

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 110138-EI

TESTIMONY AND EXHIBIT
OF
MICHAEL T. O'SHEASY



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1 **GULF POWER COMPANY**
2 **Before the Florida Public Service Commission**
3 **Prepared Direct Testimony of**
4 **Michael T. O'Sheasy**
5 **Docket No. 110138-EI**
6 **In Support of Rate Relief**
7 **Date of Filing: July 8, 2011**

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

9 A. My name is Michael T. O'Sheasy. My business address is 5001
10 Kingswood Drive, Roswell, Georgia 30075. I am a Vice President with
11 Christensen Associates, Inc.

12 Q. State briefly your education background and experience.

13 A. I received a Bachelors of Industrial Engineering from the Georgia Institute
14 of Technology in 1970. In 1974, I earned a Masters in Business
15 Administration from Georgia State University. From 1971 to 1975, I was
16 employed by the John W. Eshelman Company -- Division of the Carnation
17 Company -- as a plant superintendent in their Chamblee, Georgia
18 operation. From 1975 to 1980, I worked for the John Harland Corporation
19 initially as an assistant plant manager and then as a plant manager in their
20 Jacksonville, Florida plant, and finally as their plant manager in Miami,
21 Florida. I joined Southern Company Services in 1980 as an engineering
22 cost analyst and progressed through various positions to the position of
23 supervisor, during which time I began serving as an expert witness in
24 costing. I testified as Gulf Power Company's (Gulf or the Company) cost-
25 of-service witness and provided other support to Gulf in matters before the
Florida Public Service Commission (FPSC or the Commission).

1 In 1990, I became Manager of Product Design for Georgia Power
2 Company and have testified before the Georgia Public Service
3 Commission as an expert witness on rate design and pricing. I retired
4 from Georgia Power Company on May 1, 2001 and became a consultant
5 with Christensen Associates.

6

7 Q. Please identify the specific dockets in which you have previously testified
8 before the FPSC.

9 A. I testified before the FPSC on behalf of Gulf as their cost-of-service
10 witness in their last rate case filing, Docket No. 010949-EI, and in prior
11 rate cases in Docket Nos. 891345-EI and 881167-EI. I was extensively
12 involved in the preparation of exhibits and Minimum Filing Requirements
13 (MFRs) in those cases. Also, I was the back-up cost-of-service witness
14 for Gulf in its 1984 rate case, Docket No. 840086-EI, where I helped
15 prepare the related analyses. I also testified in Docket No. 850673-EU
16 regarding standby back-up electric service.

17

18 Q. What is the purpose of your testimony in this proceeding?

19 A. The purpose of my testimony is to support the development and results of
20 the cost-of-service study for Gulf.

21

22 Q. Do you have any exhibits that contain information to which you will refer in
23 your testimony?

24 A. Yes. My Exhibit MTO-1 (consisting of Schedules 1 to 3) and Exhibit
25 MTO-2 (containing Schedules 1.0 to 6.9) were prepared under my

1 supervision and direction by the Costing, Forecasting & Energy Analysis
2 Department of Southern Company Services (SCS), which is the service
3 company in the Southern electric system (SES). SCS provides
4 engineering and other technical support for Gulf and the other SES
5 operating companies. I have thoroughly reviewed the schedules in my
6 exhibits and agree with their content.

7
8 Q. Are you the sponsor of certain MFRs?

9 A. Yes. The MFRs which I am sponsoring, in part or in whole, are listed on
10 Schedule 1 of Exhibit MTO-1. To the best of my knowledge, the
11 information contained in these MFRs is true and correct.

12
13 Q. Please describe the contents of your Exhibit MTO-2.

14 A. My Exhibit MTO-2 consists of a number of schedules and sub-schedules
15 that set forth the results of the cost-of-service study used as a basis for
16 this case. Each schedule was prepared in the manner approved by the
17 Commission in its final order for Gulf's last retail rate case, Docket No.
18 010949-EI, with one modification, which is to utilize the Minimum
19 Distribution System to more properly account for customer-related costs.
20 The rationale and justification for this change will be explained in my
21 subsequent testimony.

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24
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1 **I. COST-OF-SERVICE METHODOLOGY**

2

3 Q. What is a cost-of-service study?

4 A. A cost-of-service study is a tool used to separate a utility's total electric
5 investments, revenues and expenses first among the regulatory
6 jurisdictions which an electric utility serves (jurisdictional separation) and
7 then among the rate classes within each jurisdiction.

8

9 Q. Why is a cost-of-service study necessary?

10 A. Gulf is regulated by the FPSC for retail sales and by the Federal Energy
11 Regulatory Commission (FERC) for wholesale sales. Costs and revenues
12 must be divided between the two jurisdictions using assignments and
13 allocations so that each respective commission can evaluate the rates
14 over which it has authority. In order for each regulatory commission to
15 review the utility's earnings and to evaluate the contribution made by rate
16 classes within its jurisdiction, it is also necessary to analyze the costs to
17 serve the respective rate classes.

18

19 Gulf, like other electric utilities, maintains its books and records in
20 accordance with the Uniform System of Accounts as directed by the FERC
21 and this Commission. Although this system of accounting reveals
22 company-wide information, it does not separate the Company's
23 investments, revenues and expenses by jurisdiction or by rate classes
24 within jurisdictions. The cost-of-service study that has been performed for
25 Gulf accomplishes this objective.

1 Q. What is the goal of a cost-of-service study?

2 A. The goal of a cost-of-service study is to identify what costs are incurred to
3 provide service to certain groups of customers. If it is performed well, it
4 can be a useful (and often times the primary) tool for determining the
5 adequacy of current rates. For those rate classes which the cost-of-
6 service study reveals have inadequate returns at current rate levels, the
7 cost-of-service study is an appropriate tool for determining what rate
8 changes should be made. On the other hand, if a cost-of-service study is
9 not performed well, erroneous conclusions can be drawn with resulting
10 negative consequences if it influences subsequent rate design. Although
11 there are other ways to allocate costs, the Company's proposed
12 methodology is objective, consistent with the methodology used in
13 numerous prior cases, and provides the most accurate information.

14
15 Q. How was the cost-of-service study used by Gulf in this retail rate filing?

16 A. The jurisdictional separations of rate base and net operating income
17 resulting from the study were used by Gulf Witness McMillan to determine
18 the proposed jurisdictional revenue increase needed in order to achieve
19 the requested rate of return. These jurisdictional separation factors were
20 calculated according to accepted cost-of-service principles and followed
21 the methodology accepted by the Commission. The retail jurisdiction was
22 further divided into the respective rate classes using sound cost-causative
23 methodologies. The resultant rate class information from the cost-of-
24 service study was then considered by Gulf Witness Thompson as a basis
25 for the design of proposed rates in this docket.

