipitator, and install a NO<sub>x</sub> reduction technology on Plant Crist Unit 6, and Units 4 and 5 if necessary, to meet the NO<sub>x</sub> standard specified in the Agreement.

**Accomplishments:** The new Crist Unit 7 precipitator and SCR were placed in service during 2004 and 2005, respectively. The Crist Unit 6 Selective Non-Catalytic Reduction (SNCR)/low NO<sub>x</sub> burners with Over-Fired Air (OFA) technologies were then placed in service during November 2005. The Crist Unit 4 and Unit 5 SNCRs were subsequently placed in service during April 2006. The Crist Unit 6 SNCR will be retired during the Spring of 2012 when the Crist Unit 6 SCR is placed in-service.

**Project-to-Date:** Plant-in-service of \$123,503,575 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** Gulf plans to replace one layer of the Plant Crist Unit 7 SCR catalyst during 2012. The projected 2012 expenditures for this line item are \$1.8 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: SPCC Compliance**  
**PEs 1272 & 1404**

**FPSC Approval: Order No. PSC-03-1348-FOF-EI**

**Description:**

The SPCC Compliance projects were required as the result of a more stringent July 2002 revision to Title 40 Code of Federal Regulation Part 112, which is commonly referred to as the Spill Prevention Control and Countermeasures (SPCC) regulation. The 2002 regulatory revision specifically included oil-containing electrical equipment within the scope of the regulation. Therefore, oil-filled electrical equipment that has the potential to discharge to navigable waters must be provided with appropriate containment and/or diversionary structures to prevent such a discharge. The 2002 revisions also resulted in oil storage containers having a capacity greater than or equal to 55 gallons being classified as bulk storage containers that are subject to the secondary containment requirements in 40 CFR Part 112.8(c).

**Accomplishments:** The 2006 SPCC project at Plant Crist routed stormwater from the switchyard drains to the new oil skimming sump where any potential spill could be captured, preventing the oil from reaching surface water. During 2009, Plant Smith installed secondary containment for a padmount transformer located along the ash pond discharge canal.

**Project-to-Date:** Plant-in-service of \$929,679 projected at December 2012.

**Progress Summary:** In-service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Crist Common FTIR Monitor  
PE 1297**

**FPSC Approval: Order No. PSC-03-1348-FOF-EI**

**Description:**

The purchase of a Fourier Transform Infrared (FTIR) spectrometer, a device used to measure and analyze various low concentration stack gas emissions, was required at Plant Crist under Title V regulations.

**Accomplishments:** Purchasing the FTIR instrument has enabled Gulf Power to measure ammonia slip emissions as required by the Crist Unit 7 Selective Catalytic Reduction (SCR) air construction permit.

**Project-to-Date:** Plant-in-service of \$62,870 projected at December 2012

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Precipitator Upgrades for Compliance Assurance Monitoring  
PEs 1175, 1191, 1305, 1461, and 1462**

**FPSC Approval: Order No. PSC-04-1187-FOF-EI**

**Description:** Compliance Assurance Monitoring (CAM) Precipitator Upgrades were required to comply with new CAM regulations. CAM requirements are regulated under Title V of the 1990 Clean Air Act Amendments (CAAA) which requires a method of continuously monitoring particulate emissions. Opacity can be used as a surrogate parameter if the precipitator demonstrates a correlation between opacity and particulate matter. Gulf demonstrated this correlation by stack testing in 2003 and 2004, and the results were included as part of the CAM plans in Gulf's Title V Air Permits effective January 2005. Several precipitator upgrades have been necessary to meet the more stringent surrogate opacity standards under CAM.

**Accomplishments:** The Plant Smith Unit 2 and Unit 1 precipitator upgrades were placed in service during April 2005 and May 2007, respectively. The Plant Scholz Unit 2 precipitator upgrade was completed during December of 2007. The Plant Crist Units 4 and 5 precipitator upgrades were placed in-service during March of 2008.

**Project-to-Date:** Plant-in-service of \$29,839,678 projected at December 2012.

**Progress Summary:** See Accomplishments

**Projections:** N/A



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Plant Groundwater Investigation  
PEs 1218 and 1361**

**FPSC Approval: Order No. PSC-05-1251-FOF-EI**

**Description:** The Florida Department of Environmental Protection (FDEP) lowered the arsenic groundwater standard from 0.05 mg/L to 0.01 mg/L effective January 1, 2005. Historical groundwater monitoring data from Plants Crist and Scholz indicated that these facilities may be unable to comply with the lower standard.

