

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**ENVIRONMENTAL COST RECOVERY  
CLAUSE**

**DOCKET NO. 070007-EI**

**PREPARED DIRECT TESTIMONY  
AND EXHIBIT OF  
RHONDA J. MARTIN**

**PROJECTION FILING FOR THE PERIOD  
JANUARY 2008 – DECEMBER 2008**

**AUGUST 31, 2007**



DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Direct Testimony and Exhibit of  
4 Rhonda J. Martin  
5 Docket No. 070007-EI  
6 Date of Filing: August 31, 2007

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

8 A. My name is Rhonda Martin. My business address is One Energy Place,  
9 Pensacola, Florida 32520-0780. I am the Supervisor of Rates and  
10 Regulatory Matters at Gulf Power Company.

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

13 A. I graduated from the University of West Florida in Pensacola, Florida in  
14 1994 with a Bachelor of Arts Degree in Accounting. I am also a licensed  
15 Certified Public Accountant and a member of the Florida Institute of  
16 Certified Public Accountants. I joined Gulf Power in 1994 as an  
17 Accountant. Prior to assuming my current position, I have held various  
18 positions of increasing responsibility with Gulf as an accountant in the  
19 Accounting Services, Financial Reporting, and Corporate Accounting  
20 Departments and as Supervisor of Financial Planning. In April 2006, I  
21 joined the Rates and Regulatory Matters area.

22 My responsibilities include supervision of: tariff administration,  
23 cost of service activities, calculation of cost recovery factors, and the  
24 regulatory filing function of the Rates and Regulatory Matters  
25 Department.

1 Q. Have you previously filed testimony before this Commission in  
2 connection with Gulf's Environmental Cost Recovery Clause (ECRC)?

3 A. Yes, I have.  
4

5 Q. What is the purpose of your testimony?

6 A. The purpose of my testimony is to present both the calculation of the  
7 revenue requirements and the development of the environmental cost  
8 recovery factors for the period of January 2008 through December 2008.  
9

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

12 A. Yes, I have. My exhibit consists of 7 schedules, each of which were  
13 prepared under my direction, supervision, or review.

14 Counsel: We ask that Ms. Martin's exhibit consisting of 7  
15 schedules be marked as Exhibit No. \_\_\_\_\_ (RJM-3).  
16

17 Q. What environmental costs is Gulf requesting for recovery through the  
18 Environmental Cost Recovery Clause?

19 A. As discussed in the testimony of J. O. Vick, Gulf is requesting recovery  
20 for certain environmental compliance operating expenses and capital  
21 costs that are consistent with both the decision of the Commission in  
22 Order No. PSC-94-0044-FOF-EI in Docket No. 930613-EI and with past  
23 proceedings in this ongoing recovery docket. The costs we have  
24 identified for recovery through the ECRC are not currently being  
25 recovered through base rates or any other cost recovery mechanism.

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

3 A. Mr. Vick has provided me with projected recoverable O&M expenses for  
4 January 2008 through December 2008. Schedule 2P of my exhibit  
5 shows the calculation of the recoverable O&M expenses broken down  
6 between demand-related and energy-related expenses. Also,  
7 Schedule 2P provides the appropriate jurisdictional factors and amounts  
8 related to these expenses. All O&M expenses associated with  
9 compliance with the Clean Air Act Amendments of 1990 (CAAA) were  
10 considered to be energy-related, consistent with Commission Order No.  
11 PSC-94-0044-FOF-EI. O&M expenses associated with Gulf's Clean Air  
12 Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR), and Clean Air  
13 Visibility Rule (CAVR) Compliance Program were considered to be  
14 energy-related pursuant to FPSC Order No. PSC-06-0972-FOF-EI  
15 issued November 22, 2006. The remaining expenses were broken down  
16 between demand and energy consistent with Gulf's last approved cost-  
17 of-service methodology in Docket No. 010949-EI.

18  
19 Q. Please describe Schedules 3P and 4P of your exhibit.

20 A. Schedule 3P summarizes the monthly recoverable revenue requirements  
21 associated with each capital investment project for the recovery period.  
22 Schedule 4P shows the detailed calculation of the revenue requirements  
23 associated with each investment project. These schedules also include  
24 the calculation of the jurisdictional amount of recoverable revenue  
25 requirements. Mr. Vick has provided me with the expenditures,

1 clearings, retirements, salvage, and cost of removal related to each  
2 capital project and the monthly costs for emission allowances. From that  
3 information, I calculated plant-in-service and construction work in  
4 progress (non interest bearing). Depreciation, amortization and  
5 dismantlement expense and the associated accumulated depreciation  
6 balances were calculated based on Gulf's approved depreciation rates,  
7 amortization periods, and dismantlement accruals. The capital projects  
8 identified for recovery through the ECRC are those environmental  
9 projects which were not included in the approved June 2002 through  
10 May 2003 test year on which present base rates were set.

11

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

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

23

24

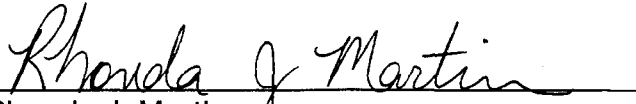
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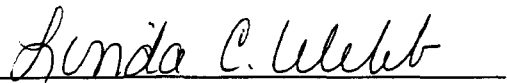
STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 070007-EI

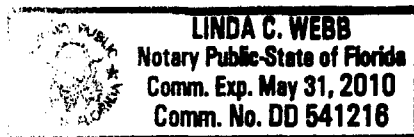
BEFORE me, the undersigned authority, personally appeared Rhonda J. Martin, who being first duly sworn, deposes and says that she is the Supervisor of Rates and Regulatory Matters at Gulf Power Company, a Florida corporation, that the foregoing is true and correct to the best of her knowledge, information and belief. She is personally known to me.

  
Rhonda J. Martin  
Supervisor of Rates and Regulatory Matters

Sworn to and subscribed before me  
this 30th day of August, 2007.

  
Linda C. Webb  
Notary Public, State of Florida at Large

(SEAL)



Schedule 1P

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

For the Projected Period  
**January 2008 - December 2008**

<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)	11,428,287	2,231,313	13,659,600
b Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>32,972,623</u>	<u>3,228,971</u>	<u>36,201,594</u>
c Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	44,400,910	5,460,284	49,861,194
2 True-Up for Estimated Over/(Under) Recovery for the period January 2007 - December 2007 (Schedule 1E, Line 3)	(1,876,694)	(241,232)	(2,117,926)
3 Final True-Up for the period January 2006 - December 2006 (Schedule 1A, Line 3)	<u>1,965,472</u>	<u>292,913</u>	<u>2,258,385</u>
4 Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2008 - December 2008 (Line 1c - Line 2 - Line 3)	<u>44,312,132</u>	<u>5,408,603</u>	<u>49,720,735</u>
5 Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>44,344,037</u>	<u>5,412,497</u>	<u>49,756,534</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**  
 Calculation of the Projected Period Amount  
 January 2008 - December 2008

Schedule 2P

O & M Activities  
 (in Dollars)

Line	Description of O & M Activities	January	February	March	April	May	June	July	August	September	October	November	December	End of Period 12-Month	Method of Classification		
															Demand	Energy	
1	Description of O & M Activities																
.1	Sulfur	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.2	Air Emission Fees	0	650,000	5,500	0	0	0	0	0	124,374	0	0	0	779,874	0	779,874	
.3	Title V	5,838	8,238	8,533	6,411	6,411	9,961	6,405	8,879	8,977	6,410	5,983	9,525	91,571	0	91,571	
.4	Asbestos Fees	1,250	0	500	0	0	0	0	0	0	0	0	500	2,250	2,250	0	
.5	Emission Monitoring	45,576	48,953	70,772	46,144	46,144	70,894	46,159	49,443	73,544	46,551	51,551	67,323	663,054	0	663,054	
.6	General Water Quality	25,654	26,085	29,429	25,679	28,343	35,193	29,942	27,371	29,429	25,679	25,679	30,430	338,913	338,913	0	
.7	Groundwater Contamination Investigation	114,160	123,598	115,065	114,755	114,756	115,103	114,779	124,507	115,107	114,756	114,756	115,134	1,396,476	1,396,476	0	
.8	State NPDES Administration	34,500	0	0	0	0	0	0	0	0	0	7,500	0	42,000	42,000	0	
.9	Lead and Copper Rule	4,000	0	4,500	0	0	4,000	0	0	4,000	0	5,000	0	21,500	21,500	0	
.10	Env Auditing/Assessment	0	0	0	0	0	0	0	0	650	0	0	650	1,300	1,300	0	
.11	General Solid & Hazardous Waste	26,560	31,214	26,864	26,848	26,848	26,874	26,848	31,650	26,874	26,848	26,848	26,909	331,185	331,185	0	
.12	Above Ground Storage Tanks	2,981	2,904	75,417	16,014	2,974	2,901	2,881	2,857	2,910	2,870	62,854	2,937	180,500	180,500	0	
.13	Low Nox	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.14	Ash Pond Diversion Curtains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.15	Mercury Emissions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.16	Sodium Injection	19,600	18,900	19,600	19,600	20,300	20,300	20,300	19,600	19,600	19,600	19,600	21,000	238,000	0	238,000	
.17	Gulf Coast Ozone Study	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.18	SPCC Substation Project	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.19	FDEP NOx Reduction Agreement	242,855	226,668	248,752	243,112	270,579	311,222	270,579	254,392	237,472	237,472	243,112	275,490	3,061,705	0	3,061,705	
.20	CAIR/CAMR/CAVR Compliance Program	12,197	12,197	12,197	12,197	12,197	12,196	66,836	66,836	16,836	16,836	16,836	18,040	275,401	0	275,401	
.21	Mercury Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.22	Annual NOx Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.23	Seasonal NOx Allowances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
.24	SO <sub>2</sub> Allowances	588,857	550,535	633,266	605,412	589,295	650,128	655,559	639,792	562,798	535,556	358,224	355,728	6,725,150	0	6,725,150	
2	Total of O & M Activities	1,124,028	1,699,292	1,250,395	1,116,172	1,117,847	1,258,772	1,240,288	1,225,327	1,222,571	1,032,578	937,943	923,666	14,148,879	2,314,124	11,834,755	
3	Recoverable Costs Allocated to Energy	914,923	1,515,491	998,620	932,876	944,926	1,074,701	1,065,838	1,038,942	1,043,601	862,425	695,306	747,106	11,834,755			
4	Recoverable Costs Allocated to Demand	209,105	183,801	251,775	183,296	172,921	184,071	174,450	186,385	178,970	170,153	242,637	176,560	2,314,124			
5	Retail Energy Jurisdictional Factor	0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155				
6	Retail Demand Jurisdictional Factor	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160				
7	Jurisdictional Energy Recoverable Costs (A)	882,235	1,461,039	962,583	900,686	914,445	1,040,831	1,031,211	1,005,474	1,008,354	831,971	669,480	719,978	11,428,287			
8	Jurisdictional Demand Recoverable Costs (B)	201,622	177,224	242,765	176,737	166,733	177,484	168,207	179,715	172,566	164,064	233,954	170,242	2,231,313			
9	Total Jurisdictional Recoverable Costs for O & M Activities (Lines 7 + 8)	1,083,857	1,638,263	1,205,348	1,077,423	1,081,178	1,218,315	1,199,418	1,185,189	1,180,920	996,035	903,434	890,220	13,659,600			

Notes:

- (A) Line 3 x Line 5 x 1.0007 line loss multiplier
- (B) Line 4 x Line 6



**Gulf Power Company**  
**Environmental Cost Recovery Clause (ECRC)**  
**Calculation of the Projected Period Amount**  
**January 2008 - December 2008**

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

Line	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	End of Period Total	Method of Classification	
														Demand	Energy
1	Description of Investment Projects (A)														
.1	3,998	3,974	3,948	3,924	3,899	3,875	3,849	3,825	3,800	3,776	3,750	3,726	46,344	0	46,344
.2	164,511	164,039	163,566	163,092	162,620	162,147	161,673	161,201	160,728	161,434	163,984	165,347	1,954,342	0	1,954,342
.3	14,068	14,067	14,064	14,063	14,060	14,059	14,057	14,055	14,053	14,051	14,049	14,047	168,693	0	168,693
.4	172,283	172,054	171,825	171,596	171,367	171,138	170,909	170,680	170,452	170,222	169,993	169,765	2,052,284	0	2,052,284
.5	65,900	66,780	68,561	71,048	74,513	76,400	76,117	75,991	75,864	75,738	75,611	75,484	878,007	0	878,007
.6	8,797	8,779	8,762	8,744	8,727	8,710	8,693	8,675	8,658	8,640	8,623	8,606	104,414	96,382	8,032
.7	2,349	2,344	2,338	2,333	2,327	2,321	2,316	2,311	2,304	2,299	2,293	2,288	27,823	25,683	2,140
.8	5,206	5,205	5,203	5,202	5,199	5,198	5,197	5,195	5,194	5,192	5,190	5,189	62,370	57,573	4,797
.9	2,406	2,399	2,391	2,383	2,376	2,368	2,361	2,353	2,346	2,338	2,330	2,323	28,374	26,191	2,183
.10	603	601	600	598	596	595	592	591	589	587	586	583	7,121	6,574	547
.11	801	799	796	794	791	788	786	783	781	778	776	773	9,446	8,720	726
.12	467	466	463	462	461	459	458	457	454	453	452	450	5,302	5,078	424
.13	4,212	4,202	4,193	4,183	4,174	4,165	4,155	4,146	4,137	4,128	4,119	4,109	49,923	0	49,923
.14	21,892	21,838	21,783	21,729	21,673	21,618	21,564	21,509	21,455	21,400	21,346	21,291	259,098	239,167	19,931
.15	3,045	3,041	3,039	3,035	3,031	3,027	3,024	3,021	3,017	3,013	3,010	3,007	36,310	33,517	2,793
.16	179,300	178,861	178,422	177,982	177,543	175,861	174,165	173,697	173,229	172,760	172,292	171,823	2,105,935	1,943,939	161,993
.17	1,401	1,398	1,396	1,392	1,390	1,387	1,384	1,382	1,379	1,377	1,374	1,371	16,631	15,352	1,279
.18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.19	1,529,687	1,526,028	1,522,603	1,522,944	1,523,047	1,519,384	1,515,722	1,512,058	1,513,490	1,515,511	1,515,748	1,515,370	18,231,592	0	18,231,592
.20	10,830	10,807	10,784	10,761	10,738	10,715	10,692	10,668	10,645	10,622	10,599	10,576	128,437	118,557	9,880
.21	686	684	683	682	679	678	676	675	673	671	670	669	8,126	0	8,126
.22	226,297	255,130	292,923	326,482	337,856	337,202	336,548	335,894	335,240	334,587	333,933	333,279	3,785,371	0	3,785,371
.23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.24	1,104	1,101	1,099	1,096	1,094	1,091	1,090	1,087	1,085	1,082	1,080	1,077	13,086	12,079	1,007
.25	67,520	67,550	67,757	67,964	68,370	68,598	68,447	68,297	68,147	67,996	67,846	67,695	816,187	753,404	62,783
.26	379,421	390,898	398,809	426,900	456,295	466,640	476,047	487,860	511,497	535,347	550,634	600,381	5,680,729	0	5,680,729
.27	615	611	607	604	601	597	593	589	585	582	578	574	7,136	6,588	548
.28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.31	115,419	110,045	104,461	98,618	92,983	87,136	80,977	74,867	69,194	64,013	59,797	56,429	1,013,939	0	1,013,939
2	2,982,818	3,013,701	3,051,076	3,108,611	3,146,410	3,146,157	3,142,092	3,141,867	3,158,996	3,178,597	3,190,663	3,236,232	37,497,220	3,348,804	34,148,413
3	2,700,046	2,731,424	2,769,132	2,826,998	2,864,947	2,866,159	2,863,912	2,864,376	2,882,194	2,902,487	2,915,239	2,961,499	34,148,413		
4	282,773	282,278	281,942	281,612	281,462	279,998	278,181	277,491	276,801	276,110	275,424	274,732	3,348,804		
5	0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155			
6	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160			
7	2,603,581	2,633,283	2,669,203	2,729,448	2,772,531	2,775,831	2,770,870	2,772,106	2,784,850	2,799,995	2,806,959	2,853,966	32,972,623		
8	272,654	272,177	271,853	271,535	271,390	269,979	268,227	267,561	266,896	266,230	265,568	264,901	3,228,971		
9	2,876,235	2,905,460	2,941,056	3,000,983	3,043,921	3,045,810	3,039,097	3,039,667	3,051,746	3,066,225	3,072,527	3,118,867	36,201,594		

## Notes:

- (A) Each project's Total System Recoverable Expenses as shown on Schedule 4P, Line 9. Allowances recoverable costs shown on Schedule 4P, Line 6  
 (B) Line 3 x Line 5 x 1.0007 line loss multiplier  
 (C) Line 4 x Line 6

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2008 - December 2008

**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													End of Period Amount	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
1	Investments (A)															
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)	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	220,294	
3	Less: Accumulated Depreciation (C)	(73,214)	(75,837)	(78,460)	(81,083)	(83,706)	(86,329)	(88,952)	(91,575)	(94,198)	(96,821)	(99,444)	(102,067)	(104,690)		
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)	147,080	144,457	141,834	139,211	136,588	133,965	131,342	128,719	126,096	123,473	120,850	118,227	115,604		
6	Average Net Investment		145,769	143,146	140,523	137,900	135,277	132,654	130,031	127,408	124,785	122,162	119,539	116,916		
7	Return on Average Net Investment															
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,071	1,052	1,032	1,013	994	975	955	936	917	898	878	859	11,580	
b	Debt Component (Line 6 x Debt Component x 1/12)		304	299	293	288	282	277	271	266	260	255	249	244	3,288	
8	Investment Expenses															
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0	
b	Amortization (F)		2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	2,623	31,476	
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)	3,998	3,974	3,948	3,924	3,899	3,875	3,849	3,825	3,800	3,776	3,750	3,726	46,344		
a	Recoverable Costs Allocated to Energy	3,998	3,974	3,948	3,924	3,899	3,875	3,849	3,825	3,800	3,776	3,750	3,726	46,344		
b	Recoverable Costs Allocated to Demand	0	0	0	0	0	0	0	0	0	0	0	0	0		
10	Energy Jurisdictional Factor	0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155			
11	Demand Jurisdictional Factor	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160			
12	Retail Energy-Related Recoverable Costs (H)	3,855	3,831	3,806	3,789	3,773	3,753	3,724	3,702	3,672	3,643	3,611	3,591	44,750		
13	Retail Demand-Related Recoverable Costs (I)	0	0	0	0	0	0	0	0	0	0	0	0	0		
14	Total Juris. Recoverable Costs (Lines 12 + 13)	3,855	3,831	3,806	3,789	3,773	3,753	3,724	3,702	3,672	3,643	3,611	3,591	44,750		

**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 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 2008 - December 2008

**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													End of
		of Period	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Period
		Amount													Amount
1	Investments (A)														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	250,000	250,000	0	
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	500,000	0	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	14,531,878	15,031,878	15,031,878	
3	Less: Accumulated Depreciation ( C )	(2,382,646)	(2,432,778)	(2,482,910)	(2,533,042)	(2,583,174)	(2,633,306)	(2,683,438)	(2,733,570)	(2,783,702)	(2,833,834)	(2,883,966)	(2,934,765)	(2,986,231)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	250,000	0	0	
5	Net Investment (Lines 2 + 3 + 4)	12,149,232	12,099,100	12,048,968	11,998,836	11,948,704	11,898,572	11,848,440	11,798,308	11,748,176	11,698,044	11,897,912	12,097,113	12,045,647	
6	Average Net Investment		12,124,166	12,074,034	12,023,902	11,973,770	11,923,638	11,873,506	11,823,374	11,773,242	11,723,110	11,797,978	11,997,513	12,071,380	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		89,076	88,708	88,340	87,971	87,603	87,235	86,866	86,498	86,130	86,680	88,146	88,688	1,051,941
b	Debt Component (Line 6 x Debt Component x 1/12)		25,303	25,199	25,094	24,989	24,885	24,780	24,675	24,571	24,466	24,622	25,039	25,193	298,816
8	Investment Expenses														
a	Depreciation (E)		38,757	38,757	38,757	38,757	38,757	38,757	38,757	38,757	38,757	38,757	39,424	40,091	467,085
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	11,375	136,500
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)		164,511	164,039	163,566	163,092	162,620	162,147	161,673	161,201	160,728	161,434	163,984	165,347	1,954,342
a	Recoverable Costs Allocated to Energy		164,511	164,039	163,566	163,092	162,620	162,147	161,673	161,201	160,728	161,434	163,984	165,347	1,954,342
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		158,633	158,145	157,663	157,464	157,374	157,037	156,421	156,008	155,300	155,733	157,893	159,343	1,887,014
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		158,633	158,145	157,663	157,464	157,374	157,037	156,421	156,008	155,300	155,733	157,893	159,343	1,887,014

**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) 3.2% 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 2008 - December 2008

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

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	1,469,711	1,469,507	1,469,303	1,469,099	1,468,895	1,468,691	1,468,487	1,468,283	1,468,079	1,467,875	1,467,671	1,467,467	1,467,263	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	1,469,711	1,469,507	1,469,303	1,469,099	1,468,895	1,468,691	1,468,487	1,468,283	1,468,079	1,467,875	1,467,671	1,467,467	1,467,263	
6	Average Net Investment		1,469,609	1,469,405	1,469,201	1,468,997	1,468,793	1,468,589	1,468,385	1,468,181	1,467,977	1,467,773	1,467,569	1,467,365	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		10,797	10,796	10,794	10,793	10,791	10,790	10,788	10,787	10,785	10,784	10,782	10,781	129,468
b	Debt Component (Line 6 x Debt Component x 1/12)		3,067	3,067	3,066	3,066	3,065	3,065	3,065	3,064	3,064	3,063	3,063	3,062	36,777
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		204	204	204	204	204	204	204	204	204	204	204	204	2,448
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)		14,068	14,067	14,064	14,063	14,060	14,059	14,057	14,055	14,053	14,051	14,049	14,047	168,693
a	Recoverable Costs Allocated to Energy		14,068	14,067	14,064	14,063	14,060	14,059	14,057	14,055	14,053	14,051	14,049	14,047	168,693
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		13,565	13,562	13,556	13,578	13,606	13,616	13,600	13,602	13,578	13,555	13,527	13,537	162,882
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		13,565	13,562	13,556	13,578	13,606	13,616	13,600	13,602	13,578	13,555	13,527	13,537	162,882