1 Q. In preparing a cost-of-service study, is there some overall guiding principle
2 or concept that should be followed?

3 A. Yes. The overall objective of a cost-of-service study is to assign or
4 allocate costs fairly and equitably to all customers. This objective is
5 accomplished when the resulting cost-of-service study reflects "cost
6 causation," i.e., those customers who caused a particular cost to be
7 incurred by the Company in providing them service should be responsible
8 for that cost.

9
10 When certain costs are readily identified with a particular customer group
11 (rate class), the assignment of those costs to that group clearly reflects
12 cost causation and is fair and equitable to all customers. However, most
13 parts of an electric system are planned, designed, constructed, operated
14 and maintained to serve all customers. Most of Gulf's costs have been
15 incurred to serve all customers. These costs are referred to as joint or
16 common costs. Joint or common costs must be allocated to customer
17 groups based on the nature (i.e., drivers) of the costs incurred, and the
18 aggregate requirements and service characteristics of the customers that
19 caused the costs to be incurred. By adhering to this fundamental and
20 essential principle of cost causation, the results of the cost-of-service
21 study will be fair and equitable to all customers.

22

23 Q. How is a cost-of-service analysis performed?

24 A. In order to determine the costs to serve each group of customers in a fair
25 and equitable manner, the utility company's records are analyzed to

1 determine how each group of customers influenced the actual incurrence
2 of costs by the utility. This review discloses certain direct costs that
3 should be assigned to the specific rate class for which these costs were
4 directly incurred. This review also discloses costs which are incurred to
5 perform a function within the electric system for multiple customer rate
6 classes, referred to as common costs. These common costs are then
7 allocated among those rate classes using an allocator that appropriately
8 reflects the underlying cost causative relationship(s).

9

10 Q. Please elaborate on the distinctions between various types of direct and
11 allocated costs.

12 A. Certain costs are directly associated with one particular group of
13 customers and are, therefore, directly assigned to that group. An example
14 is FERC Account 373 – Street Lighting. All costs associated with this
15 account will be assigned to the street lighting rate class OS.

16

17 The majority of costs, however, are incurred jointly to serve numerous
18 customer rate classes. An example of common costs is FERC Account
19 312 - Boiler Plant Equipment, which serves all rate classes. In order to
20 allocate the various common costs like Account 312 to the rate classes,
21 consideration must be given to the type and classes of customers, their
22 load characteristics, their number, and various other expense and
23 investment relationships in order to find the cost causative link.

24

25

1 Research of cost causative relationships reveals that costs normally
2 possess one or more of three attributes that identify the link between
3 customer and company. This cost categorization or componentization can
4 be viewed as: (1) customer-related, which are costs that vary with the
5 number of customers or the fact that customers must be able to receive
6 service; (2) energy-related, which pertain to costs that vary with energy
7 consumption (kWh); and (3) demand-related, which are costs that are
8 incurred to serve peak needs for electricity.

9
10 Once the various common accounts have been analyzed to identify their
11 appropriate cost component(s), the corresponding allocator(s) can be
12 applied to apportion common costs to the area of responsibility. By
13 summing the allocated common costs and the assigned direct costs by
14 jurisdiction and rate class, the rate of return for each group can be
15 determined.

16
17 Q. Please expand on the importance of accurate cost allocation.

18 A. The goal of a cost-of-service study is to identify what costs are incurred to
19 provide service to certain groups of customers. It is based upon the
20 principle of cost causation. As stated in the National Association of
21 Regulatory Utility Commissioners (NARUC) *Electric Utility Cost Allocation*
22 *Manual*, "The total revenue requirement of the utility is attributed to the
23 various classes of customers in a fashion that reflects the costs incurred
24 by each class as a major determinant."

25

1 There are three primary drivers in causing costs to be incurred by an
2 electric utility which enable accurate cost allocation: (1) peak demands,
3 (2) kilowatt-hours (kWhs), and (3) customers. Each of these three drivers
4 has its own separate and appropriate allocators to spread its respective
5 costs to the associated rate class and jurisdiction. If conducted upon a
6 sound basis of cost causation, the cost-of-service study can be the
7 benchmark to determine the adequacy of current rates and how well rate
8 groups are covering their costs.

9
10 Q. Please give an example of the consequences of proper and improper
11 allocations in a cost-of-service study.

12 A. In general, a meter is necessary to measure the amount of electricity
13 provided to a customer, but the meter can operate adequately regardless
14 of the maximum demand or the overall quantity of electricity consumed.
15 The cost of the meter incurred by the utility to serve the customer does not
16 vary with the quantity of electricity consumed by the customer; it is driven
17 by the fact that each customer needs a meter. As a result, utilities will
18 usually consider meters to be customer-related, and allocate meter costs
19 to the various rate classes using an allocator which reflects the number of
20 customers in each rate class.

21
22 If meters were misclassified as kWh related, then the corresponding kWh
23 allocator would spread more meter costs to large customers and less
24 meter costs to small customers despite the fact that the large customers
25 and the small customers both required the same meter and imposed the

1 same costs on the utility. The large customers' overall cost responsibility
2 would ultimately be overstated and that of the smaller customers would be
3 understated.

4
5
6 **II. GULF'S COST-OF-SERVICE STUDY**
7

8 Q. Please explain Schedule 1 of your Exhibit MTO-2.

9 A. Schedule 1 of Exhibit MTO-2 is the result of the cost-of-service study in
10 summary form for the test year utilizing the Company's present rates. It
11 shows the Company's total rate base, revenues, expenses, and net
12 operating income, along with the corresponding responsibilities of the
13 retail jurisdiction, as well as the rate classes within the retail jurisdiction.
14 The column denoted "Wholesale" represents Gulf's wholesale customers,
15 all of which are under the jurisdiction of the FERC.

16
17 Sub-schedule 1.00 is the present rate summary for each rate class. Sub-
18 schedule 1.01 provides an equal rate of return summary for each rate
19 class under present revenue. Sub-schedule 1.10 reveals the overall rate
20 of return for each rate class that will exist under the Company's proposed
21 rates. Sub-schedule 1.11 presents the equal rate of return summary for
22 each rate class under proposed revenue.
23
24
25

1 Q. What are the rate classes in the retail jurisdictional cost-of-service study
2 for Gulf?

3 A. The rate classes in Gulf's retail jurisdictional cost-of-service study are:

- 4 • Residential Rate Class
- 5 • Rate Class GS (Small Business)
- 6 • Rate Class GSD/GSDT (Medium Business)
- 7 • Rate Class LP/LPT (Large Business)
- 8 • Rate Class Major Accounts (Very Large Business)
- 9 • Rate Class Outdoor Service (OS)

10

11 Q. What is the purpose of Schedule 2 of Exhibit MTO-2?

12 A. Schedule 2 of Exhibit MTO-2 analyzes investment related accounts and
13 either assigns or allocates them to the appropriate jurisdiction and then to
14 rate class within the retail jurisdiction. It includes Gross Plant Sub-
15 schedule 2.10, Accumulated Depreciation Reserve Sub-schedule 2.20,
16 Materials and Supplies Sub-schedule 2.30, Other Working Capital Sub-
17 schedule 2.40, and Other Rate Base Items Sub-schedule 2.50. Together
18 these schedules flow to the summary Schedule 1 to provide rate base by
19 jurisdiction and rate class.