**Accomplishments:** The Plant Scholz project has been delayed until Gulf receives FDEP's formal response to the Plant Scholz groundwater study. The Plant Crist project has been canceled because Gulf has been released from any remedial action at this site.

**Project-to-Date:** \$0

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Plant Crist Water Conservation Project  
PEs 1178, , 1227 and 1298**

**FPSC Approval: Order No. PSC-05-1251-FOF-EI**

**Description:**

This project is part of the Plant Crist water conservation and consumptive use efficiency program to reduce the demand for groundwater and surface water withdrawals. Specific Condition six of the Northwest Florida Water Management District Individual Water Use Permit Number 19850074 issued January 27, 2005 requires Plant Crist to implement measures to increase water conservation and efficiency at the facility. The first Plant Crist Water Conservation project was placed in service during 2006. This project included installing automatic level controls on the fire water tanks to reduce groundwater usage. The second phase of the project involves utilizing reclaimed water from ECUA's proposed wastewater treatment to reduce the demand for groundwater and surface water withdrawals at Plant Crist. The Northwest Florida Water Management District has agreed that this is a valid project to pursue for continued implementation of the water conservation effort.

**Accomplishments:** Level controls were installed on the fire tank system during 2006. Portions of the plant Crist reclaimed water project were placed in-service in 2009 and 2010. Gulf began receiving reclaimed water from ECUA in November 2010.

**Project-to-Date:** Plant-in-service of \$19,857,981 projected at December 2012.

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Plant NPDES Permit Compliance Projects  
PE 1204 and 1299**

**FPSC Approval: Order No. PSC-05-1251-FOF-EI**

**Description:** The water quality based copper effluent limitations included in Chapter 62 Part 302, Florida Administrative Code (F.A.C.) were amended in April 2002 with an effective date of May 2002. The more stringent hardness based standard is included by reference in the Plant Crist National Pollution Discharge Elimination System (NPDES) industrial wastewater permit.

**Accomplishments:** Plant Crist installed stainless steel condenser tubes on Unit 6 during June 2006 in an effort to meet the revised water quality standards during times of lower hardness in the river water. During 2008 Plant Crist completed the second phase of the project which involved installing a chemical treatment system in the ash pond. During 2010, Gulf completed the third phase of the project that included installing an aeration system in the ash pond.

**Project-to-Date:** Plant-in-service of \$6,218,040 projected at December 2012.

**Progress Summary:** During 2011, Plant Crist will be installing a new caustic tank and a sulfuric acid tank as part of the ash pond chemical treatment system.

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: CAIR /CAMR/ CAVR Compliance Program**  
**PEs 1034, 1035, 1036, 1037, 1095, 1222, 1233, 1279, 1362, 1468, 1469, 1512,**  
**1513, 1551, 1552, 1646, 1647, 1684, 1810, 1824, and 1826**

**FPSC Approval: Order No. PSC-06-0972-FOF-EI**

**Description:** This line item includes the prudently incurred costs for compliance with Gulf's Clean Air Interstate Rule (CAIR) or its replacement rule (the Cross-State Air Pollution Control Rule (CSAPR)), the Clean Air Mercury Rule or its replacement (the Utility MACT Rule) and the Clean Air Visibility Rule (CAVR).

**Accomplishments:**

Immediately after passage of EPA's CAIR and CAMR in 2005, Gulf began extensive engineering, design, and other planning activities to determine the most cost effective strategy for compliance with the CAIR, CAMR, and CAVR requirements. On March 29, 2007, Gulf petitioned the Commission for approval of the Company's plan to achieve and maintain compliance with the CAIR, CAMR, and CAVR. On June 22, 2007, the Office of Public Counsel ("OPC"), the Florida Industrial Power Users' Group ("FIPUG") and Gulf filed a petition for approval of a stipulation regarding the substantive provisions of Gulf's CAIR/CAMR/CAVR Compliance Plan (the "Plan"). That stipulation identified 10 specific components of Gulf's Plan as being reasonable and prudent for implementation and set forth a process for review in connection with the three remaining components of the Plan. On August 14, 2007, the Commission voted to approve the stipulation with the provision that Gulf provide an annual status report regarding cost-effectiveness and prudence of the phases in its Plan into which the Company is moving. The approved Plan includes a more detailed discussion of the planning process and evaluation utilized by Gulf to select the most reasonable and prudent strategy for compliance with these regulations on a plant and/or unit specific basis.