**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) 3.2% 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

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**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**January 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Low NOx Burners, Crist 6 & 7  
P.E.s 1234, 1236, 1242 & 1284  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	9,097,923	
3	Less: Accumulated Depreciation (C)	6,604,119	6,579,855	6,555,591	6,531,327	6,507,063	6,482,799	6,458,535	6,434,271	6,410,007	6,385,743	6,361,479	6,337,215	6,312,951	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	15,702,042	15,677,778	15,653,514	15,629,250	15,604,986	15,580,722	15,556,458	15,532,194	15,507,930	15,483,666	15,459,402	15,435,138	15,410,874	
6	Average Net Investment		15,689,910	15,665,646	15,641,382	15,617,118	15,592,854	15,568,590	15,544,326	15,520,062	15,495,798	15,471,534	15,447,270	15,423,006	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		115,274	115,096	114,917	114,739	114,561	114,382	114,204	114,026	113,848	113,669	113,491	113,313	1,371,520
b	Debt Component (Line 6 x Debt Component x 1/12)		32,745	32,694	32,644	32,593	32,542	32,492	32,441	32,390	32,340	32,289	32,238	32,188	389,596
8	Investment Expenses														
a	Depreciation (E)		24,264	24,264	24,264	24,264	24,264	24,264	24,264	24,264	24,264	24,264	24,264	24,264	291,168
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)		172,283	172,054	171,825	171,596	171,367	171,138	170,909	170,680	170,452	170,222	169,993	169,765	2,052,284
a	Recoverable Costs Allocated to Energy		172,283	172,054	171,825	171,596	171,367	171,138	170,909	170,680	170,452	170,222	169,993	169,765	2,052,284
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		166,128	165,872	165,624	165,675	165,839	165,745	165,357	165,182	164,695	164,211	163,679	163,601	1,981,608
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		166,128	165,872	165,624	165,675	165,839	165,745	165,357	165,182	164,695	164,211	163,679	163,601	1,981,608

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) 3.2% 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 2008 - December 2008

**Return on Capital Investments, Depreciation and Taxes**

For Project: CEMs- Plants Crist, Scholz, Smith, and Daniel

P.E.s 1154, 1164, 1217, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324, 1357, 1364, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570, 1658, 1829 & 1830  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		60,000	150,000	200,000	300,000	300,000	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	310,000	0	969,999	0	0	0	0	0	0	0	
c	Retirements		0	0	174,325	0	246,987	148,118	0	0	0	0	0	0	
d	Cost of Removal		0	0	1,000	0	0	0	0	0	0	0	0	0	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	4,291,064	4,291,064	4,291,064	4,426,739	4,426,739	5,149,751	5,001,633	5,001,633	5,001,633	5,001,633	5,001,633	5,001,633	5,001,633	
3	Less: Accumulated Depreciation (C)	1,004,284	992,532	980,780	1,144,115	1,131,888	1,365,894	1,500,434	1,487,011	1,473,588	1,460,165	1,446,742	1,433,319	1,419,896	
4	CWIP - Non Interest Bearing	269,999	329,999	479,999	369,999	669,999	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	5,565,347	5,613,595	5,751,843	5,940,853	6,228,626	6,515,645	6,502,067	6,488,644	6,475,221	6,461,798	6,448,375	6,434,952	6,421,529	
6	Average Net Investment		5,589,471	5,682,719	5,846,348	6,084,740	6,372,136	6,508,856	6,495,356	6,481,933	6,468,510	6,455,087	6,441,664	6,428,241	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		41,066	41,751	42,953	44,705	46,816	47,821	47,721	47,623	47,524	47,426	47,327	47,228	549,961
b	Debt Component (Line 6 x Debt Component x 1/12)		11,665	11,860	12,201	12,699	13,299	13,584	13,556	13,528	13,500	13,472	13,444	13,416	156,224
8	Investment Expenses														
a	Depreciation (E)		11,620	11,620	11,858	12,095	12,849	13,446	13,291	13,291	13,291	13,291	13,291	13,291	153,234
b	Amortization (F)		132	132	132	132	132	132	132	132	132	132	132	132	1,584
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	17,004
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		65,900	66,780	68,561	71,048	74,513	76,400	76,117	75,991	75,864	75,738	75,611	75,484	878,007
a	Recoverable Costs Allocated to Energy		65,900	66,780	68,561	71,048	74,513	76,400	76,117	75,991	75,864	75,738	75,611	75,484	878,007
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		63,546	64,381	66,087	68,596	72,109	73,992	73,644	73,543	73,302	73,064	72,803	72,743	847,810
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		63,546	64,381	66,087	68,596	72,109	73,992	73,644	73,543	73,302	73,064	72,803	72,743	847,810

**Notes:**

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Beginning Balances: Crist, \$2,232,602; Scholz \$790,064; Smith \$688,899; Daniel \$579,498. Ending Balances: Crist, \$2,232,602; Scholz \$925,740; Smith \$1,263,793; Daniel \$579,498.
- (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: 3.2%; Smith 2.5%; Scholz 4.2%; Daniel 3.1% annually
- (F) PE 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 2008 - December 2008  
**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													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation ( C )	(179,301)	(181,137)	(182,973)	(184,809)	(186,645)	(188,481)	(190,317)	(192,153)	(193,989)	(195,825)	(197,661)	(199,497)	(201,333)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	738,723	736,887	735,051	733,215	731,379	729,543	727,707	725,871	724,035	722,199	720,363	718,527	716,691	
6	Average Net Investment		737,805	735,969	734,133	732,297	730,461	728,625	726,789	724,953	723,117	721,281	719,445	717,609	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		5,421	5,407	5,394	5,380	5,367	5,353	5,340	5,326	5,313	5,299	5,286	5,272	64,158
b	Debt Component (Line 6 x Debt Component x 1/12)		1,540	1,536	1,532	1,528	1,524	1,521	1,517	1,513	1,509	1,505	1,501	1,498	18,224
8	Investment Expenses														
a	Depreciation (E)		1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,836	1,836	22,032
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)		8,797	8,779	8,762	8,744	8,727	8,710	8,693	8,675	8,658	8,640	8,623	8,606	104,414
a	Recoverable Costs Allocated to Energy		677	675	674	673	671	670	669	667	666	665	663	662	8,032
b	Recoverable Costs Allocated to Demand		8,120	8,104	8,088	8,071	8,056	8,040	8,024	8,008	7,992	7,975	7,960	7,944	96,382
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		653	651	650	650	649	649	647	646	644	642	638	638	7,757
13	Retail Demand-Related Recoverable Costs (I)		7,829	7,814	7,799	7,782	7,768	7,752	7,737	7,721	7,706	7,690	7,675	7,660	92,933
14	Total Juris. Recoverable Costs (Lines 12 + 13)		8,482	8,465	8,449	8,432	8,417	8,401	8,384	8,367	8,350	8,332	8,313	8,298	100,690

- 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 2.4% annually, PEs 3400 and 3412 depreciable at 2.4% 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 2008 - December 2008**  
**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													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	242,943	
3	Less: Accumulated Depreciation ( C )	(56,572)	(57,166)	(57,760)	(58,354)	(58,948)	(59,542)	(60,136)	(60,730)	(61,324)	(61,918)	(62,512)	(63,106)	(63,700)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	186,371	185,777	185,183	184,589	183,995	183,401	182,807	182,213	181,619	181,025	180,431	179,837	179,243	
6	Average Net Investment		186,074	185,480	184,886	184,292	183,698	183,104	182,510	181,916	181,322	180,728	180,134	179,540	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,367	1,363	1,358	1,354	1,350	1,345	1,341	1,337	1,332	1,328	1,323	1,319	16,117
b	Debt Component (Line 6 x Debt Component x 1/12)		388	387	386	385	383	382	381	380	378	377	376	375	4,578
8	Investment Expenses														
a	Depreciation (E)		594	594	594	594	594	594	594	594	594	594	594	594	7,128
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)		2,349	2,344	2,338	2,333	2,327	2,321	2,316	2,311	2,304	2,299	2,293	2,288	27,823
a	Recoverable Costs Allocated to Energy		181	180	180	179	179	179	178	178	177	177	176	176	2,140
b	Recoverable Costs Allocated to Demand		2,168	2,164	2,158	2,154	2,148	2,142	2,138	2,133	2,127	2,122	2,117	2,112	25,683
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		175	174	174	173	173	173	172	172	171	171	169	170	2,067
13	Retail Demand-Related Recoverable Costs (I)		2,090	2,087	2,081	2,077	2,071	2,065	2,061	2,057	2,051	2,046	2,041	2,036	24,763
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,265	2,261	2,255	2,250	2,244	2,238	2,233	2,229	2,222	2,217	2,210	2,206	26,830

- Notes:
- (A) Description and reason for 'Other' adjustments to net investment for this project
  - (B) Beginning and Ending Balances: Crist, \$149,920 and 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 3.2%; Smith 2.5% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist Cooling Tower Cell  
P.E. 1232  
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
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)	534,743	534,581	534,419	534,257	534,095	533,933	533,771	533,609	533,447	533,285	533,123	532,961	532,799	
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)	534,743	534,581	534,419	534,257	534,095	533,933	533,771	533,609	533,447	533,285	533,123	532,961	532,799	
6	Average Net Investment		534,662	534,500	534,338	534,176	534,014	533,852	533,690	533,528	533,366	533,204	533,042	532,880	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		3,928	3,927	3,926	3,925	3,923	3,922	3,921	3,920	3,919	3,917	3,916	3,915	47,059
b	Debt Component (Line 6 x Debt Component x 1/12)		1,116	1,116	1,115	1,115	1,114	1,114	1,114	1,113	1,113	1,113	1,112	1,112	13,367
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		162	162	162	162	162	162	162	162	162	162	162	162	1,944
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)		5,206	5,205	5,203	5,202	5,199	5,198	5,197	5,195	5,194	5,192	5,190	5,189	62,370
a	Recoverable Costs Allocated to Energy		400	400	400	400	400	400	400	400	400	399	399	399	4,797
b	Recoverable Costs Allocated to Demand		4,806	4,805	4,803	4,802	4,799	4,798	4,797	4,795	4,794	4,793	4,791	4,790	57,573
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		386	386	386	386	387	387	387	387	386	385	384	385	4,632
13	Retail Demand-Related Recoverable Costs (I)		4,634	4,633	4,631	4,630	4,627	4,626	4,625	4,623	4,622	4,621	4,620	4,619	55,511
14	Total Juris. Recoverable Costs (Lines 12 + 13)		5,020	5,019	5,017	5,016	5,014	5,013	5,012	5,010	5,008	5,006	5,004	5,004	60,143

