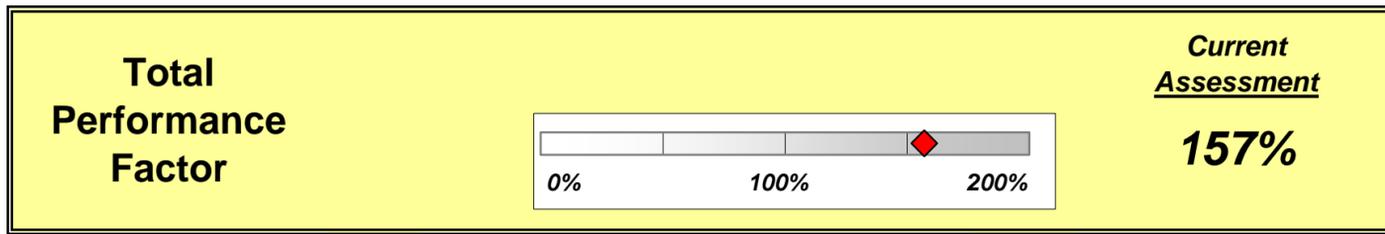


Gulf Power Company

2015 PPP Assessment - Final



Southern Company EPS	<i>Weight</i> 1/3		151%	EPS \$2.861
<small>EPS estimate is at \$2.86, excluding charges related to the Kemper IGCC project, AGL Resources acquisition costs, MCAR settlement costs and a gain related to SMEPA contract termination.</small>				
Business Unit Financial Goals	1/3		125%	Net Income \$148.0
Operational Performance	1/3		196%	See Below

				Operational Results
Safety	20%		195%	OSHA RIR 0.57
<small>OSHA Recordables</small>				
Customer Satisfaction	30%		200%	Residential, General Business and Large Business in Top Quartile
Generation	20%		200%	EFOR: 0.87%
<small>Peak Season EFOR Reflects 2015 peak season EFOR projections, weighted 25% for the winter season and 75% for the summer season.</small>				
Transmission	5%		200%	SAIDI: 9.5 SAIFI: 0.105
<small>SAIDI & SAIFI</small>				
Distribution	5%		200%	SAIDI: 76.0 SAIFI: 0.788
<small>SAIDI & SAIFI</small>				
Culture	20%		183%	
<small>Workforce Representation at 181% (70% weight), Work Environment at 175% (15% weight), and Supplier Diversity at 200% (15% weight).</small>				

2015 Gulf Power PPP Goals

Applicable to all eligible Gulf employees

Operational
(1/3)

Safety (20%)
Target Zero
OSHA Recordable
Incidence Rate (20%)

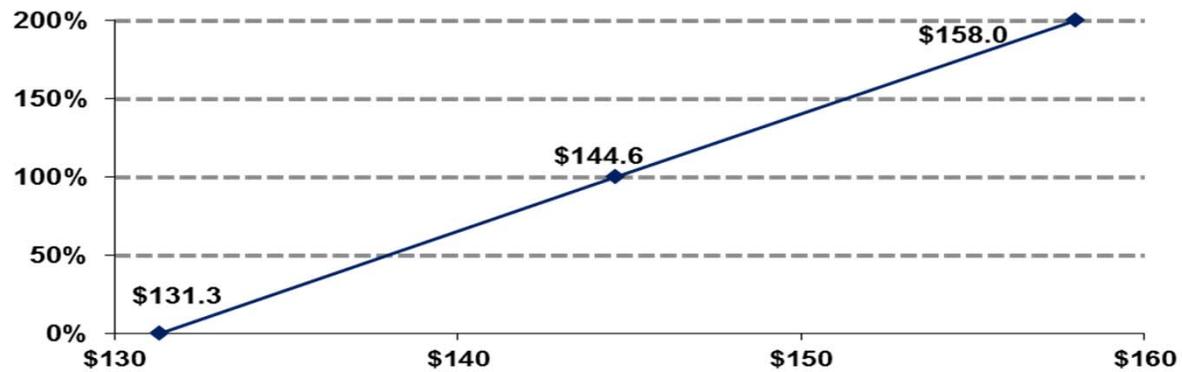
Operations (60%)
Customer Satisfaction (30%)
Generation (15%)
Transmission (7.5%)
SAIDI & SAIFI (3.75% each)
Distribution (7.5%)
SAIDI & SAIFI (3.75% each)

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

Gulf Power Net Income
(1/3)

Net Income Goal Performance Scale (in millions)

Range: 0-200%



Southern Company EPS
(1/3)

EPS Goal Performance Scale

Range: 0-200%



2015 Gulf Power PPP Goals

Operational Goal Performance Scales

Range: 0-200%

Safety (20%)

Target Zero	
Scale	OSHA Recordable Incidence Rate
200%	0.56
100%	0.78
0%	1.00

Operations (60%)

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

Scale	Generation	Transmission		Distribution	
	Peak Season EFOR	SAIDI Duration/MVA	SAIFI Frequency/MVA	SAIDI Duration/Customer	SAIFI Frequency/Customer
200%	3.10%	10.2	0.139	90.8	0.859
150%	Interpolate	11.1	0.151	Interpolate	Interpolate
100%	6.02%	12.0	0.163	100.9	0.954
0%	9.00%	17.4	0.236	131.2	1.240

Culture (20%)

Scale	Representation			Work Environment			Supplier Diversity	
	Leadership	Leadership Pipeline	Total Workforce	Lifestyles Activations	Premium Reductions	Inclusion Index	Specialty Lists	% of Total Spend
200%	Subjective assessment by the Southern Company CEO and Management Council			86.94%	74.82%	Top Decile	Inclusion in 4 of 4	18.79%
100%				86.51%	73.99%	Top Quartile SE	Inclusion in 2 of 4	15.66%
0%				86.08%	73.16%	Median SE	Inclusion in 1 of 4	9.50%

Financial Trigger

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