**Project-to-Date:** Plant-in-service of \$866,948,386 projected at December 2012.

**Progress Summary:** See Accomplishments

**Projections**

For the purpose of the 2012 projection of ECRC revenue requirements, \$229 million is projected to be cleared to plant-in-service for the CAIR/CAMR/CAVR Compliance Program. The projected expenditures are primarily related to the completion of the Plant Crist Unit 6 SCR that will be placed-in-service during the Spring of 2012. Also, as part of the Crist Scrubber project, costs related to the Plant Crist Unit 6 and 7 turbine upgrades will be placed in-service in 2012.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: General Water Quality  
PE 1280**

**FPSC Approval: Order No. PSC-06-0972-FOF-EI**

**Description:** Gulf Power purchased a boat during 2007 for surface water sampling required by the Plants Crist, Smith and Scholz National Pollutant Discharge Elimination System (NPDES) permits. The permits had new conditions which required Gulf to establish a biological evaluation plan and implementation schedule for each plant.

**Accomplishments:** The General Water Quality sampling boat was purchased during 2007. It is currently being used to conduct Gulf's surface water sampling for Plants Crist, Smith, and Scholz.

**Project-to-Date:** Plant-in-service of \$32,021 projected at December 2012.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Mercury Allowances**

**FPSC Approval: Order No. PSC-07-0721-S-EI**

**Description:**

Mercury Allowances were included as part of Gulf's March 2007 CAIR/CAMR/CAVR Compliance Program. The purchase of allowances in conjunction with the retrofit projects comprised the most reasonable, cost-effective means for Gulf to meet the CAIR, CAMR and CAVR requirements. On February 8, 2008, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion vacating EPA's CAMR. The vacatur became effective with the issuance of the court's mandate on March 14, 2008, nullifying CAMR mercury emission control obligations and monitoring requirements. In response to the CAMR vacatur, mercury allowances have been removed from Gulf's Compliance Program.

**Accomplishments: N/A**

**Project-to-Date: N/A**

**Progress Summary: N/A**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Annual NO<sub>x</sub> Allowances**

**FPSC Approval: Order No. PSC-07-0721-S-EI**

**Description:**

Although the retrofit installations set forth in Gulf's CAIR/CAMR/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR / CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's CAIR/CAMR/CAVR Compliance Program calls for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR, or its replacement program, the Cross-State Air Pollution Rule, requirements.

**Accomplishments:** N/A

**Project-to-Date:** N/A

**Progress Summary:**

Gulf began surrendering annual NO<sub>x</sub> allowances during 2009.

**Projections:** Gulf is projecting the need to purchase additional annual NO<sub>x</sub> allowances during 2012. The projected 2012 O&M annual NO<sub>x</sub> allowance expenses are \$103,671.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title: Seasonal NO<sub>x</sub> Allowances**

**FPSC Approval: Order No. PSC-07-0721-S-EI**

**Description:**

Although the retrofit installations set forth in Gulf's CAIR/CAMR/CAVR Compliance Program significantly reduce emissions, they will not result in Gulf achieving CAIR/CAVR compliance levels without the purchase of some emission allowances. Thus, Gulf's CAIR/CAMR/CAVR Compliance Program calls for the purchase of allowances. The purchase of allowances in conjunction with the retrofit projects comprises the most reasonable, cost-effective means for Gulf to meet CAIR or its replacement program, the Cross-State Air Pollution Rule, requirements.

**Accomplishments:** N/A

**Project-to-Date:** N/A

**Progress Summary:**

Gulf began surrendering seasonal NO<sub>x</sub> allowances during 2009.

**Projections:** Gulf is currently projecting the need to purchase additional seasonal NO<sub>x</sub> allowances during 2012. Gulf's compliance strategy continues to include possible forward contracts, swaps, and spot market purchases of allowances depending on market prices. The projected 2012 O&M seasonal NO<sub>x</sub> allowance expenses are \$1,719,025.



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects**

**Title:** SO<sub>2</sub> Allowances

**FPSC Approval:** Order No. PSC-94-0044-FOF-EI

**Description:**

Part of Gulf's strategy to comply with the Acid Rain Program under the Clean Air Act Amendments of 1990 was to bring several of Gulf's Phase II generating units into compliance early and bank the SO<sub>2</sub> allowances associated with those units. SO<sub>2</sub> reductions under the CAIR program utilize this program requiring an increased rate of surrender beginning in 2010. Gulf's bank was slowly been drawn down over the years due to more allowances being consumed than are allocated to Gulf by EPA. Gulf proposed to meet this shortfall by executing forward contracts to secure allowances supplemented with forward contracts, swaps, and spot market purchases of allowances as prices dictate.