**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) 3.2% 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist 1-5 Dechlorination  
P.E. 1248  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	305,323	
3	Less: Accumulated Depreciation (C)	(136,085)	(136,899)	(137,713)	(138,527)	(139,341)	(140,155)	(140,969)	(141,783)	(142,597)	(143,411)	(144,225)	(145,039)	(145,853)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	169,238	168,424	167,610	166,796	165,982	165,168	164,354	163,540	162,726	161,912	161,098	160,284	159,470	
6	Average Net Investment		168,831	168,017	167,203	166,389	165,575	164,761	163,947	163,133	162,319	161,505	160,691	159,877	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		1,240	1,234	1,228	1,222	1,216	1,210	1,205	1,199	1,193	1,187	1,181	1,175	14,490
b	Debt Component (Line 6 x Debt Component x 1/12)		352	351	349	347	346	344	342	340	339	337	335	334	4,116
8	Investment Expenses														
a	Depreciation (E)		814	814	814	814	814	814	814	814	814	814	814	814	9,768
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)		2,406	2,399	2,391	2,383	2,376	2,368	2,361	2,353	2,346	2,338	2,330	2,323	28,374
a	Recoverable Costs Allocated to Energy		185	185	184	183	183	182	182	181	180	180	179	179	2,183
b	Recoverable Costs Allocated to Demand		2,221	2,214	2,207	2,200	2,193	2,186	2,179	2,172	2,166	2,158	2,151	2,144	26,191
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		178	178	177	177	177	176	176	175	174	174	172	173	2,107
13	Retail Demand-Related Recoverable Costs (I)		2,142	2,135	2,128	2,121	2,115	2,108	2,101	2,094	2,088	2,081	2,074	2,067	25,254
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,320	2,313	2,305	2,298	2,292	2,284	2,277	2,269	2,262	2,255	2,246	2,240	27,361

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) 3.2% 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
**For Project: Crist Diesel Fuel Oil Remediation**  
**P.E. 1270**  
**(in Dollars)**

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
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)	(24,421)	(24,605)	(24,789)	(24,973)	(25,157)	(25,341)	(25,525)	(25,709)	(25,893)	(26,077)	(26,261)	(26,445)	(26,629)	(26,629)
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)	44,502	44,318	44,134	43,950	43,766	43,582	43,398	43,214	43,030	42,846	42,662	42,478	42,294	
6	Average Net Investment		44,410	44,226	44,042	43,858	43,674	43,490	43,306	43,122	42,938	42,754	42,570	42,386	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		326	325	324	322	321	320	318	317	315	314	313	311	3,826
b	Debt Component (Line 6 x Debt Component x 1/12)		93	92	92	92	91	91	90	90	90	89	89	88	1,087
8	Investment Expenses														
a	Depreciation (E)		184	184	184	184	184	184	184	184	184	184	184	184	2,208
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)		603	601	600	598	596	595	592	591	589	587	586	583	7,121
a	Recoverable Costs Allocated to Energy		46	46	46	46	46	46	46	45	45	45	45	45	547
b	Recoverable Costs Allocated to Demand		557	555	554	552	550	549	546	546	544	542	541	538	6,574
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		44	44	44	44	45	45	45	44	43	43	43	43	527
13	Retail Demand-Related Recoverable Costs (I)		537	535	534	532	530	529	526	526	525	523	522	519	6,338
14	Total Juris. Recoverable Costs (Lines 12 + 13)		581	579	578	576	575	574	571	570	568	566	565	562	6,865

**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) 3.2% 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 2008 - December 2008**  
**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	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation ( C )	(45,174)	(45,445)	(45,716)	(45,987)	(46,258)	(46,529)	(46,800)	(47,071)	(47,342)	(47,613)	(47,884)	(48,155)	(48,426)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	56,321	56,050	55,779	55,508	55,237	54,966	54,695	54,424	54,153	53,882	53,611	53,340	53,069	
6	Average Net Investment		56,186	55,915	55,644	55,373	55,102	54,831	54,560	54,289	54,018	53,747	53,476	53,205	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		413	411	409	407	405	403	401	399	397	395	393	391	4,824
b	Debt Component (Line 6 x Debt Component x 1/12)		117	117	116	116	115	114	114	113	113	112	112	111	1,370
8	Investment Expenses														
a	Depreciation (E)		271	271	271	271	271	271	271	271	271	271	271	271	3,252
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)		801	799	796	794	791	788	786	783	781	778	776	773	9,446
a	Recoverable Costs Allocated to Energy		62	61	61	61	61	61	60	60	60	60	60	59	726
b	Recoverable Costs Allocated to Demand		739	738	735	733	730	727	726	723	721	718	716	714	8,720
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		60	59	59	59	59	59	58	58	58	58	58	57	702
13	Retail Demand-Related Recoverable Costs (I)		713	712	709	707	704	701	700	697	695	692	690	688	8,408
14	Total Juris. Recoverable Costs (Lines 12 + 13)		773	771	768	766	763	760	758	755	753	750	748	745	9,110

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) 3.2% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist IWW Sampling System  
P.E. 1275  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	(26,830)	(26,989)	(27,148)	(27,307)	(27,466)	(27,625)	(27,784)	(27,943)	(28,102)	(28,261)	(28,420)	(28,579)	(28,738)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	32,713	32,554	32,395	32,236	32,077	31,918	31,759	31,600	31,441	31,282	31,123	30,964	30,805	
6	Average Net Investment		32,634	32,475	32,316	32,157	31,998	31,839	31,680	31,521	31,362	31,203	31,044	30,885	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		240	239	237	236	235	234	233	232	230	229	228	227	2,800
b	Debt Component (Line 6 x Debt Component x 1/12)		68	68	67	67	67	66	66	66	65	65	65	64	794
8	Investment Expenses														
a	Depreciation (E)		159	159	159	159	159	159	159	159	159	159	159	159	1,908
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)		467	466	463	462	461	459	458	457	454	453	452	450	5,502
a	Recoverable Costs Allocated to Energy		36	36	36	36	35	35	35	35	35	35	35	35	424
b	Recoverable Costs Allocated to Demand		431	430	427	426	426	424	423	422	419	418	417	415	5,078
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		35	35	35	35	34	34	34	34	34	34	34	34	412
13	Retail Demand-Related Recoverable Costs (I)		416	415	412	411	411	409	408	407	404	403	402	400	4,898
14	Total Juris. Recoverable Costs (Lines 12 + 13)		451	450	447	446	445	443	442	441	438	437	436	434	5,310

**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) 3.2% 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Sodium Injection System  
P.E. 1214 & 1413  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	(48,217)	(49,198)	(50,179)	(51,160)	(52,141)	(53,122)	(54,103)	(55,084)	(56,065)	(57,046)	(58,027)	(59,008)	(59,989)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	342,902	341,921	340,940	339,959	338,978	337,997	337,016	336,035	335,054	334,073	333,092	332,111	331,130	
6	Average Net Investment		342,412	341,431	340,450	339,469	338,488	337,507	336,526	335,545	334,564	333,583	332,602	331,621	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		2,516	2,508	2,501	2,494	2,487	2,480	2,472	2,465	2,458	2,451	2,444	2,436	29,712
b	Debt Component (Line 6 x Debt Component x 1/12)		715	713	711	708	706	704	702	700	698	696	694	692	8,439
8	Investment Expenses														
a	Depreciation (E)		981	981	981	981	981	981	981	981	981	981	981	981	11,772
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)		4,212	4,202	4,193	4,183	4,174	4,165	4,155	4,146	4,137	4,128	4,119	4,109	49,923
a	Recoverable Costs Allocated to Energy		4,212	4,202	4,193	4,183	4,174	4,165	4,155	4,146	4,137	4,128	4,119	4,109	49,923
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		4,062	4,051	4,042	4,039	4,039	4,034	4,020	4,012	3,997	3,982	3,966	3,960	48,204
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		4,062	4,051	4,042	4,039	4,039	4,034	4,020	4,012	3,997	3,982	3,966	3,960	48,204

**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 3.2% annually; Smith 2.5% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Smith Stormwater Collection System  
P.E. 1446  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	(1,073,516)	(1,079,312)	(1,085,108)	(1,090,904)	(1,096,700)	(1,102,496)	(1,108,292)	(1,114,088)	(1,119,884)	(1,125,680)	(1,131,476)	(1,137,272)	(1,143,068)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	1,709,084	1,703,288	1,697,492	1,691,696	1,685,900	1,680,104	1,674,308	1,668,512	1,662,716	1,656,920	1,651,124	1,645,328	1,639,532	
6	Average Net Investment		1,706,186	1,700,390	1,694,594	1,688,798	1,683,002	1,677,206	1,671,410	1,665,614	1,659,818	1,654,022	1,648,226	1,642,430	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		12,535	12,493	12,450	12,408	12,365	12,322	12,280	12,237	12,195	12,152	12,110	12,067	147,614
b	Debt Component (Line 6 x Debt Component x 1/12)		3,561	3,549	3,537	3,525	3,512	3,500	3,488	3,476	3,464	3,452	3,440	3,428	41,932
8	Investment Expenses														
a	Depreciation (E)		5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	5,796	69,552
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)		21,892	21,838	21,783	21,729	21,673	21,618	21,564	21,509	21,455	21,400	21,346	21,291	259,098
a	Recoverable Costs Allocated to Energy		1,684	1,680	1,676	1,671	1,667	1,663	1,659	1,655	1,650	1,646	1,642	1,638	19,931
b	Recoverable Costs Allocated to Demand		20,208	20,158	20,107	20,058	20,006	19,955	19,905	19,854	19,805	19,754	19,704	19,653	239,167
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		1,624	1,620	1,616	1,613	1,613	1,611	1,605	1,602	1,594	1,588	1,581	1,579	19,246
13	Retail Demand-Related Recoverable Costs (I)		19,485	19,437	19,387	19,340	19,290	19,241	19,193	19,144	19,096	19,047	18,999	18,950	230,609
14	Total Juris. Recoverable Costs (Lines 12 + 13)		21,109	21,057	21,003	20,953	20,903	20,852	20,798	20,746	20,690	20,635	20,580	20,529	249,855

**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) 2.5% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Smith Waste Water Treatment Facility  
P.E. 1466 & 1643  
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount
			January	February	March	April	May	June	July	August	September	October	November	December	
1	Investments (A)														
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 )	104,474	104,101	103,728	103,355	102,982	102,609	102,236	101,863	101,490	101,117	100,744	100,371	99,998	99,998
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)	283,436	283,063	282,690	282,317	281,944	281,571	281,198	280,825	280,452	280,079	279,706	279,333	278,960	278,960
6	Average Net Investment		283,250	282,877	282,504	282,131	281,758	281,385	281,012	280,639	280,266	279,893	279,520	279,147	279,147
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		2,081	2,078	2,076	2,073	2,070	2,067	2,065	2,062	2,059	2,056	2,054	2,051	24,792
b	Debt Component (Line 6 x Debt Component x 1/12)		591	590	590	589	588	587	586	586	585	584	583	583	7,042
8	Investment Expenses														
a	Depreciation (E)		373	373	373	373	373	373	373	373	373	373	373	373	4,476
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)		3,045	3,041	3,039	3,035	3,031	3,027	3,024	3,021	3,017	3,013	3,010	3,007	36,310
a	Recoverable Costs Allocated to Energy		234	234	234	233	233	233	233	232	232	232	232	231	2,793
b	Recoverable Costs Allocated to Demand		2,811	2,807	2,805	2,802	2,798	2,794	2,791	2,789	2,785	2,781	2,778	2,776	33,517
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		226	226	226	225	225	226	225	225	224	224	223	223	2,698
13	Retail Demand-Related Recoverable Costs (I)		2,710	2,707	2,705	2,702	2,698	2,694	2,691	2,689	2,685	2,681	2,679	2,677	32,318
14	Total Juris. Recoverable Costs (Lines 12 + 13)		2,936	2,933	2,931	2,927	2,923	2,920	2,916	2,914	2,909	2,905	2,902	2,900	35,016