20

21 Q. What is shown on the remaining schedules of Exhibit MTO-2?

22 A. Schedule 3 provides the Analysis of Revenues. Schedule 4 displays the
23 Analysis of Expenses. Sub-schedule 4.10 details the allocation of
24 Operations and Maintenance (O&M) expenses to jurisdiction and rate
25 classes. Sub-schedule 4.20 describes the Depreciation expense

1 allocation, and Sub-schedule 4.30 presents the Analysis of Taxes Other
2 Than Income Taxes. Schedule 5.0 contains the Table of Allocators and
3 Percentages. The results of these various schedules are summarized in
4 Schedule 1. Schedules 6.1 to 6.9 show the development of the Minimum
5 Distribution System.

6
7 Q. Please identify the steps that were undertaken in preparing the cost-of-
8 service study shown in your Exhibit MTO-2.

9 A. The development began with the collection and analysis of load research
10 data. This research provided the number of customers and their
11 respective demand and energy sales by voltage level of service which
12 were then used to produce the allocators.

13
14 The load research data for the test year was supplied by Gulf
15 Witness McGee. He also provided total territorial supply and losses for
16 annual energy and for demand. In addition, Mr. McGee provided annual
17 energy sales, monthly coincident peak (MCP) demands, annual non-
18 coincident peak (NCP) demands, and the average number of customers
19 for the test year by rate class and voltage level. These inputs were then
20 used to calculate the "12-MCP," "NCP", "energy," and "number of
21 customers" allocators.

22
23 Q. Please describe the 12-MCP and NCP concepts and why they are used.

24 A. The 12-MCP demand is the sum of the highest kilowatt load predicted to
25 occur in each month of the test year divided by twelve. This 12-MCP

1 concept recognizes the fact that Gulf's system is planned and operated for
2 the purpose of meeting these demands for electricity every month of the
3 year. It also reflects consideration of scheduled maintenance, firm sales
4 and purchase commitments, and reliance on interconnections. In addition,
5 12-MCP has traditionally been the FERC's preferred allocation technique
6 for determining the wholesale jurisdictional obligation. The 12-MCP
7 demand allocator has been used to help make the split between retail and
8 wholesale. Within the retail jurisdiction it is used to allocate generation
9 level demand-related costs and transmission step-up substation and
10 transmission line costs.

11
12 The NCP demand for each retail rate class is the highest demand
13 occurring for that rate class during the test year. The NCP demand
14 allocator was used to allocate distribution demand costs at Level 4
15 (primary distribution) and Level 5 (secondary distribution) and was
16 similarly applied in Gulf's last rate case.

17
18 Q. Please explain the steps that were used in developing the demand and
19 energy allocators.

20 A. Balanced system load flows for demand and energy were first developed
21 through a load flow program, which spreads total system losses to each
22 voltage level. These levels, which are defined in more detail in MFR E-10,
23 are used to describe the flow of electricity from generation, through the
24 various transformations, across the various transmission and distribution
25 lines, to the eventual delivery to the customer.

1 The load flow process begins by taking the total energy sales at Level 5,
2 the secondary distribution level, multiplying these sales by the loss
3 percentage at Level 5, and then combining these calculated losses and
4 sales. This amount is then added to the sales at Level 4, and this new
5 total is, in turn, multiplied by the loss percentage at Level 4. This
6 procedure is continued up through Level 1, the generation level. The
7 program adjusts the loss percentages at each level and then iterates the
8 above process until the sum of the losses at each level matches the total
9 system losses and a balanced flow is produced. These total system loss
10 percentages are then applied to the rate classes by voltage level, thus
11 computing energy allocators for each respective voltage level. A similar
12 process is used to calculate the 12-MCP demand allocators. The NCP
13 demand allocators for Levels 4 and 5 are developed similarly and use the
14 loss percentages calculated by the 12-MCP demand flow, since there is
15 no territorial input for NCP with which to balance.

16

17 Q. What other types of allocators were used besides demand and energy?

18 A. Customer-related allocators were also used in order to allocate customer-
19 related costs.

20

21 Q. What was the next step in the development of Gulf's cost-of-service
22 study?

23 A. Mr. McMillan provided the financial information for the projected test year.
24 These investment, revenue and expense items were then assigned to
25 jurisdiction and rate class if a direct cost causative relationship was

1 known, or allocated to jurisdiction and rate class using the previously
2 developed allocators.

3

4 Q. How were the allocations made between the wholesale and retail
5 jurisdictions?

6 A. Where costs were identified as serving only the retail or wholesale
7 jurisdictions, they were assigned to that respective jurisdiction. Where
8 costs were common and served both jurisdictions, they were allocated.
9 The jurisdictional separation for demand costs was based upon the 12-
10 MCP allocation. A kWh allocator was employed for the allocation of
11 energy-related costs. Again, this methodology is consistent with the one
12 approved in Gulf's last rate case. The methodology also conforms to
13 MFR E-1.

14

15 Q. Please describe the analysis within the retail jurisdiction.

16 A. Where known to serve a particular rate class, revenues and costs were
17 directly assigned. For example, residential revenues were assigned to the
18 residential rate class and outdoor lighting fixture costs were assigned to
19 the outdoor service rate class. The majority of costs were common and
20 therefore were allocated. Generation level costs were allocated on the
21 basis of 12-MCP & 1/13 kWh (energy). Energy-related accounts were
22 allocated upon the kWh allocator. Transmission, subtransmission and
23 substations were allocated upon the 12-MCP concept. Primary and
24 secondary distribution demand-related costs were apportioned on the

25

1 corresponding NCP allocators, and customer-related costs were allocated
2 upon the respective customer allocator.

3

4 Q. How does the cost-of-service methodology proposed by Gulf in this case
5 compare to the methodology approved by the Commission in the
6 Company's last rate case?

7 A. It is the same except for a request to employ the Minimum Distribution
8 System methodology to identify and allocate customer-related distribution
9 system costs.

10

11 Although the Company does not agree that the use of 12-MCP & 1/13
12 kWh is a better allocator of generation level costs than a pure 12-MCP
13 allocator would be, Gulf nevertheless prepared its study in this case using
14 the Commission-approved methodology. Gulf continues to believe that a
15 pure 12 MCP factor for generation results in a more accurate cost
16 allocation. However, using the Commission's preferred method does not
17 result in major variances in cost allocation from the pure 12-MCP
18 approach and does not significantly impair Gulf in designing efficient rates.