**Accomplishments:** Gulf executed forward contacts to secure allowances during 2006, 2007, and 2009.

**Project-to-Date:** N/A

**Progress Summary:** See Accomplishments

**Projections:** . The projected 2012 O&M So<sub>2</sub> allowance expenses are 716,998.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.1**

**Title: Sulfur**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Crist Unit 7 sulfur trioxide (SO<sub>3</sub>) flue gas system allowed for the injection of SO<sub>3</sub> into the flue gas stream. The addition of sulfur trioxide to the flue gas improved the collection efficiency of the precipitator when burning a low sulfur coal. Sulfur trioxide agglomerated the particles which in turn enhanced the collection efficiency of the precipitator.

**Accomplishments:**

The flue gas injection system was retired during 2005.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.2**

**Title: Air Emission Fees**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

Air Emission Fees are the annual fees required by the Florida Department of Environmental Protection (FDEP) and Mississippi Department of Environmental Quality (MDEQ) under Title V of the 1990 Clean Air Act Amendments.

**Accomplishments:**

Fees have been paid by due dates.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$825,374

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.3**

**Title: Title V**

**FPSC Approval: Order No. PSC-95-0384-FOF-EI**

**Description:**

Title V expenses are associated with the preparation of the Clean Air Act Amendments (CAAA) Title V permit applications and the subsequent implementation of Title V permits. Renewal of the Title V permits is on a five year cycle ( i.e. 2005, 2010, etc). Title V permits are periodically revised between renewals to incorporate major changes or modifications of a source.

**Accomplishments:**

During 2009, the Title V renewal applications were submitted for Plants Crist, Smith, and Scholz and the Pea Ridge Generating Facility. The final permits for Crist, Smith, and Scholz were issued in December 2009 and the Pea Ridge permit was subsequently issued in March 2010. An application to revise the Plant Crist Title V permit to incorporate new operating conditions for the Crist FGD scrubber was submitted in June, 2010 and was subsequently issued in November, 2010. The initial Title V permit application for the Perdido Landfill Gas-to-Energy Facility was submitted in March, 2011 and issuance is expected later in the year.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$121,936

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.4**

**Title:** Asbestos Fees

**FPSC Approval:** Order No. PSC-94-1207-FOF-EI

**Description:**

Asbestos Fees include both annual and individual project fees due to the Florida Department of Environmental Protection (FDEP) for asbestos abatement projects.

**Accomplishments:**

Fees are paid as required by FDEP.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$1,400

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.5**

**Title: Emission Monitoring**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Emission Monitoring program provides quality assurance/quality control testing for Continuous Emission Monitoring systems, including Relative Accuracy Test Audits and Linearity Tests, as required by the Clean Air Act Amendments (CAAA) of 1990.

**Accomplishments:**

All systems are in compliance.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$640,443

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.6**

**Title: General Water Quality**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The General Water Quality activities are undertaken pursuant to the Company's NPDES permit, soil contamination studies, dechlorination, surface and groundwater monitoring studies. This line item also includes expenses for Gulf's Cooling Water Intake program, the Impaired Waters Rule, Storm Water Maintenance, and the Impoundment Integrity project.

**Accomplishments:**

All activities are on-going in compliance with all applicable environmental laws, rules, and regulations.

**Fiscal Expenditures: N/A**

**Progress Summary: See Accomplishments**

**Projections: \$898,066**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.7**

**Title: Groundwater Contamination Investigation**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Groundwater Contamination Investigation project includes sampling and testing to determine possible environmental impacts to soil and groundwater from past herbicide applications at various substation sites. Once possible environmental impacts to groundwater and soils have been identified cleanup operations are initiated.

**Accomplishments:**

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter or Site Rehabilitation Completion Order for 59 sites.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$2,083,868



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.8**

**Title: State NPDES Administration**

**FPSC Approval: Order No. PSC-95-1051-FOF-EI**

**Description:**

The State NPDES Administration fees are required by the State of Florida's National Pollutant Discharge Elimination System (NPDES) program administration. Annual and five year permit renewal fees are required for the NPDES industrial wastewater permits at Plants Crist, Smith and Scholz.

**Accomplishments:**

Gulf has complied with NPDES program administration fee submittal schedule.