**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) Smith 2.5% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Daniel Ash Management Project  
P.E. 1535, 1555, & 1819  
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
a	Expenditures/Additions		5,604	5,604	5,604	5,604	5,605	5,603	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	33,624	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	1,000,000	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)	16,203,321	16,203,321	16,203,321	16,203,321	16,203,321	16,203,321	15,236,945	15,236,945	15,236,945	15,236,945	15,236,945	15,236,945	15,236,945	15,236,945
3	Less: Accumulated Depreciation (C)	(5,900,730)	(5,952,895)	(6,005,060)	(6,057,225)	(6,109,390)	(6,161,555)	(5,212,472)	(5,262,141)	(5,311,810)	(5,361,479)	(5,411,148)	(5,460,817)	(5,510,486)	(5,510,486)
4	CWIP - Non Interest Bearing	0	5,604	11,208	16,812	22,416	28,021	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	10,302,591	10,256,030	10,209,469	10,162,908	10,116,347	10,069,787	10,024,473	9,974,804	9,925,135	9,875,466	9,825,797	9,776,128	9,726,459	
6	Average Net Investment		10,279,311	10,232,750	10,186,189	10,139,628	10,093,067	10,047,130	9,999,639	9,949,970	9,900,301	9,850,632	9,800,963	9,751,294	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		75,522	75,180	74,838	74,496	74,154	73,816	73,467	73,102	72,738	72,373	72,008	71,643	883,337
b	Debt Component (Line 6 x Debt Component x 1/12)		21,453	21,356	21,259	21,161	21,064	20,968	20,869	20,766	20,662	20,558	20,455	20,351	250,922
8	Investment Expenses														
a	Depreciation (E)		41,853	41,853	41,853	41,853	41,853	40,605	39,357	39,357	39,357	39,357	39,357	39,357	486,012
b	Amortization (F)		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Dismantlement		10,312	10,312	10,312	10,312	10,312	10,312	10,312	10,312	10,312	10,312	10,312	10,312	123,744
d	Property Taxes		30,160	30,160	30,160	30,160	30,160	30,160	30,160	30,160	30,160	30,160	30,160	30,160	361,920
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)	179,300	178,861	178,422	177,982	177,543	175,861	174,165	173,697	173,229	172,760	172,292	171,823	171,354	2,105,935
a	Recoverable Costs Allocated to Energy	13,792	13,759	13,724	13,691	13,657	13,528	13,397	13,361	13,326	13,289	13,253	13,216	13,179	161,993
b	Recoverable Costs Allocated to Demand	165,509	165,103	164,696	164,290	163,885	162,333	160,769	160,336	159,902	159,471	159,039	158,606	158,175	1,943,939
10	Energy Jurisdictional Factor	0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	0.9642160	
11	Demand Jurisdictional Factor	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)	13,299	13,265	13,229	13,219	13,216	13,102	12,962	12,931	12,876	12,820	12,761	12,736	12,736	156,416
13	Retail Demand-Related Recoverable Costs (I)	159,586	159,195	158,803	158,411	158,021	156,524	155,016	154,599	154,180	153,764	153,348	152,930	152,514	1,874,377
14	Total Juris. Recoverable Costs (Lines 12 + 13)	172,885	172,460	172,032	171,630	171,237	169,626	167,978	167,530	167,056	166,584	166,109	165,666	165,230	2,030,793

**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) 3.1% 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Smith Water Conservation  
P.E. 1620 & 1638  
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount
			January	February	March	April	May	June	July	August	September	October	November	December	
1	Investments (A)														
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)	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135	134,135
3	Less: Accumulated Depreciation (C)	(15,218)	(15,498)	(15,778)	(16,058)	(16,338)	(16,618)	(16,898)	(17,178)	(17,458)	(17,738)	(18,018)	(18,298)	(18,578)	(18,858)
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)	118,917	118,637	118,357	118,077	117,797	117,517	117,237	116,957	116,677	116,397	116,117	115,837	115,557	115,277
6	Average Net Investment		118,777	118,497	118,217	117,937	117,657	117,377	117,097	116,817	116,537	116,257	115,977	115,697	115,417
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		873	871	869	866	864	862	860	858	856	854	852	850	10,335
b	Debt Component (Line 6 x Debt Component x 1/12)		248	247	247	246	246	245	244	244	243	243	242	241	2,936
8	Investment Expenses														
a	Depreciation (E)		280	280	280	280	280	280	280	280	280	280	280	280	3,360
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)		1,401	1,398	1,396	1,392	1,390	1,387	1,384	1,382	1,379	1,377	1,374	1,371	16,631
a	Recoverable Costs Allocated to Energy		108	108	107	107	107	107	106	106	106	106	106	105	1,279
b	Recoverable Costs Allocated to Demand		1,293	1,290	1,289	1,285	1,283	1,280	1,278	1,276	1,273	1,271	1,268	1,266	15,352
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		104	104	103	103	104	104	103	103	102	102	102	101	1,235
13	Retail Demand-Related Recoverable Costs (I)		1,247	1,244	1,243	1,239	1,237	1,234	1,232	1,230	1,227	1,226	1,223	1,221	14,803
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,351	1,348	1,346	1,342	1,341	1,338	1,335	1,333	1,329	1,328	1,325	1,322	16,038

**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) 2.5% 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Underground Fuel Tank Replacement  
P.E. 4397  
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount
			January	February	March	April	May	June	July	August	September	October	November	December	
1	Investments (A)														
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) (D)		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		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
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 Juris. 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist FDEP Agreement for Ozone Attainment  
P.E. 1031, 1199, 1250, and 1287  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		0	0	50,000	770,000	0	0	0	0	1,080,000	125,000	125,000	0	
b	Clearings to Plant		0	0	0	100,000	0	0	0	0	0	0	2,050,000	0	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B) (J)	134,056,437	134,056,437	134,056,437	134,056,437	134,156,437	134,156,437	134,156,437	134,156,437	134,156,437	134,156,437	134,156,437	136,206,437	136,206,437	
3	Less: Accumulated Depreciation (C)	(12,842,640)	(13,230,627)	(13,618,614)	(14,006,601)	(14,394,722)	(14,782,976)	(15,171,230)	(15,559,484)	(15,947,738)	(16,335,992)	(16,724,246)	(17,115,233)	(17,508,954)	
4	CWIP - Non Interest Bearing (I)	0	0	0	50,000	720,000	720,000	720,000	720,000	720,000	1,800,000	1,925,000	0	0	
5	Net Investment (Lines 2 + 3 + 4)	121,213,797	120,825,810	120,437,823	120,099,836	120,481,715	120,093,461	119,705,207	119,316,953	118,928,699	119,620,445	119,357,191	119,091,204	118,697,483	
6	Average Net Investment		121,019,804	120,631,817	120,268,830	120,290,776	120,287,588	119,899,334	119,511,080	119,122,826	119,274,572	119,488,818	119,224,198	118,894,344	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		889,132	886,282	883,615	883,776	883,753	880,900	878,048	875,195	876,310	877,884	875,940	873,517	10,564,352
b	Debt Component (Line 6 x Debt Component x 1/12)		252,568	251,759	251,001	251,047	251,040	250,230	249,420	248,609	248,926	249,373	248,821	248,132	3,000,926
8	Investment Expenses														
a	Depreciation (E)		357,015	357,015	357,015	357,149	357,282	357,282	357,282	357,282	357,282	357,282	360,015	362,749	4,294,650
b	Amortization (F)		2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	2,292	27,504
c	Dismantlement		28,680	28,680	28,680	28,680	28,680	28,680	28,680	28,680	28,680	28,680	28,680	28,680	344,160
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)		1,529,687	1,526,028	1,522,603	1,522,944	1,523,047	1,519,384	1,515,722	1,512,058	1,513,490	1,515,511	1,515,748	1,515,370	18,231,592
a	Recoverable Costs Allocated to Energy		1,529,687	1,526,028	1,522,603	1,522,944	1,523,047	1,519,384	1,515,722	1,512,058	1,513,490	1,515,511	1,515,748	1,515,370	18,231,592
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		1,475,035	1,471,197	1,467,657	1,470,392	1,473,917	1,471,500	1,466,480	1,463,350	1,462,373	1,461,995	1,459,449	1,460,346	17,603,691
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,475,035	1,471,197	1,467,657	1,470,392	1,473,917	1,471,500	1,466,480	1,463,350	1,462,373	1,461,995	1,459,449	1,460,346	17,603,691

**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) Crist: 3.2% 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
- (J) Beginning balance differs from the 2007 estimated/actual true-up as a result of a correction to the projected 2007 CWIP balance.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2008 - December 2008

**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist Storm Water Collection System  
P.E. 1272  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	919,837	
3	Less: Accumulated Depreciation (C)	(30,628)	(33,081)	(35,534)	(37,987)	(40,440)	(42,893)	(45,346)	(47,799)	(50,252)	(52,705)	(55,158)	(57,611)	(60,064)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	889,209	886,756	884,303	881,850	879,397	876,944	874,491	872,038	869,585	867,132	864,679	862,226	859,773	
6	Average Net Investment		887,983	885,530	883,077	880,624	878,171	875,718	873,265	870,812	868,359	865,906	863,453	861,000	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		6,524	6,506	6,488	6,470	6,452	6,434	6,416	6,398	6,380	6,362	6,344	6,326	77,100
b	Debt Component (Line 6 x Debt Component x 1/12)		1,853	1,848	1,843	1,838	1,833	1,828	1,823	1,817	1,812	1,807	1,802	1,797	21,901
8	Investment Expenses														
a	Depreciation (E)		2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	2,453	29,436
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)		10,830	10,807	10,784	10,761	10,738	10,715	10,692	10,668	10,645	10,622	10,599	10,576	128,437
a	Recoverable Costs Allocated to Energy		833	831	830	828	826	824	822	821	819	817	815	814	9,880
b	Recoverable Costs Allocated to Demand		9,997	9,976	9,954	9,933	9,912	9,891	9,870	9,847	9,826	9,805	9,784	9,762	118,557
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		803	801	800	799	799	798	795	795	791	788	785	784	9,538
13	Retail Demand-Related Recoverable Costs (I)		9,639	9,619	9,598	9,578	9,557	9,537	9,517	9,495	9,474	9,454	9,434	9,413	114,315
14	Total Juris. Recoverable Costs (Lines 12 + 13)		10,442	10,420	10,398	10,377	10,356	10,335	10,312	10,290	10,265	10,242	10,219	10,197	123,853

**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) 3.2% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Crist Common FTIR Monitor  
P.E. 1297  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	(7,897)	(8,065)	(8,233)	(8,401)	(8,569)	(8,737)	(8,905)	(9,073)	(9,241)	(9,409)	(9,577)	(9,745)	(9,913)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	54,973	54,805	54,637	54,469	54,301	54,133	53,965	53,797	53,629	53,461	53,293	53,125	52,957	
6	Average Net Investment		54,889	54,721	54,553	54,385	54,217	54,049	53,881	53,713	53,545	53,377	53,209	53,041	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		403	402	401	400	398	397	396	395	393	392	391	390	4,758
b	Debt Component (Line 6 x Debt Component x 1/12)		115	114	114	114	113	113	112	112	112	111	111	111	1,352
8	Investment Expenses														
a	Depreciation (E)		168	168	168	168	168	168	168	168	168	168	168	168	2,016
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)		686	684	683	682	679	678	676	675	673	671	670	669	8,126
a	Recoverable Costs Allocated to Energy		686	684	683	682	679	678	676	675	673	671	670	669	8,126
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		661	659	658	658	657	657	654	653	650	647	645	645	7,844
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		661	659	658	658	657	657	654	653	650	647	645	645	7,844