19

20 Q. Please explain why the Minimum Distribution System methodology is
21 important to Gulf and its customers.

22 A. As I discuss in more detail later, some costs of the distribution system
23 beyond the customer meter and service drop do not vary with customers'
24 use of electricity. The Minimum Distribution System (MDS) methodology
25 is necessary to accurately determine and allocate these customer-related

1 distribution costs. The misclassification of costs that results from not
2 using the MDS methodology sends misleading price signals to customers.
3 This misclassification also results in different customer rate classes
4 bearing more or less costs than their cost-causative share of distribution
5 costs. It is therefore important to examine these customer-related costs
6 and classify them appropriately, which the MDS methodology enables us
7 to do.

8

9 Q. Where are customer-related costs found?

10 A. Basically, they can be found in Customer Assistance, Customer Service
11 and the FERC mass distribution accounts. They relate to the costs of
12 being capable of providing electric service. In other words, regardless of
13 the quantity of electricity demanded, the mere fact that the utility must be
14 prepared to provide service at any time causes those costs to be incurred.

15

16 These customer-related costs are driven by the simple fact that each
17 customer must have the ability to receive service.

18

19 This cost category which Gulf designates as "customer-related" includes
20 all distribution costs which do not vary with demand or energy use. Some
21 may vary directly with the number of customers to be served while others
22 are a fixed requirement necessary for a distribution system regardless of
23 quantity of usage. An example would be protective devices (found in
24 FERC Account 368), which operate in the same manner with or without

25

1 load on the system in order to keep the lines available to as many
2 customers as possible.

3

4 Q. Which FERC accounts require cost classification scrutiny to identify their
5 customer-related component?

6 A. Accounts 364-370 usually require an analysis to properly apportion their
7 overall costs into those which are customer-related and those which are
8 demand-related.

9

10 Q. Does NARUC advocate accurate cost classification and the allocation of
11 these accounts?

12 A. Yes. Its official guidebook, the *Electric Utility Cost Allocation Manual*,
13 offers clear instructions. The following is an excerpt from page 90 of its
14 January, 1992 edition:

15 Distribution plant Accounts 364 through 370 involve
16 demand and customer costs. The customer
17 component of distribution facilities is that portion of
18 costs which varies with the number of customers.
19 Thus, the number of poles, conductors, transformers,
20 services, and meters are directly related to the
21 number of customers on the utility's system. As
22 shown in table 6-1, each primary plant account can be
23 separately classified into a demand and customer
24 component. Two methods are used to determine the
25 demand and customer components of distribution

1 facilities. They are, the minimum-size-of-facilities
2 method, and the minimum-intercept cost (zero-
3 intercept or positive-intercept costs, as applicable) of
4 facilities.

5
6 Also a recently published treatise, *Electricity Pricing: Engineering*
7 *Principles and Methodologies* (2009), by Lawrence J. Vogt identifies the
8 zero-intercept and minimum system analysis as standard methodologies
9 for classifying distribution costs. Mr. Vogt writes as follows:

10

11 The concept of a minimum distribution system
12 recognizes that the primary and secondary
13 distribution system has both customer-related and
14 demand-related attributes. As discussed previously,
15 the customer cost component is associated with no-
16 load conditions, whereas the demand cost component
17 is associated with load conditions....

18

19 When a single device has both customer-related and
20 demand-related attributes, its total cost must be
21 allocated. The minimum intercept or zero-intercept
22 methodology provides a rational basis for separating
23 the cost of a device between its customer and
24 demand components. (Id. at pp. 498-500.)

25

1 Q. Does the NARUC manual require that the cost-of-service study be done in
2 a certain manner?

3 A. No, the NARUC manual is a guide that offers reasonable and logical
4 methodologies for cost allocation. The manual only discusses the major
5 costing methodologies and acknowledges those that are acceptable.
6

7 Q. Can you expand on the logic of a customer-related component for
8 distribution accounts?

9 A. Yes. Schedule 2 of Exhibit MTO-1 depicts a simple distribution network.
10 Now, imagine three different usage scenarios of this network:
11

12 Scenario I: Imagine that houses A-E all have about the same load usage.
13 Now imagine that houses A and B become unoccupied due to impacts of
14 a downturn in the economy or a rental or vacation home now experiencing
15 high vacancy rates. The result is that load on the system goes down, yet
16 the cost of the distribution network remains the same.
17

18 Scenario II: Now imagine that all 5 houses are occupied with like load
19 usage. Next, houses C & D employ energy efficiency improvements.
20 Load on the system diminishes, yet the cost of the distribution network
21 remains the same.
22

23 Scenario III: Next imagine that all 5 houses are occupied with like load
24 usage. Now imagine that houses C, D, & E add energy efficiency
25 improvements, but a new house F is added to the network with a load

1 equal to what the energy efficiency improvements were for houses C, D, &
2 E. The result is that the total load on the system remains the same, yet
3 the cost of the distribution network must be expanded for new poles and
4 lines.

5
6 In each scenario, one can see that the cost of the distribution network is
7 influenced by the number of customers served, not by any changes in total
8 demand or energy usage. Therefore allocating these customer-related
9 costs on a basis other than a customer allocator would result in an
10 inaccurate cost classification and allocation.

11

12 Q. Can you give us some idea of the harm that can be caused by inaccurate
13 cost classification?

14 A. Assuming that an underage in properly defining customer cost is absorbed
15 in demand cost, this inaccurate classification could lead to a demand or
16 energy charge that is larger than its true cost. The customer receives a
17 resultant price signal that is larger than it should be and consequently
18 makes conservation and energy efficiency choices that overestimate the
19 real costs avoided by the system.

20

21 Although some might argue that conservation and energy efficiency would
22 subsequently be advanced by this costing flaw, I would argue that the
23 “advance” is for the wrong reasons, and conservation and energy
24 decreases in usage would fail to be cost-based and therefore not in the
25 ultimate best interest of Gulf’s customers. Some might argue that this flaw

1 could make up for omissions of other energy costs that fail to show up in
2 embedded revenue requirements. It would be very difficult though to
3 quantify these possible omissions and know whether they were
4 commensurate with the customer-related costs which had been shifted
5 into a demand classification.

6
7 Even if rate designs do not exactly follow cost-of-service, it is crucial to
8 have a cost-causative cost-of-service study. It is important that both rate
9 designers and policy makers have a true cost benchmark so rate
10 excursions from true costs can be observed and considered. Otherwise,
11 rate decisions will be based on inaccurate information about true cost
12 responsibility and impacts.

13
14

15 **III. MINIMUM DISTRIBUTION SYSTEM METHODOLOGY**

16

17 Q. How do you determine the customer-related costs of distribution?

18 A. The process of identifying customer-related costs uses the concept
19 mentioned in the NARUC manual called the Minimum Distribution System.
20 (MDS). This concept is based on the fact that in order to simply connect a
21 customer to the power system, a minimum amount of facilities and
22 equipment are necessary. The minimum distribution facilities, along with
23 meters and service drops, make up the plant investment portion of
24 customer-related costs. The distribution facilities in excess of the

25

1 minimum are classified as demand-related costs because they relate to
2 capacity.