**Fiscal Expenditures: N/A**

**Progress Summary: See Accomplishments**

**Projections: \$34,500**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.9**

**Title: Lead & Copper Rule**

**FPSC Approval: Order No. PSC-95-1051-FOF-EI**

**Description:**

The Lead and Copper Rule expenses include potable water treatment and sampling costs as required by the Florida Department of Environmental Protection (FDEP) regulations.

**Accomplishments:**

Gulf has complied with all sampling and analytical protocols.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$16,480

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.10**

**Title: Environmental Auditing/Assessment**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The Environmental Auditing/Assessment program ensures continued compliance with environmental laws, rules, and regulations through auditing and/or assessment of company facilities and operations.

**Accomplishments:**

Audits and assessments completed to date have demonstrated compliance with environmental laws, rules, and regulations.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$7,000

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.11**

**Title: General Solid and Hazardous Waste**

**FPSC Approval: Order No. PSC-94-0044-FOF-EI**

**Description:**

The General Solid and Hazardous Waste program provides for the proper identification, handling, storage, transportation and disposal of solid and hazardous wastes. This line item also includes O&M expenses associated with Gulf's Spill Prevention Control and Countermeasures (SPCC) plan.

**Accomplishments:**

Gulf has complied with all hazardous and solid waste regulations.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$457,994

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.12**

**Title: Above Ground Storage Tanks**

**FPSC Approval: Order No. PSC-97-1047-FOF-EI**

**Description:**

The Above Ground Storage Tank projects are required under the provisions of Chapter 62-762, F.A.C. which includes specific performance standards applicable to storage tank systems. These performance standards include installation of secondary containment and cathodic protection systems as well as periodic tank integrity testing.

**Accomplishments:**

Gulf has complied with all applicable storage tank requirements.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$162,457

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.13**

**Title:** Low NO<sub>x</sub>

**FPSC Approval:** Order No. PSC-98-0803-FOF-EI

**Description:**

The Low NO<sub>x</sub> activity refers to the maintenance expenses associated with the Low NO<sub>x</sub> burner tips on Crist Units 4 & 5 and Smith Unit 1.

**Accomplishments:**

Burner tips on Plant Crist Units 4 & 5 and Plant Smith Unit 1 have been installed and are in-service.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.14**

**Title: Ash Pond Diversion Curtains**

**FPSC Approval: Order No. PSC-98-1764-FOF-EI**

**Description:**

The installation of flow diversion curtains in the Plant Crist ash pond were required to effectively increase water retention time in the ash pond. Diversion curtains allow for the sedimentation/precipitation treatment process to be more effective in reducing levels of suspended particulate from the Plant Crist ash pond outfall. Plant Crist replaced the diversion curtains and dredged the pond during the 2009-2010 timeframe.

**Accomplishments:**

Ash pond diversion curtains have been installed at Plant Crist. Plant Crist plans to complete the ash pond dredging project during third quarter 2010.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$0

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.15**

**Title: Mercury Emissions**

**FPSC Approval: Order No. PSC-99-0912-FOF-EI**

**Description:** The Mercury Emissions program pertains to requirements for Gulf to periodically analyze coal shipments for mercury and chlorine content. The Environmental Protection Agency (EPA) mandated that shipments of coal would be analyzed for mercury and chlorine only during 1999. No further notices of continued sampling requirements of coal shipments beyond 1999 have been issued by EPA, therefore no expenses have been planned for this activity.

**Accomplishments:**

Coal shipments were analyzed as required during 1999. Sampling and analytical requirements are not expected during 2011.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.16**

**Title: Sodium Injection**

**FPSC Approval: Order No. PSC-99-1954-FOF-EI**

**Description:**

This line item includes the O&M expenses associated with the sodium injection systems at Plant Smith and Plant Crist. Sodium carbonate is added to the Plant Crist and Plant Smith coal supply to enhance precipitator efficiencies when burning certain low sulfur coals.

**Accomplishments:**

Sodium carbonate injection is used at Plant Smith and Plant Crist as necessary when low sulfur coal is burned.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$74,000

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.17**

**Title: Gulf Coast Ozone Study (GCOS)**

**FPSC Approval: Order No. PSC-00-0476-FOF-EI**

**Description:**

This project referred to Gulf's participation in the Gulf Coast Ozone Study (GCOS) which was a joint modeling analysis between Gulf Power and the State of Florida to provide an improved basis for assessment of eight-hour ozone air quality for Northwest Florida. The goal of the project was to develop strategies for ozone ambient air attainment to supplement the Florida Department of Environmental Protection (FDEP) studies submitted to the Environmental Protection Agency (EPA) for Escambia and Santa Rosa counties.