**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) 3.2% 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 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Precipitator Upgrades for CAM Compliance  
P.E. 1175, 1191, 1305, 1461, & 1462  
(in Dollars)

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		2,768,100	3,410,950	3,026,543	362,443	0	0	0	0	0	0	0	0	
b	Clearings to Plant		0	0	5,832,124	7,699,989	0	0	0	0	0	0	0	0	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B) (J)	15,837,728	15,837,728	15,837,728	21,669,852	29,369,841	29,369,841	29,369,841	29,369,841	29,369,841	29,369,841	29,369,841	29,369,841	29,369,841	
3	Less: Accumulated Depreciation ( C ) (J)	(701,285)	(734,487)	(767,689)	(808,668)	(867,692)	(936,985)	(1,006,278)	(1,075,571)	(1,144,864)	(1,214,157)	(1,283,450)	(1,352,743)	(1,422,036)	
4	CWIP - Non Interest Bearing (J)	3,964,077	6,732,177	10,143,127	7,337,546	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4) (J)	19,100,520	21,835,418	25,213,166	28,198,730	28,502,149	28,432,856	28,363,563	28,294,270	28,224,977	28,155,684	28,086,391	28,017,098	27,947,805	
6	Average Net Investment		20,467,969	23,524,292	26,705,948	28,350,440	28,467,503	28,398,210	28,328,917	28,259,624	28,190,331	28,121,038	28,051,745	27,982,452	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		150,378	172,833	196,209	208,291	209,151	208,642	208,133	207,623	207,114	206,605	206,096	205,587	2,386,662
b	Debt Component (Line 6 x Debt Component x 1/12)		42,717	49,095	55,735	59,167	59,412	59,267	59,122	58,978	58,833	58,689	58,544	58,399	677,958
8	Investment Expenses														
a	Depreciation (E)		33,202	33,202	40,979	59,024	69,293	69,293	69,293	69,293	69,293	69,293	69,293	69,293	720,751
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)		226,297	255,130	292,923	326,482	337,856	337,202	336,548	335,894	335,240	334,587	333,933	333,279	3,785,371
a	Recoverable Costs Allocated to Energy		226,297	255,130	292,923	326,482	337,856	337,202	336,548	335,894	335,240	334,587	333,933	333,279	3,785,371
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		218,212	245,963	282,352	315,216	326,958	326,575	325,614	325,074	323,917	322,772	321,530	321,178	3,655,361
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		218,212	245,963	282,352	315,216	326,958	326,575	325,614	325,074	323,917	322,772	321,530	321,178	3,655,361

Notes:

- (A) Description and reason for 'Other' adjustments to net investment for this project
- (B) Beginning Balances: Crist \$0; Smith \$15,687,728; Scholz \$150,000. Ending Balances: Crist, \$13,532,113; Smith \$15,687,728; Scholz \$150,000.
- (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 3.2%; Smith 2.5%; Scholz 4.2% 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) Crist beginning balances differ from 2007 estimated/actual true-up due to planned outage being moved from fall 2007 to March 2008.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2008 - December 2008

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

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		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	
3	Less: Accumulated Depreciation (C)	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	
5	Net Investment (Lines 2 + 3 + 4)	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	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		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		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
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 Juris. 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 3.2% annually; Scholz 4.2% 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 2008 - December 2008

**Return on Capital Investments, Depreciation and Taxes**  
For Project: Plant Crist Water Conservation Project  
P.E. 1227  
(in Dollars)

Line	Description	Beginning													End of
		of Period	January	February	March	April	May	June	July	August	September	October	November	December	Period
		Amount													Amount
1	Investments (A)														
a	Expenditures/Additions		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	
c	Retirements		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	
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	
2	Plant-in-Service/Depreciation Base (B)	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	93,735	
3	Less: Accumulated Depreciation (C)	(3,148)	(3,398)	(3,648)	(3,898)	(4,148)	(4,398)	(4,648)	(4,898)	(5,148)	(5,398)	(5,648)	(5,898)	(6,148)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	
5	Net Investment (Lines 2 + 3 + 4)	90,587	90,337	90,087	89,837	89,587	89,337	89,087	88,837	88,587	88,337	88,087	87,837	87,587	
6	Average Net Investment		90,462	90,212	89,962	89,712	89,462	89,212	88,962	88,712	88,462	88,212	87,962	87,712	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		665	663	661	659	657	655	654	652	650	648	646	644	7,854
b	Debt Component (Line 6 x Debt Component x 1/12)		189	188	188	187	187	186	186	185	185	184	184	183	2,232
8	Investment Expenses														
a	Depreciation (E)		250	250	250	250	250	250	250	250	250	250	250	250	3,000
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)		1,104	1,101	1,099	1,096	1,094	1,091	1,090	1,087	1,085	1,082	1,080	1,077	13,086
a	Recoverable Costs Allocated to Energy		85	85	85	84	84	84	84	84	83	83	83	83	1,007
b	Recoverable Costs Allocated to Demand		1,019	1,016	1,014	1,012	1,010	1,007	1,006	1,003	1,002	999	997	994	12,079
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		82	82	82	81	81	81	81	81	80	80	80	80	971
13	Retail Demand-Related Recoverable Costs (I)		983	980	978	976	974	971	970	967	966	963	961	958	11,647
14	Total Juris. Recoverable Costs (Lines 12 + 13)		1,065	1,062	1,060	1,057	1,055	1,052	1,051	1,048	1,046	1,043	1,041	1,038	12,618

**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) 3.2% 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 2008 - December 2008

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

Line	Description	Beginning of Period Amount	Year												End of Period Amount	
			January	February	March	April	May	June	July	August	September	October	November	December		
1	Investments (A)															
a	Expenditures/Additions		0	37,500	37,500	37,500	37,500	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	150,000	0	0	0	0	0	0	0	0	0
c	Retirements		0	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	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	5,827,707	5,827,707	5,827,707	5,827,707	5,827,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707	5,977,707
3	Less: Accumulated Depreciation (C)	(310,341)	(325,883)	(341,425)	(356,967)	(372,509)	(388,251)	(404,193)	(420,135)	(436,077)	(452,019)	(467,961)	(483,903)	(499,845)		
4	CWIP - Non Interest Bearing	0	0	37,500	75,000	112,500	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4)	5,517,366	5,501,824	5,523,782	5,545,740	5,567,698	5,589,456	5,573,514	5,557,572	5,541,630	5,525,688	5,509,746	5,493,804	5,477,862		
6	Average Net Investment		5,509,595	5,512,803	5,534,761	5,556,719	5,578,577	5,581,485	5,565,543	5,549,601	5,533,659	5,517,717	5,501,775	5,485,833		
7	Return on Average Net Investment															
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		40,479	40,503	40,664	40,825	40,986	41,007	40,890	40,773	40,656	40,539	40,422	40,304	488,048	
b	Debt Component (Line 6 x Debt Component x 1/12)		11,499	11,505	11,551	11,597	11,642	11,649	11,615	11,582	11,549	11,515	11,482	11,449	138,635	
8	Investment Expenses															
a	Depreciation (E)		15,542	15,542	15,542	15,542	15,742	15,942	15,942	15,942	15,942	15,942	15,942	15,942	189,504	
b	Amortization (F)		0	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	0
d	Property Taxes		0	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	0
9	Total System Recoverable Expenses (Lines 7 + 8)		67,520	67,550	67,757	67,964	68,370	68,598	68,447	68,297	68,147	67,996	67,846	67,695	816,187	
a	Recoverable Costs Allocated to Energy		5,194	5,196	5,212	5,228	5,259	5,277	5,265	5,254	5,242	5,230	5,219	5,207	62,783	
b	Recoverable Costs Allocated to Demand		62,326	62,354	62,545	62,736	63,111	63,321	63,182	63,043	62,905	62,766	62,627	62,488	753,404	
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155		
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160		
12	Retail Energy-Related Recoverable Costs (H)		5,008	5,009	5,024	5,048	5,089	5,111	5,094	5,085	5,065	5,045	5,025	5,018	60,621	
13	Retail Demand-Related Recoverable Costs (I)		60,096	60,123	60,307	60,491	60,853	61,055	60,921	60,787	60,654	60,520	60,386	60,252	726,445	
14	Total Juris. Recoverable Costs (Lines 12 + 13)		65,104	65,132	65,331	65,539	65,942	66,166	66,015	65,872	65,719	65,565	65,411	65,270	787,066	

**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) 3.2% 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 2008 - December 2008

**Return on Capital Investments, Depreciation and Taxes**

For Project: CAIR/CAMR/CAVR Compliance Program

P.E.s 1034, 1035, 1036, 1037, 1095, 1222, 1362, 1468, 1469, 1512, 1513, 1646, 1647, 1684, 1810, 1824, & 1826  
(in Dollars)

Line	Description	Beginning of Period Amount	Month												End of Period Amount	
			January	February	March	April	May	June	July	August	September	October	November	December		
1	Investments (A)															
a	Expenditures/Additions		1,628,817	963,828	872,950	5,241,950	1,149,450	903,750	812,700	1,423,200	3,236,554	1,767,408	1,651,408	3,869,785		
b	Clearings to Plant (J)		0	0	0	0	0	1,362,891	500,000	796,887	836,439	0	0	20,913,075		
c	Retirements		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		
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0		
2	Plant-in-Service/Depreciation Base (B)	30,029,549	30,029,549	30,029,549	30,029,549	30,029,549	31,392,440	31,892,440	32,689,327	33,525,766	33,525,766	33,525,766	33,525,766	54,438,841		
3	Less: Accumulated Depreciation (C)	(490,155)	(569,967)	(649,779)	(729,591)	(809,403)	(889,215)	(970,446)	(1,053,764)	(1,139,144)	(1,226,998)	(1,315,932)	(1,404,866)	(1,518,459)		
4	CWIP - Non Interest Bearing	1,444,560	3,073,377	4,037,205	4,910,155	10,152,105	11,301,555	10,842,414	11,155,114	11,781,427	14,181,542	15,948,950	17,600,358	557,068		
5	Net Investment (Lines 2 + 3 + 4)	30,983,954	32,532,959	33,416,975	34,210,113	39,372,251	40,441,889	41,264,408	41,993,790	43,331,610	46,480,310	48,158,784	49,721,258	53,477,450		
6	Average Net Investment		31,758,457	32,974,967	33,813,544	36,791,182	39,907,070	40,853,149	41,629,099	42,662,700	44,905,960	47,319,547	48,940,021	51,599,354		
7	Return on Average Net Investment															
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		233,329	242,267	248,428	270,305	293,197	300,148	305,849	313,443	329,924	347,657	359,562	379,100	3,623,209	
b	Debt Component (Line 6 x Debt Component x 1/12)		66,280	68,819	70,569	76,783	83,286	85,261	86,880	89,037	93,719	98,756	102,138	107,688	1,029,216	
8	Investment Expenses															
a	Depreciation (E)		79,354	79,354	79,354	79,354	79,354	80,773	82,860	84,922	87,396	88,476	88,476	113,135	1,022,808	
b	Amortization (F)		458	458	458	458	458	458	458	458	458	458	458	458	5,496	
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)		379,421	390,898	398,809	426,900	456,295	466,640	476,047	487,860	511,497	535,347	550,634	600,381	5,680,729	
a	Recoverable Costs Allocated to Energy		379,421	390,898	398,809	426,900	456,295	466,640	476,047	487,860	511,497	535,347	550,634	600,381	5,680,729	
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155		
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160		
12	Retail Energy-Related Recoverable Costs (H)		365,865	376,853	384,417	412,169	441,576	451,934	460,581	472,145	494,221	516,443	530,182	578,581	5,484,967	
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Total Juris. Recoverable Costs (Lines 12 + 13)		365,865	376,853	384,417	412,169	441,576	451,934	460,581	472,145	494,221	516,443	530,182	578,581	5,484,967	