3

4 **Q.** How does one determine this minimum amount of facilities and
5 equipment?

6 **A.** There are two common ways to do so: (1) minimum size (MS) and
7 (2) zero-intercept (ZI). The philosophy of MS is that in order to simply
8 connect a customer to the system, a minimum size of equipment is
9 necessary. The cost of this minimum size equipment is then categorized
10 as a customer-related cost. For example, suppose that a 10 kVa line
11 transformer represents the smallest size transformer normally used. In
12 this case the unit installed costs of a 10 kVa transformer would be
13 employed as the basis for the customer cost of transformers, with the
14 residual transformer costs treated as demand-related. This methodology,
15 although logical, has a weakness because even the smallest standard
16 size equipment such as the 10 kVa transformer is capable of carrying
17 load, i.e., it has capacity. This capacity is demand-related and should
18 therefore be embedded within another price component. The second
19 method, Zero-Intercept (ZI) is an improved technique for determining
20 customer-related costs that, by definition, removes any ability of carrying
21 load. This avoids double counting of load with MDS.

22

23 **Q.** How does the Zero-Intercept method work?

24 **A.** The ZI method is based on a regression analysis of costs for several sizes
25 of equipment in order to determine the zero capacity unit cost. The

1 resultant regression equation is extrapolated back to a level of no-load.
2 This can be observed in Schedules 6.1 and 6.2 of Exhibit MTO-2.

3

4 Q. Do you consider the MDS to be an unrealistic or fictional concept as has
5 sometimes been claimed?

6 A. No. MDS is no more of a fictional concept than is a deposit requirement
7 for a vacation rental on Pensacola Beach or a simple retainer fee. A
8 deposit is required to preserve the ability to occupy the rental space for
9 future use. Likewise, the retainer fee is required to secure the right of
10 future service regardless of the magnitude of additional services to be
11 rendered. Similarly, the MDS is the cost required to ensure the availability
12 of service to a customer premises whether or not any electricity is ever
13 actually consumed.

14

15 Q. Is any equipment built to zero load specifications?

16 A. No, there is none to my knowledge. Likewise, there is no generating plant
17 that is built with exactly 1/13 of its capital cost to minimize fuel cost as
18 required by one of the MFRs for allocation of production costs. This does
19 not mean, though, that ZI is an illogical concept and therefore not to be
20 used. Even though no equipment is built to serve zero load, the ZI concept
21 is still a valid method of identifying the intrinsic customer-related cost of
22 the equipment that is actually used.

23

24

25

1 Q. How does one account for inflation when developing the ZI regression
2 equation?

3 A. Equipment is regressed and analyzed using current replacement costs.
4 This is necessary since some equipment in service for Gulf has a more
5 current vintage than others. Once the ZI unit costs for the customer-
6 related piece are computed, these costs are multiplied by the number of
7 units in service to develop the aggregate amount. The remainder of
8 “current replacement cost” is the demand-related costs. This resultant
9 split of replacement cost into a customer piece and a demand piece is
10 then used to allocate the embedded vintage cost for the equipment into
11 appropriate customer and demand component costs. This is done for all
12 the various types of equipment which possess both customer-related and
13 demand-related characteristics within their inherent make-up. Any
14 equipment which has either a strictly demand-only make-up (for example
15 substation equipment) or a strictly customer-only make-up (for example
16 meters) is directly assigned to the respective component. An appropriate
17 customer allocator then allocates customer-related costs to rate classes in
18 the cost-of-service study. Demand-related costs are similarly allocated to
19 rate classes using a demand-related allocator.

20
21 Q. What FERC mass distribution accounts are split and classified in this
22 manner?

23 A. Distribution Accounts 365, 366, 367, and 368 use this ZI methodology.
24 For FERC Account 364, we used the average of the smallest, most
25 frequently used poles since the unit cost of different sized poles did not

1 lend itself to regression analysis. Accounts 369 and 370 are considered
2 as all customer-related. Any related expense accounts (for example
3 depreciation expense) then utilize the corresponding 364-368 accounts to
4 appropriately split expenses into customer and demand-related costs.

5
6 The computation of the splits for Accounts 364-370 are shown in
7 Schedules 6.3 to 6.9 of Exhibit MTO-2.

8

9 **Q.** Are Account 369 (Service Drops) and Account 370 (Meters) usually
10 classified as 100% customer-related?

11 **A.** Yes, this has been the traditional treatment for most utilities. Service
12 Drops are the lines that provide the service connection between the
13 secondary level distribution transformer and the customer's meter and
14 enable the customer to receive service. The meter, as previously
15 mentioned, measures the amount of electricity that the customer
16 consumes and is used for billing.

17

18 **Q.** What are the resultant customer/demand splits that Gulf is proposing?

19 **A.** The customer-related analysis performed for Gulf results in the
20 customer/demand splits shown on Schedule 3 of Exhibit MTO-1. These
21 are the splits which Gulf is proposing.

22

23

24

25

1 Q. Do any other electric utilities use MDS to determine the customer-related
2 costs?

3 A. Yes. In fact, two other operating companies in the Southern electric
4 system, Georgia Power Company and Mississippi Power Company, use
5 MDS to determine the customer-related costs. Some other utilities that
6 employ MDS include Kentucky Utilities, LG&E, Tennessee Valley
7 Authority (TVA), Wisconsin Public Service, and Virginia Electric Power.

8

9 Q. You mentioned earlier that use of MDS is a change from the direction set
10 forth in Gulf's last rate case. Has this Commission ever approved MDS?

11 A. Yes, it was approved for Choctawhatchee Electric Cooperative Inc. in
12 Docket No. 020537-EC.

13

14 Q. What effect will recognizing the use of MDS have on the various rate
15 classes?

16 A. Using MDS and including the resultant customer component in the
17 distribution accounts will increase the costs allocated to the residential
18 rate class and decrease the costs allocated to large business classes.
19 However, this is appropriate, since it better reflects the cost to serve these
20 customer rate classes. When determining the cost of providing service to
21 customers, who benefits should not be the deciding factor – cost
22 causation should. In the past when this customer component was not
23 recognized, large business customers were inappropriately allocated
24 higher costs than cost-causation would justify. Even though the MDS
25 methodology causes cost allocation to decrease for large business

1 customers and to increase for smaller customers, it does so for rational
2 reasons and properly allocates the costs to those customers who caused
3 them to be incurred by the utility.
4

5 Q. What effect does including this customer-related component have for
6 seasonal homes and vacation apartments?

7 A For months in which seasonal homes and vacation apartments are
8 unoccupied yet still in service, cost allocation would be higher in cost-of-
9 service studies than if these customer-related costs were misclassified in
10 the demand component. However, this is indeed proper since even during
11 months of vacancy Gulf must have its distribution system ready to provide
12 service whenever the renter arrives. The seasonal customer should have
13 the same cost responsibility as the year-round resident for these
14 customer-related costs.
15