**Accomplishments:** The GCOS project was completed during 2006.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.18**

**Title: SPCC Substation Project**

**FPSC Approval: Order No. PSC-03-1348-FOF-EI**

**Description:**

During July 2002 EPA published a revision to Title 40 Code of Regulation Part 112, commonly referred to as the Spill Prevention Control and Countermeasures (SPCC) regulation. The revision expanded applicability of the rule to include oil containing electrical transformers and regulators, which had previously been excluded from the SPCC regulations. Gulf was required to install additional containment and/or diversionary structures or equipment at several substations to prevent a potential discharge of mineral oil to navigable waters of the United States or adjoining shorelines.

**Accomplishments:** Gulf has assessed its substations to determine which sites are subject to the revised SPCC regulations. Additional containment has been added to the substations that were identified as having a reasonable risk of discharging oil into navigable waters of the United States or adjoining shorelines.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.19**

**Title:** FDEP NO<sub>x</sub> Reduction Agreement

**FPSC Approval:** Order No. PSC-02-1396-FOF-EI

**Description:** This line item includes the O&M expenses associated with the Crist Unit 7 Selective Catalytic Reduction (SCR) and the Crist Units 4, 5, and 6 Selective Non-Catalytic Reduction (SNCR) projects that were included as part of the Florida Department of Environmental Protection (FDEP) and Gulf Power Agreement entered into on August 28, 2002. Anhydrous ammonia, urea, air monitoring, catalyst regeneration, and general operation and maintenance expenses are included in this line item.

**Accomplishments:** The Crist Unit 7 SCR and the Crist Units 4, 5, and 6 SNCRs are fully operational. The Crist Unit 6 SNCR will be retired when the Crist Unit 6 SCR is placed in-service during the Spring of 2012.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$1,673,050

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.20**

**Title: CAIR/CAMR/CAVR Compliance Program**

**FPSC Approval: Order No. PSC-06-0972-FOF-EI**

**Description:** This line item includes the O&M expenses associated with the stipulated portions of Gulf's CAIR/CAMR/CAVR Compliance program and the Climate Registry. Immediately after the passage of the EPA's CAIR and CAMR in 2005, Gulf began extensive engineering, design, and other planning activities to determine the most cost effective strategy for compliance with the CAIR, CAMR, and CAVR requirements. On March 29, 2007, Gulf petitioned the Commission for approval of the Company's plan to achieve and maintain compliance with the CAIR, CAMR, and CAVR. On June 22, 2007, the Office of Public Counsel ("OPC"), the Florida Industrial Power Users' Group ("FIPUG") and Gulf filed a petition for approval of a stipulation regarding the substantive provisions of Gulf's CAIR/CAMR/CAVR Compliance Plan (the "Plan"). That stipulation identified 10 specific components of Gulf's Plan as being reasonable and prudent for implementation and set forth a process for review in connection with the three remaining components of the Plan. On August 14, 2007, the Commission voted to approve the stipulation with the provision that Gulf provide an annual status report regarding cost-effectiveness and prudence of the phases in its Plan into which the Company is moving. The approved plan includes a more detailed discussion of the planning process and evaluation utilized by Gulf to select the most reasonable and prudent strategy for compliance with these regulations on a plant and/or unit specific basis.

**Accomplishments:** The Scholz mercury monitoring system, the first Compliance Plan capital project, was placed in-service during August 2008. The Plant Smith Unit 1 and Unit 2 SNCRs were placed in service during May 2009 and December 2008, respectively. The Crist Units 4 -7 scrubber project was placed in-service December of 2009 and the Crist Unit 6 hydrated lime injection system was placed in-service in 2011. The Plant Crist Unit 6 SCR is projected to be placed-in-service in the Spring of 2012. The Crist Unit 6 SNCR will be retired when the Crist Unit 6 SCR is placed in-service. Gulf will be incurring O&M expenses associated with these projects during 2012.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$16,384,916

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.21**

**Title: Maximum Achievable Control Technology (MACT)  
Information Collection Request (ICR)**

**FPSC Approval: Order No. PSC-09-0759-FOF-EI**

**Description:** During early 2010 EPA finalized an extensive Information Collection Request (ICR) for coal and oil fired steam electric generating units to support Maximum Achievable Control Technology (MACT) rulemaking under Section 112 of the Clean Air Act (CAA). The ICR required submission of information on control equipment efficiencies, emissions, capital and O&M costs, and fuel data for all coal and oil fired generating units greater than 25MW.