**Notes:**

- (A) Description and reason for "Other" adjustments to net Investment for this project, if applicable
- (B) Beginning Balances: Crist \$29,879,941; Smith \$149,608; Daniel \$0, Scholz \$0. Ending Balances: Crist \$30,379,941; Smith \$10,910,957, Daniel \$12,351,056, Scholz \$796,887.
- (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: 3.2%, Plant Smith Steam 2.5%, Smith CT 0.4%, Daniel 3.1%, Scholz 4.2%. Portion of PE 1222 is transmission 2.2%, 2.3%, 4.1%, 2.6%.
- (F) Portion of PE 1222 has a 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 2008 - December 2008

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

Line	Description	Beginning of Period Amount	Month												End of Period Amount
			January	February	March	April	May	June	July	August	September	October	November	December	
1	Investments (A)														
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)	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640	23,640
3	Less: Accumulated Depreciation ( C )	0	(394)	(788)	(1,182)	(1,576)	(1,970)	(2,364)	(2,758)	(3,152)	(3,546)	(3,940)	(4,334)	(4,728)	
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)	23,640	23,246	22,852	22,458	22,064	21,670	21,276	20,882	20,488	20,094	19,700	19,306	18,912	
6	Average Net Investment		23,443	23,049	22,655	22,261	21,867	21,473	21,079	20,685	20,291	19,897	19,503	19,109	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		172	169	166	164	161	158	155	152	149	146	143	140	1,875
b	Debt Component (Line 6 x Debt Component x 1/12)		49	48	47	46	46	45	44	43	42	42	41	40	533
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		394	394	394	394	394	394	394	394	394	394	394	394	4,728
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)		615	611	607	604	601	597	593	589	585	582	578	574	7,136
a	Recoverable Costs Allocated to Energy		47	47	47	46	46	46	46	45	45	45	44	44	548
b	Recoverable Costs Allocated to Demand		568	564	560	558	555	551	547	544	540	537	534	530	6,588
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (H)		45	45	45	44	45	45	45	44	43	43	42	42	528
13	Retail Demand-Related Recoverable Costs (I)		548	544	540	538	535	531	527	525	521	518	515	511	6,353
14	Total Juris. Recoverable Costs (Lines 12 + 13)		593	589	585	582	580	576	572	569	564	561	557	553	6,881

**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 ROE 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 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
**For Project: Mercury Allowances**

(in Dollars)

<u>Line</u>	<u>Description</u>	<u>Beginning of Period Amount</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>End of Period Amount</u>
1	Investments														
	a Purchases/Transfers		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	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	
	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
	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		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
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 Juris. Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

Notes:

- (A) Based on ROE 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 3P
- (E) Line 8 is reported on Schedule 2P

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Annual NOx Allowances

		(in Dollars)													
Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments														
	a Purchases/Transfers		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	
	c Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	
	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
	c Annual NOx 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		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
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 Juris. Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

**Notes:**

- (A) Based on ROE 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 3P
- (E) Line 8 is reported on Schedule 2P

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
**January 2008 - December 2008**  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: Seasonal NOx Allowances

(in Dollars)															
Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Amount
1	Investments														
a	Purchases/Transfers		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	
c	Auction Proceeds/Other		0	0	0	0	0	0	0	0	0	0	0	0	
2	Working Capital Balance		0	0	0	0	0	0	0	0	0	0	0	0	
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
c	Seasonal NOx 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		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
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 Juris. Recoverable Costs (Lines 12 + 13)		0	0	0	0	0	0	0	0	0	0	0	0	0

**Notes:**

- (A) Based on ROE 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 3P
- (E) Line 8 is reported on Schedule 2P

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
Calculation of the Projected Period Amount  
January 2008 - December 2008  
**Return on Capital Investments, Depreciation and Taxes**  
For Project: SO<sub>2</sub> Allowances

(in Dollars)															
Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	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 Balance		0	0	0	0	0	0	0	0	0	0	0	0	0
a	FERC 158.1 Allowance Inventory	13,556,340	12,959,262	12,400,506	11,759,019	11,145,386	10,547,870	9,889,521	9,225,741	8,577,728	8,006,709	7,462,932	7,096,487	6,732,538	
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	(1,027,521)	(1,019,300)	(1,011,079)	(1,002,858)	(994,637)	(986,416)	(978,195)	(969,974)	(961,753)	(953,532)	(945,311)	(937,090)	(928,869)	
3	Total Working Capital Balance	12,528,819	11,939,962	11,389,427	10,756,161	10,150,749	9,561,454	8,911,326	8,255,767	7,615,975	7,053,177	6,517,621	6,159,397	5,803,669	
4	Average Net Working Capital Balance		12,234,391	11,664,695	11,072,794	10,453,455	9,856,102	9,236,390	8,583,547	7,935,871	7,334,576	6,785,399	6,338,509	5,981,533	
5	Return on Average Net Working Capital Balance														
a	Equity Component (Line 4 x Equity Component x 1/12)(A)		89,886	85,701	81,352	76,802	72,413	67,860	63,063	58,305	53,887	49,852	46,569	43,946	789,636
b	Debt Component (Line 4 x Debt Component x 1/12)		25,533	24,344	23,109	21,816	20,570	19,276	17,914	16,562	15,307	14,161	13,228	12,483	224,303
6	Total Return Component (D)		115,419	110,045	104,461	98,618	92,983	87,136	80,977	74,867	69,194	64,013	59,797	56,429	1,013,939
7	Expenses:														
a	Gains		(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(8,221)	(98,652)
b	Losses														0
c	SO <sub>2</sub> Allowance Expense		597,078	558,756	641,487	613,633	597,516	658,349	663,780	648,013	571,019	543,777	366,445	363,949	6,823,802
8	Net Expenses (E)		588,857	550,535	633,266	605,412	589,295	650,128	655,559	639,792	562,798	535,556	358,224	355,728	6,725,150
9	Total System Recoverable Expenses (Lines 6 + 8)		704,276	660,580	737,727	704,030	682,278	737,264	736,536	714,659	631,992	599,569	418,021	412,157	7,739,089
a	Recoverable Costs Allocated to Energy		704,276	660,580	737,727	704,030	682,278	737,264	736,536	714,659	631,992	599,569	418,021	412,157	7,739,089
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9635982	0.9633954	0.9632389	0.9648180	0.9670654	0.9678072	0.9668356	0.9671099	0.9655497	0.9640133	0.9621838	0.9630155	
11	Demand Jurisdictional Factor		0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	0.9642160	
12	Retail Energy-Related Recoverable Costs (B)		679,114	636,845	711,105	679,736	660,269	714,029	712,608	691,638	610,647	578,397	402,495	397,191	7,474,074
13	Retail Demand-Related Recoverable Costs (C)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Juris. Recoverable Costs (Lines 12 + 13)		679,114	636,845	711,105	679,736	660,269	714,029	712,608	691,638	610,647	578,397	402,495	397,191	7,474,074

**Notes:**

- (A) Based on ROE 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 3P
- (E) Line 8 is reported on Schedule 2P



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 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 during 2005. These replacements provide Gulf with the accuracy and reliability needed to accurately measure SO<sub>2</sub>, NO<sub>x</sub>, CO<sub>2</sub>, and opacity and to further maintain compliance with CAAA requirements.

**Project-to-Date:** Plant-in-service of \$220,294 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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**

**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.

**Project-to-Date:** Plant-in-service of \$15,031,878 projected at December 2008.

**Progress Summary:** In-Service

**Projections:**

During the 2008 recovery period, Plant Crist plans to install a new purge air system on the Unit 6 precipitator to ensure that the insulators continue functioning properly in order to maintain compliance with the Clean Air Act Amendments. The 2008 projected expenditures for the purge air system are \$500,000.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 2008-December 2008

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

**Project-to-Date:** Plant-in-service of \$9,097,923 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

**Title: CEMs – Plant Crist, Scholz, Smith, and Daniel**  
PEs 1154, 1164, 1217, 1240, 1245, 1286, 1289, 1290, 1311, 1316, 1323, 1324,  
1357, 1364, 1440, 1441, 1442, 1444, 1445, 1454, 1459, 1460, 1558, 1570, 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 \$5,001,633 projected at December 2008.

**Progress Summary:**

Crist 4, 5, 6 and 7 CEMS equipment replacements (gas analyzers, opacity monitors, and common CEMS equipment), Scholz 1 & 2 CEMS analyzer replacements, and Smith 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 replaced during 2005 and the flow monitors are subsequently being replaced during 2007.

**Projections:**

During the 2008 recovery period, the CEMs project includes the replacement of opacity, flow, and gas monitors at Plant Smith and opacity and gas monitors at Plant Scholz. The Plant Smith CEMs replacements were originally projected to be placed in service during December of 2007; however, this project has been delayed while Gulf evaluates the feasibility of moving the monitoring location from the air ducts to the stack. The existing monitors at Plants Smith and Scholz are approaching the end of their useful lives and will be retired upon replacement. The 2008 expenditures are expected to be approximately \$1.0 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 (NFWFMD). 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 \$242,943 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 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 2008-December 2008

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

**Title: Crist 1-5 Dechlorination  
PE 1248**

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

**Description:**

State and Federal Pollution Discharge Elimination System permits require significant reductions in chlorine discharge from the plant. The Crist Units 1-5 dechlorination system injects sodium bisulfite into the cooling water canal to chemically eliminate the residual chlorine present in the plant discharge effluent.

**Accomplishments:**

The system has been effective in maintaining chlorine discharge limits.

**Project-to-Date:** Plant-in-service of \$305,323 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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:**

Monitoring wells were installed 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 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 address deficiencies identified during the August 1992 Plant Crist Environmental Audit and 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 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 collected at the required compliance point.

**Project-to-Date:** Plant-in-service of \$59,543 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 runoff 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 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 waste water treatment facility was installed at Plant Smith to replace the septic tank system that was installed in the early 1960's. The system was designed to provide secondary treatment of raw sewage and domestic waste from the plant proper. The treatment included aeration, chlorination, and dechlorination of the wastewater prior to discharge. In April 2004 a new waste water treatment facility with additional capacity was installed to replace the facility installed in the 1990's. The existing treatment includes aeration and chlorination of the wastewater prior to discharging into the 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 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

**Title: Daniel Ash Management Project  
PEs 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:** No reportable exceedances have occurred since system installation. Construction of the new on-site ash storage facility was completed in 2006.

**Project-to-Date:** Plant-in-service of \$15,236,945 projected at December 2008.

**Progress Summary:** In-Service

**Projections:**

Gulf expects to incur approximately \$34,000 of additional capital expenditures during 2008 to complete construction of the stormwater management system.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

**Title: Smith Water Conservation  
PEs 1620 and 1638**

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

**Description:**

This project is a water conservation and consumptive use efficiency program to reduce the demand for groundwater and the potential for saltwater intrusion. Plant Smith's individual water use permit issued by the Northwest Florida Water Management District includes a specific condition requesting a 25% reduction in the use of groundwater. 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 was installed during 2005 to further reduce groundwater usage.