16 Q. It appears that you have included a customer-related component only for
17 distribution equipment and not for transmission and subtransmission
18 equipment. Why shouldn't transmission and subtransmission include
19 customer components?
20

21 A. One could make the argument that transmission and subtransmission
22 should have customer components. However, equipment at the
23 transmission and subtransmission is much larger and operates at higher
24 voltage levels than does distribution equipment. Consequently, imputing a
25 customer-related piece would likely result in a very small portion of the

1 transmission and subtransmission being identified as customer-related.
2 As a result, it has been common convention in the electricity industry to
3 stop calculating a customer component at the distribution level.
4

5 Q. Does the NARUC manual propose a customer component for
6 transmission or does it stop at distribution?

7 A. The NARUC manual stops at distribution for classifying costs as
8 customer-related.

9 Q. Do you recommend MDS in spite of limited precedent in Florida for its
10 use?

11 A. Yes, I do. I believe that this methodology provides the most appropriate
12 cost assignments to assess rate class returns and to serve as a basis for
13 rate design.
14

15 Q. In your opinion, are the results of the recommended cost-of-service study
16 accurate representations of the rates of return by jurisdiction and rate
17 class?

18 A. Yes. The results shown on Schedule 1 of the cost-of-service study in
19 Exhibit MTO-2 are indeed fair and accurate statements of cost causation.
20 The rates of return produced by jurisdiction and by rate class for Gulf 's
21 test year are fair and accurate indications of how the rate classes are
22 covering costs.
23

24 Q. Does this conclude your testimony?

25 A. Yes, it does.

AFFIDAVIT

STATE OF GEORGIA)
)
COUNTY OF COBB)

Docket No. 110138-EI

Before me the undersigned authority, personally appeared Michael T. O'Sheasy, who being first duly sworn, deposes, and says that he is a Vice President with Christensen Associates, Inc. and that the foregoing is true and correct to the best of his knowledge, information, and belief.

Michael T. O'Sheasy
Michael T. O'Sheasy
Vice President

Sworn to and subscribed before me this 4 day of July, 2011.

Jennifer L. Orris
Notary Public, State of Georgia at Large

Commission No. _____

My Commission Expires MAY 14, 2012

Personally Known _____ OR Produced Identification

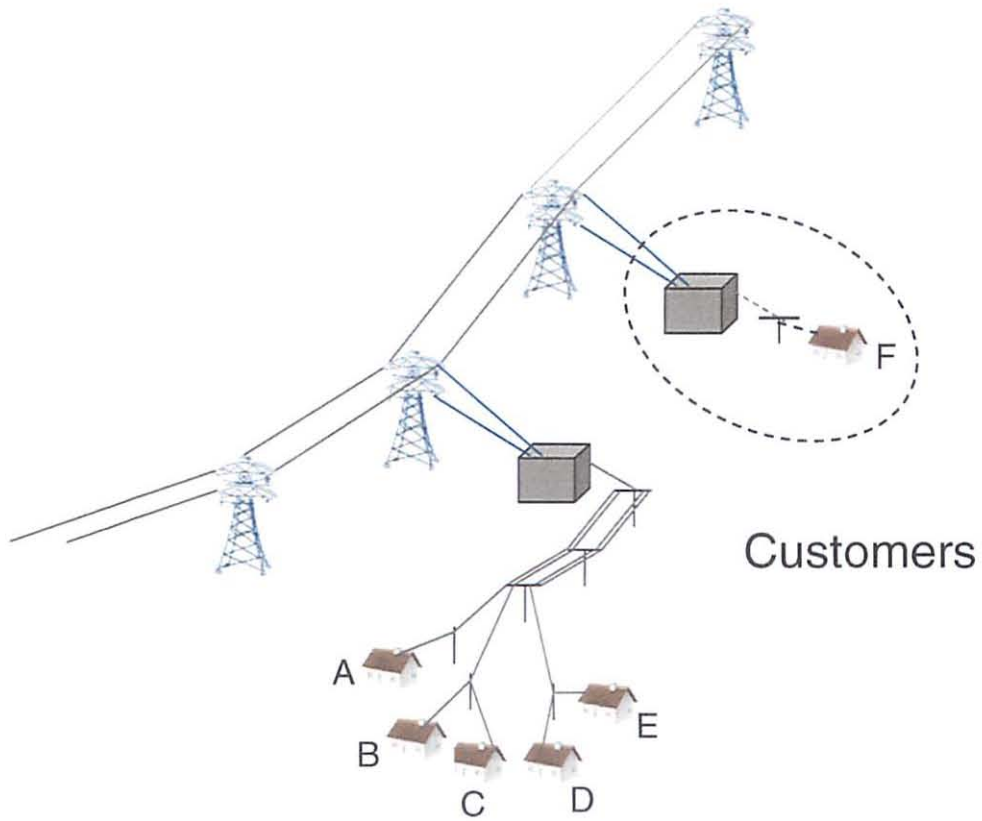
Type of Identification
Produced Georgia Drivers License



Responsibility for Minimum Filing Requirements

<u>Schedule</u>	<u>Title</u>
B-6	Jurisdictional Separation Factors – Rate Base
C-4	Jurisdictional Separation Factors – Net Operating Income
E – 1	Cost of Service Studies
E – 2	Explanation of Variations from Cost of Service Study
E - 3a	Cost of Service Study – Allocation of Rate Base Components to Rate Schedule
E - 3b	Cost of Service Study – Allocation of Expense Components to Rate Schedule
E - 4a	Cost of Service Study – Functionalization and Classification of Rate Base
E - 4b	Cost of Service Study – Functionalization and Classification of Expenses
E – 5	Source and Amount of Revenues – At Present and Proposed Rates
E - 6a	Cost of Service Study – Unit Costs, Present Rates
E - 6b	Cost of Service Study – Unit Costs, Proposed Rates
E – 9	Cost of Service – Load Data
E – 10	Cost of Service Study – Development of Allocation Factors
E – 11	Development of Coincident and Non-Coincident Demands for Cost Study
E – 16	Customers by Voltage Level
E - 19a	Demand and Energy Losses
E - 19b	Energy Losses
E - 19c	Demand Losses

Illustration of Simple Distribution Network



MDS Customer/Demand Percentages by FERC Account

Account	%Customer	%Demand
364	65.2%	34.8%
365	13.2%	86.8%
366	3.9%	96.1%
367	4.8%	95.2%
368	25.4%	74.6%
369	100%	0%
370	100%	0%