**Accomplishments:**

Gulf completed the Part I & 2 MACT ICR survey and the Part 3 emissions testing reports during 2010.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$0

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2012-December 2012

**Description and Progress Report of  
Environmental Compliance Activities and Projects  
O & M Line Item 1.22**

**Title: Crist Water Conservation Program**

**FPSC Approval: Order No. PSC-08-0775-FOF-EI**

**Description:** Gulf Power entered into an agreement with the Emerald Coast Utilities Authority (ECUA) to begin utilizing reclaimed water from ECUA's proposed wastewater treatment plant to reduce the demand for groundwater and surface water withdrawals. This line item includes general O&M expenses associated with the Plant Crist reclaimed water system such as piping and valve maintenance and pump replacements.

**Accomplishments:**

Gulfs began receiving reclaimed water from ECUA during November 2010.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$ 156,000

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
**Calculation of the Energy & Demand Allocation % By Rate Class**  
**January 2012 - December 2012**

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2012 Projected Sales at Meter (KWH)	(3) Projected Avg 12 CP at Meter (KW)	(4) Demand Loss Expansion Factor	(5) Energy Loss Expansion Factor	(6) Projected Sales at Generation (KWH)	(7) Projected Avg 12 CP at Generation (KW)	(8) Percentage of KWH Sales at Generation (%)	(9) Percentage of 12 CP Demand at Generation (%)
RS, RSVP	57.312955%	5,611,580,000	1,114,653.88	1.00486476	1.00530097	5,641,326,817	1,120,076.40	47.91951%	56.37207%
GS	63.216034%	296,697,000	53,431.03	1.00485887	1.00529775	298,268,827	53,690.64	2.53361%	2.70218%
GSD, GSDT, GSTOU	73.903822%	2,719,213,000	418,874.58	1.00470565	1.00516604	2,733,260,563	420,845.66	23.21732%	21.18065%
LP, LPT	84.021171%	1,866,508,000	252,899.98	0.98422595	0.98911989	1,846,200,188	248,910.72	15.68230%	12.52737%
PX, PXT, RTP, SBS	94.359108%	1,114,916,000	134,513.54	0.97443817	0.98057253	1,093,256,003	131,075.13	9.28652%	6.59685%
OS-I/II	178.491660%	115,719,000	7,380.65	1.00468934	1.00529485	116,331,715	7,415.26	0.98816%	0.37320%
OS-III	101.451511%	<u>43,632,000</u>	4,896.15	1.00511513	1.00526827	43,861,865	4,921.19	0.37258%	0.24768%
TOTAL		<u>11,768,265,000</u>	<u>1,986,649.81</u>			<u>11,772,505,978</u>	<u>1,986,935.00</u>	<u>100.00000%</u>	<u>100.00000%</u>

**Notes:**

- (1) Average 12 CP load factor based on actual 2009 load research data
- (2) Projected KWH sales for the period January 2011 - December 2011
- (3) Calculated: (Col 2) / (8,760 x Col 1), (8,784 hours = the # of hours in 1 year)
- (4) Based on demand losses identified in Docket No. 010949-EI
- (5) Based on energy losses identified in Docket No. 010949-EI
- (6) Col 2 x Col 5
- (7) Col 3 x Col 4
- (8) Col 6 / total for Col 6
- (9) Col 7 / total for Col 7



## Schedule 7P

**Gulf Power Company**  
**Environmental Cost Recovery Clause (ECRC)**  
**Calculation of the Energy & Demand Allocation % By Rate Class**  
**January 2012 - December 2012**

<u>Rate Class</u>	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Percentage of KWH Sales at Generation (%)	Percentage of 12 CP Demand at Generation (%)	Energy- Related Costs	Demand- Related Costs	Total Environmental Costs	Projected Sales at Meter (KWH)	Environmental Cost Recovery Factors (¢/KWH)
RS, RSVP	47.91951%	56.37207%	69,469,947	5,073,833	74,543,780	5,611,580,000	1.328
GS	2.53361%	2.70218%	3,673,029	243,213	3,916,242	296,697,000	1.320
GSD, GSDT, GSTOU	23.21732%	21.18065%	33,658,649	1,906,389	35,565,038	2,719,213,000	1.308
LP, LPT	15.68230%	12.52737%	22,734,968	1,127,540	23,862,508	1,866,508,000	1.278
PX, PXT, RTP, SBS	9.28652%	6.59685%	13,462,868	593,757	14,056,625	1,114,916,000	1.261
OS-I, OS-II	0.98816%	0.37320%	1,432,557	33,590	1,466,147	115,719,000	1.267
OS-III	<u>0.37258%</u>	<u>0.24768%</u>	<u>540,137</u>	<u>22,293</u>	562,430	43,632,000	1.289
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$144,972,155</u>	<u>\$9,000,615</u>	<u>153,972,770</u>	<u>11,768,265,000</u>	<u>1.308</u>