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

**Project-to-Date:** Plant-in-service of \$134,135 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 all of Gulf's underground storage tanks with new above ground tanks. The risk of potential discharges of petroleum products which could result in groundwater contamination and subsequent remediation are significantly reduced with the installation of above ground systems.

**Accomplishments:**

All underground 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 2008-December 2008

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

**Title:** Crist FDEP Agreement for Ozone Attainment

**PEs 1031, 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 Crist Unit 7 precipitator upgrade 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.

**Project-to-Date:** Plant-in-service of \$136,206,437 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** During 2008, Gulf will be replacing a layer of the SCR catalyst (PE 1031) and installing an additional ash vibrator system (PE 1250) to manage waste products associated with the operation of the SCR system on Crist Unit 7. The projected 2008 expenditures for the Crist FDEP Agreement projects are \$2.15 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

**Title: Crist Storm Water Collection System  
PE 1272**

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

**Description:**

The Plant Crist Stormwater project was required as the result of a more stringent July 17, 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. Prior to the 2002 revision, equipment containing mineral oil, such as electric transformers and regulators, were excluded from regulation. The recent 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 SPCC project at Plant Crist was designed to route stormwater from the switchyard drains to the new oil skimming sump where any potential spill would be captured, preventing the oil from reaching surface water.

**Accomplishments:** Construction on the Plant Crist switchyard sump was completed during 2006.

**Project-to-Date:** Plant-in-service of \$919,837 projected at December 2008.

**Progress Summary:** In-service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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. The purchase of this instrument enabled Gulf Power to measure ammonia slip emissions as required by the Crist Unit 7 Selective Catalytic Reduction (SCR) air construction permit.

**Accomplishments:** The FTIR is fully operational.

**Project-to-Date:** Plant-in-service of \$62,870 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 are required to comply with the 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. The precipitator upgrades are 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.

**Project-to-Date:** Plant-in-service of \$29,369,841 projected at December 2008.

**Progress Summary:** See Accomplishments

**Projections:** Expenditures for precipitator upgrades were projected for Plant Scholz Unit 2 and Plant Crist Units 4 & 5 in 2007. The Scholz project will be placed in service during 2007, however the Crist projects will not be completed until 2008. Gulf's projected 2008 expenditures for CAM precipitator upgrades are \$9.6 million.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 not be able 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 was removed from the 2007 projection 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 2008-December 2008

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

**Title: Plant Crist Water Conservation Project  
PE 1227**

**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. 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. Plant Crist will install automatic level controls on the fire water tanks during 2006 to reduce groundwater usage.

**Accomplishments:** Level controls were installed on the fire tank system during 2006.

**Project-to-Date:** Plant-in-service of \$93,735 projected at December 2008.

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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.

**Project-to-Date:** Plant-in-service of \$5,977,707 projected at December 2008.

**Progress Summary:** In-Service

**Projections:**

Gulf is conducting a study to identify solutions necessary to further reduce copper concentrations in the plant Crist discharge canal. Gulf expects to incur approximately \$150,000 of expenditures during 2008 to help ensure compliance with the NPDES permit water quality standards. Solutions currently being considered include chemical treatment and/or aeration of either the oil skimmer pond or ash pond.



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

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

**FPSC Approval: Order No. PSC-06-0972-FOF-EI and Stipulation approved by the Commission on August 14, 2007.**

**Description:** This line item includes the prudently incurred costs for compliance with the Clean Air Interstate Rule (CAIR), Clean Air Mercury Rule (CAMR), and Clean Air Visibility Rule (CAVR). Gulf submitted its plan to achieve and maintain compliance with the CAIR, the CAMR, and the CAVR on March 29, 2007 pursuant to a process set out in Commission Order No. PSC-06-0972-FOF-EI. 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. 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 that the Company is moving into.

**Accomplishments:** N/A

**Project-to-Date:** Plant-in-service of \$54,438,841 projected at December 2008.

**Progress Summary:** See Accomplishments

**Projections:**

For the purpose of the 2008 projection of ECRC revenue requirements, expenditures totaling \$23.5 million are projected to be incurred for capital projects included in the CAIR/CAMR/CAVR Compliance Program. These capital projects include installing Activated Carbon Injection (ACI) at Plant Daniel on Unit 2, Low NO<sub>x</sub> burners at Plant Daniel on Units 1 and 2, Selective Non-Catalytic Reduction (SNCR) technologies at Plant Smith on Units 1 and 2, and mercury monitoring equipment.

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 have new conditions which require 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 \$23,640 projected at December 2008.

**Progress Summary:** In-Service

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

**Title: Mercury Allowances**

**FPSC Approval: Stipulation approved by the Commission on August 14, 2007.**

**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 and CAMR 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, CAMR and CAVR requirements.

**Accomplishments: N/A**

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

**Progress Summary: N/A**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

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

**FPSC Approval: Stipulation approved by the Commission on August 14, 2007**

**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 and CAMR 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, CAMR and CAVR requirements.

**Accomplishments: N/A**

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

**Progress Summary: N/A**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

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

**FPSC Approval: Stipulation approved by the Commission on August 14, 2007**

**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 and CAMR 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, CAMR and CAVR requirements.

**Accomplishments: N/A**

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

**Progress Summary: N/A**

**Projections: N/A**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 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. This bank has 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 secured additional allowances during 2007.

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

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 2008-December 2008

**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) under Title IV of the Clean Air Act Amendments of 1990.

**Accomplishments:**

Fees have been paid by due dates.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$779,874



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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).

**Accomplishments:**

Title V permits for Plants Crist, Smith, and Scholz were issued by FDEP in 1999. The Title V permit for the Pea Ridge Generating Facility was issued in July, 2000. During 2004, the Title V renewal applications were submitted for Plant Crist, Smith, and Scholz. The final permits were issued in December 2004 and February 2005.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$91,571

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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:** \$2,250

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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. Other activities within this category include testing for the Periodic Monitoring and Compliance Assurance Monitoring (CAM) requirements associated with the CAAA of 1990.

**Accomplishments:**

All systems are in compliance.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$663,054

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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, and the cooling water intake program. During 2004, the Cooling Water Intake Program and the new arsenic groundwater standard expenses were added to this line item.

**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: \$338,913**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 then cleanup operations are initiated.

**Accomplishments:**

The Florida Department of Environmental Protection has issued a No Further Action (NFA) letter for 41 sites.

**Fiscal Expenditures: N/A**

**Progress Summary: See Accomplishments**

**Projections: \$1,396,476**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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. These annual fees are required for the renewal of 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: \$42,000**

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 for lead and copper 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:** \$21,500

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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:** \$1,300



**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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.

**Accomplishments:**

Gulf has complied with all hazardous and solid waste regulations.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$331,185

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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:** \$180,500

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 2008-December 2008

**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 additional 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.

**Accomplishments:**

Ash pond diversion curtains have been installed at Plant Crist.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 in 2007.

**Accomplishments:**

Coal shipments were analyzed as required during 1999. Sampling and analytical requirements are not expected during 2008.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** N/A

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 project refers to the sodium injection systems at Plant Smith and Plant Crist. The activity involves sodium injection to the coal supply to enhance precipitator efficiencies when burning low sulfur coal.

**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:** \$238,000

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

**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 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 2008-December 2008

**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:**

On July 17, 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 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 2008-December 2008

**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 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, 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.

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** \$3,061,705

**Gulf Power Company**  
Environmental Cost Recovery Clause (ECRC)  
January 2008-December 2008

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

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

**FPSC Approval: Order No. PSC-06-0972-FOF-EI and Stipulation approved by the Commission on August 14, 2007.**

**Description:** This line item includes the O&M expenses associated with the stipulated portions of Gulf's CAIR, CAMR, and CAVR Compliance program. Gulf submitted its plan to achieve and maintain compliance with the CAIR, the CAMR, and the CAVR on March 29, 2007 pursuant to a process set out in Commission Order No. PSC-06-0972-FOF-EI. 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. 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 that the Company is moving into.

**Accomplishments:** N/A

**Fiscal Expenditures:** N/A

**Progress Summary:** See Accomplishments

**Projections:** Gulf will begin incurring mercury monitoring O&M expenses during 2008 of \$275,401.

**Gulf Power Company**  
 Environmental Cost Recovery Clause (ECRC)  
**Calculation of the Energy & Demand Allocation % By Rate Class**  
 January 2008 - December 2008

Rate Class	(1) Average 12 CP Load Factor at Meter (%)	(2) Jan - Dec. 2008 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	58.020395%	5,632,024,000	1,108,101.93	1.0048648	1.0053010	5,661,879,190	1,113,492.58	48.40517%	57.53202%
GS	63.781436%	314,778,000	56,338.59	1.0048589	1.0052978	316,445,615	56,612.33	2.70539%	2.92505%
GSD, GSDT, GSTOU	75.860452%	2,615,948,000	393,649.38	1.0047057	1.0051660	2,629,462,092	395,501.76	22.48009%	20.43481%
LP, LPT	86.886296%	1,945,899,000	255,661.25	0.9842260	0.9891199	1,924,727,405	251,628.44	16.45509%	13.00115%
PX, PXT, RTP, SBS	104.683592%	1,044,432,000	113,893.11	0.9744382	0.9805725	1,024,141,329	110,981.79	8.75570%	5.73421%
OS-I/II	321.885641%	111,185,000	3,943.12	1.0046893	1.0052949	111,773,708	3,961.61	0.95559%	0.20469%
OS-III	99.718369%	<u>28,271,000</u>	<u>3,236.40</u>	1.0051151	1.0052683	<u>28,419,939</u>	<u>3,252.95</u>	<u>0.24297%</u>	<u>0.16807%</u>
<b>TOTAL</b>		<u>11,692,537,000</u>	<u>1,934,823.78</u>			<u>11,696,849,278</u>	<u>1,935,431.46</u>	<u>100.00000%</u>	<u>100.00000%</u>

**Notes:**

- (1) Average 12 CP load factor based on actual 2006 load research data
- (2) Projected KWH sales for the period January 2008 - December 2008
- (3) Calculated: (Col 2) / (8,760 x Col 1), (8,760 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 2008 - December 2008**

Rate Class	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy- Related Costs	(4) Demand- Related Costs	(5) Total Environmental Costs	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factors (¢/KWH)
RS, RSVP	48.40517%	57.53202%	21,464,807	3,113,919	24,578,726	5,632,024,000	0.436
GS	2.70539%	2.92505%	1,199,679	158,318	1,357,997	314,778,000	0.431
GSD, GSDD, GSTOU	22.48009%	20.43481%	9,968,579	1,106,033	11,074,612	2,615,948,000	0.423
LP, LPT	16.45509%	13.00115%	7,296,851	703,687	8,000,538	1,945,899,000	0.411
PX, PXT, RTP, SBS	8.75570%	5.73421%	3,882,631	310,364	4,192,995	1,044,432,000	0.401
OS-I, OS-II	0.95559%	0.20469%	423,747	11,079	434,826	111,185,000	0.391
OS-III	<u>0.24297%</u>	<u>0.16807%</u>	<u>107,743</u>	<u>9,097</u>	<u>116,840</u>	<u>28,271,000</u>	0.413
<b>TOTAL</b>	<b><u>100.00000%</u></b>	<b><u>100.00000%</u></b>	<b><u>\$44,344,037</u></b>	<b><u>\$5,412,497</u></b>	<b><u>\$49,756,534</u></b>	<b><u>11,692,537,000</u></b>	<b><u>0.426</u></b>

**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 2008 - December 2008
- (7) Col 5 / Col 6 x 100