Index of Michael T. O'Sheasy Exhibit MTO-2 Schedules

Cost of Service Study

- Schedule 1.00 - Present Rate Summary
- Schedule 1.01 - Equal ROR Summary – Present Rates
- Schedule 1.10 - Proposed Rate Summary
- Schedule 1.11 - Equal ROR Summary – Proposed Rates
- Schedule 2.10 - Analysis of Gross Plant
- Schedule 2.20 - Analysis of Accumulated Depreciation Reserve
- Schedule 2.30 - Analysis of Materials and Supplies
- Schedule 2.40 - Analysis of Other Working Capital
- Schedule 2.50 - Analysis of Other Rate Base Items
- Schedule 3.00 - Analysis of Revenues
- Schedule 4.10 - Analysis of Operations and Maintenance Expense
- Schedule 4.20 - Analysis of Depreciation Expense
- Schedule 4.30 - Analysis of Taxes Other Than Income Taxes
- Schedule 5.00 - Line Allocators and Percentages

Minimum Distribution System

- Schedule 6.1 - Account 365 Overhead Regression
- Schedule 6.2 - Account 368 Single Phase Transformer Regression
- Schedule 6.3 - Account 364 - Poles, Towers and Fixtures Analysis
- Schedule 6.4 - Account 365 – Ovhd Conductors & Devices Analysis
- Schedule 6.5 - Account 366 - Underground Conduit Analysis
- Schedule 6.6 - Account 367 - Underground Conductors Analysis
- Schedule 6.7 - Account 368 - Line Transformer Analysis & Cutouts and Arresters Analysis
- Schedule 6.8 - Amount 369 – Services Analysis
- Schedule 6.9 - Account 370 – Meters Analysis

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Arresters Analysis
- Schedule 6.8 - Account 369 – Services Analysis
- Schedule 6.9 - Account 370 – Meters Analysis

GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
SCHEDULE 1.00 - PRESENT RATE SUMMARY
(\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
INVESTMENT											
1	ELECTRIC GROSS PLANT	3,035,530	1,542,708	93,230	509,239	257,574	125,284	84,038	2,612,073	56,452	367,005
2	ACCUMULATED DEPRECIATION	1,323,774	690,042	39,429	234,311	121,976	59,466	34,599	1,179,823	27,690	116,261
3	NET PLANT	1,711,756	852,666	53,801	274,928	135,598	65,818	49,439	1,432,250	28,762	250,744
4	MATERIALS AND SUPPLIES	134,288	60,807	3,166	27,652	17,390	9,878	1,909	120,802	3,821	9,665
5	OTHER WORKING CAPITAL	32,395	19,667	1,493	6,009	3,378	1,447	610	32,624	666	(895)
6	CONST. WORK IN PROGRESS	0	0	0	0	0	0	0	0	0	0
7	CWIP - NOT BEARING INTEREST	68,902	34,845	1,873	12,736	6,956	3,373	1,129	60,912	1,705	6,285
8	PLANT HELD FOR FUTURE USE	33,352	17,840	882	7,119	4,179	2,041	172	32,233	1,119	0
9	UNAMORT. PLANT ACQ. ADJUST.	2,414	0	0	0	0	0	0	0	0	2,414
10	INJURIES AND DAMAGES RESERVE	(2,950)	(1,781)	(158)	(486)	(230)	(110)	(52)	(2,817)	(52)	(81)
11	TOTAL ELECTRIC INVESTMENT	1,980,157	984,064	61,057	327,958	167,271	82,447	53,207	1,676,004	36,021	268,132
REVENUES											
12	REVENUE FROM SALES	464,147	265,037	19,761	90,940	44,157	18,496	12,837	451,228	12,919	0
13	OTHER OPERATING REVENUES	70,455	36,396	2,414	10,164	13,835	2,055	1,215	66,079	4,376	0
14	REVENUE-NONASSOCIATED SALES	63,024	1,568	83	760	509	300	45	3,265	107	59,652
15	ADJUSTMENTS TO REVENUE	(38,663)	(23,107)	(1,644)	(7,536)	(3,732)	(1,560)	(1,084)	(38,663)	(0)	0
16	TOTAL ADJUSTED REVENUE	558,963	279,894	20,614	94,328	54,769	19,291	13,013	481,909	17,402	59,652
EXPENSE											
17	OPERATIONS & MAINTENANCE	300,854	166,174	13,009	50,059	34,728	13,095	5,666	282,731	5,743	12,380
18	DEPRECIATION	104,745	56,660	3,765	18,278	9,041	4,389	3,047	95,180	1,961	7,604
19	AMORT. OF INV. TAX CREDIT	(1,304)	(567)	(38)	(183)	(91)	(44)	(31)	(954)	(20)	(330)
20	OTHER AMORTIZATION	0	0	0	0	0	0	0	0	0	0
21	REAL & PERSONAL PROP. TAX	23,943	12,582	703	4,474	2,455	1,176	489	21,879	582	1,482
22	PAYROLL TAX	6,458	3,914	351	1,054	494	235	115	6,163	110	185
23	REVENUE TAX	383	225	17	77	37	16	11	383	0	0
24	OTHER TAXES	348	195	13	70	39	18	3	338	10	0
25	ADJUSTMENT TO OTHER TAXES	0	0	0	0	0	0	0	0	0	0
26	EXPENSES EXCL. INC. TAX	435,427	239,183	17,820	73,829	46,703	18,885	9,300	405,720	8,386	21,321
27	OPERATING INCOME	123,536	40,711	2,794	20,499	8,066	406	3,713	76,189	9,016	38,331
28	STATE & FEDERAL INCOME TAX	22,175	2,598	265	3,540	884	(941)	724	7,070	2,999	12,106
29	INTEREST SYNCHRONIZATION	8,274	4,794	297	1,598	815	401	259	8,164	110	0
30	TOTAL INCOME TAXES	30,449	7,392	562	5,138	1,699	(540)	963	15,234	3,109	12,106
31	NET OPERATING INCOME	93,087	33,319	2,232	15,361	6,367	946	2,730	60,955	5,907	26,225
32	RATE OF RETURN	4.70%	3.39%	3.66%	4.68%	3.81%	1.15%	5.13%	3.64%	16.40%	9.78%
33	RATE OF RETURN INDEX		93.10%	100.51%	128.79%	104.66%	31.55%	141.08%	100.00%		

**GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
PRESENT RATE SUMMARY**

<u>Line No.</u>	<u>Ftn. Label</u>	<u>Description</u>
1	(A)	From "Analysis of Gross Plant"
2	(B)	From "Analysis of Accumulated Depreciation Reserve"
4	(C)	From "Analysis of Materials and Supplies"
5	(D)	From "Analysis of Other Working Capital"
6	(E)	From "Analysis of Other Rate Base Items"
7	(E)	
8	(E)	
9	(E)	
10	(E)	
12	(F)	From "Analysis of Revenues"
13	(F)	
14	(F)	
15	(F)	
17	(G)	From "Analysis of Operations and Maintenance Expense"
18	(H)	From "Analysis of Depreciation Expense"
19	(I)	Allocated per Depreciation Expense; UPS directly assigned
20	(J)	Allocated per Total Production Gross Plant excluding UPS
21	(K)	From "Analysis of Taxes Other Than Income Taxes"
22	(K)	
23	(K)	
24	(K)	
25	(K)	
28	(L)	Income Taxes allocated per formula $t = Rc - KI$: where t = Total Income Taxes, R = Operating Income, c = Combined Effective Tax Rate of 0.38575, I = Total Electric Investment, and K = Income Tax Deduction factor of 0.0133169083; UPS directly assigned.
29	(M)	Retail portion allocated per Retail Rate Base; Total All Other and UPS directly assigned.
32	(N)	Rate of Return equals Net Operating Income Divided by Total Electric Investment.
33	(O)	Each Rate Class Rate of Return divided by Total Retail Service Rate of Return