Notes:

- (1) From Schedule 6P, Col 8
- (2) From Schedule 6P, Col 9
- (3) Col 1 x Total Energy \$ from Schedule 1P, line 5
- (4) Col 2 x Total Demand \$ from Schedule 1P, line 5
- (5) Col 3 + Col 4
- (6) Projected KWH sales for the period January 2011 - December 2011
- (7) Col 5 / Col 6 x 100

**Gulf Power Company**  
 Environmental Cost Recovery Clause (ECRC)  
 Calculation of the Estimated/Actual True-Up Amount  
**January 2011 - December 2011**  
**FPSC Capital Structure and Cost Rates**

Line	Capital Component	(1)	(2)	(3)	(4)	(5)	(6)
		Jurisdictional Rate Base Test Year (\$000's)	Ratio %	Cost Rate %	Weighted Cost Rate %	Revenue Requirement Rate %	Monthly Revenue Requirement Rate %
1	Bonds	423,185	35.2733	6.44	2.2716	2.2716	
2	Short-Term Debt	33,714	2.8101	4.61	0.1295	0.1295	
3	Preferred Stock	98,680	8.2252	4.93	0.4055	0.6602	
4	Common Stock	492,186	41.0247	12.00	4.9230	8.0147	
5	Customer Deposits	13,249	1.1043	5.98	0.0660	0.0660	
6	Deferred Taxes	122,133	10.1801				
7	Investment Tax Credit	<u>16,584</u>	<u>1.3823</u>	8.99	<u>0.1243</u>	<u>0.1790</u>	
8	Total	<u>1,199,731</u>	<u>100.0000</u>		<u>7.9199</u>	<u>11.3210</u>	<u>0.9434</u>
<u>ITC Component:</u>							
9	Debt	423,185	41.7321	6.44	2.6875	0.0371	
10	Equity-Preferred	98,680	9.7313	4.93	0.4798	0.0108	
11	-Common	<u>492,186</u>	<u>48.5366</u>	12.00	<u>5.8244</u>	<u>0.1311</u>	
12		<u>1,014,051</u>	<u>100.0000</u>		<u>8.9917</u>	<u>0.1790</u>	
<u>Breakdown of Revenue Requirement Rate of Return between Debt and Equity:</u>							
13	Total Debt Component (Lines 1, 2, 5, and 9)					2.5042	0.2087
14	Total Equity Component (Lines 3, 4, 10, and 11)					<u>8.8168</u>	<u>0.7347</u>
15	Total Revenue Requirement Rate of Return					<u>11.3210</u>	<u>0.9434</u>

Column:

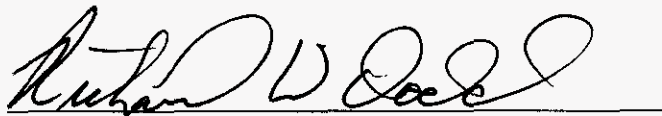
- (1) Capital Structure Approved by FPSC on June 10, 2002 in Docket No. 010949-EI  
 (2) Column (1) / Total Column (1)  
 (3) Cost Rates Approved by FPSC on June 10, 2002 in Docket No. 010949-EI  
 (4) Column (2) x Column (3)  
 (5) For equity components: Column (4) / (1-.38575); 38.575% = effective income tax rate  
 For debt components: Column (4)  
 (6) Column (5) / 12

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )


Docket No. 110007-EI

BEFORE me, the undersigned authority, personally appeared Richard W. Dodd, who being first duly sworn, deposes and says that he is the Rates & Regulatory Matters Supervisor for Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of his knowledge, information and belief. He is personally known to me.



Richard W. Dodd  
Rates & Regulatory Matters Supervisor

Sworn to and subscribed before me this 24<sup>th</sup> day of August, 2011.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

(SEAL)



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Environmental Cost  
Recovery Clause** )  
 )  
 )

Docket No. **110007-EI**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 25th day of August, 2011, by U.S. mail to the following:

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