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 1.01 - EQUAL RATE OF RETURN SUMMARY - PRESENT RATES
 (\$'000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL RETAIL SERVICE (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)
1	EQUAL RATE OF RETURN	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%	3.64%
2	PRESENT SYSTEM OPERATING INCOME	60,955	35,788	2,221	11,928	6,084	2,999	1,935	60,955
3	CURRENT OPERATING INCOME	60,955	33,319	2,232	15,361	6,367	946	2,730	60,955
4	CHANGE IN OPERATING INCOME	0	2,469	(11)	(3,433)	(283)	2,053	(795)	0
5	CHANGE IN INCOME TAXES	0	1,550	(7)	(2,156)	(178)	1,290	(499)	0
6	CURRENT INCOME TAXES	15,234	7,392	582	5,138	1,699	(540)	983	15,234
7	CHANGE IN EXPENSES	0	17	0	(23)	(2)	13	(5)	0
8	CURRENT EXPENSES	405,720	239,183	17,820	73,829	46,703	18,885	9,300	405,720
9	REV REQ - EQUAL SYSTEM ROR - PRESENT RATE	481,909	283,930	20,596	88,716	54,306	22,647	11,714	481,909
10	PRESENT REVENUE REQUIREMENTS	481,909	279,894	20,614	94,328	54,769	19,291	13,013	481,909
11	REVENUE EXCESS / DEFICIENCY	0	4,036	(18)	(5,612)	(463)	3,356	(1,299)	0
12	REV REQ INDEX - EQUAL SYSTEM ROR - PRES. R/	100.00%	98.58%	100.09%	106.33%	100.85%	85.18%	111.09%	100.00%

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
EQUAL RATE OF RETURN SUMMARY - PRESENT RATES

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	From "Present Rate Summary", Total Retail Service Rate of Return
2	(B)	Line 1 times Total Rate Base - "Present Rate Summary"
3	(C)	From "Present Rate Summary"
4	(D)	Line 2 minus Line 3
5	(E)	Line 4 times the combined effective tax rate divided by 1 minus the combined effective tax rate
6	(C)	
7	(F)	Line 4 plus Line 5 times the Proposed Expense Factor divided by 1 minus the Proposed Expense Factor
8	(C)	
9	(G)	Line 2 plus Lines 5 - 8.
10	(C)	
11	(H)	Line 9 minus Line 10
12	(I)	Line 10 divided by Line 9

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 1.10 - PROPOSED RATE SUMMARY
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL ELECTRIC INVESTMENT	1,980,157	984,064	61,057	327,958	167,271	82,447	53,207	1,676,004	36,021	268,132
REVENUE											
2	PRESENT REVENUE	558,963	279,894	20,614	94,328	54,769	19,291	13,013	481,909	17,402	59,652
3	PROPOSED REVENUE	93,504	61,413	3,409	12,511	8,731	3,839	3,601	93,504	0	0
4	TOTAL REVENUE	652,467	341,307	24,023	106,839	63,500	23,130	16,614	575,413	17,402	59,652
EXPENSE											
5	PRESENT OPERATING EXPENSES	435,427	239,183	17,820	73,829	46,703	18,885	9,300	405,720	8,386	21,321
6	PROPOSED EXPENSE INCREASE	378	248	14	51	35	15	15	378	0	0
7	TOTAL EXPENSES	435,805	239,431	17,834	73,880	46,738	18,900	9,315	406,098	8,386	21,321
8	OPERATING INCOME	216,662	101,876	6,189	32,959	16,762	4,230	7,299	169,315	9,016	38,331
INCOME TAXES											
9	PRESENT INCOME TAXES	30,449	7,392	562	5,138	1,899	(540)	983	15,234	3,109	12,106
10	PROPOSED INC. TAX INCREASE	35,923	23,595	1,310	4,806	3,354	1,475	1,383	35,923	0	0
11	TOTAL INCOME TAXES	66,372	30,987	1,872	9,944	5,053	935	2,366	51,157	3,109	12,106
12	NET OPERATING INCOME	150,290	70,889	4,317	23,015	11,709	3,295	4,933	118,158	5,907	26,225
13	RATE OF RETURN	7.59%	7.20%	7.07%	7.02%	7.00%	4.00%	9.27%	7.05%	16.40%	9.78%
14	RATE OF RETURN INDEX		102.18%	100.29%	99.54%	99.29%	56.69%	131.51%	100.00%		

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
PROPOSED RATE SUMMARY

<u>Line No.</u>	<u>Foot Label</u>	<u>Description</u>
1	(A)	From "Present Rate Summary"
2	(A)	
3	(B)	Provided by Rates & Regulatory Matters, Gulf Power Company.
5	(A)	
6	(C)	Calculated by multiplying Proposed Revenues times the appropriate Proposed Expense Factor
8	(D)	Operating Income equals Total Revenue minus Total Expenses.
9	(A)	
10	(E)	Proposed Income Tax Increase calculated by multiplying Proposed Revenue minus Proposed Expense Increase times Effective Tax Rate of 0.38575.
12	(F)	Net Operating Income equals Operating Income less Total Income Taxes.
13	(G)	Rate of Return equals Net Operating Income Divided by Total Electric Investment.
14	(H)	Each Rate Class Rate of Return divided by Total Retail Service Rate of Return

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 1.11 - EQUAL RATE OF RETURN SUMMARY - PROPOSED RATES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL RETAIL SERVICE (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)
1	EQUAL RATE OF RETURN	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%	7.05%
2	PROPOSED OPERATING INCOME	118,157	69,375	4,305	23,121	11,793	5,812	3,751	118,157
3	CURRENT OPERATING INCOME	60,955	33,319	2,232	15,361	6,367	946	2,730	60,955
4	CHANGE IN OPERATING INCOME	57,202	36,056	2,073	7,760	5,426	4,866	1,021	57,202
5	CHANGE IN INCOME TAXES	35,924	22,644	1,302	4,873	3,408	3,056	641	35,924
6	PRESENT INCOME TAXES	15,234	7,392	562	5,138	1,699	(540)	983	15,234
7	CHANGE IN EXPENSES	378	238	14	51	36	32	7	378
8	PRESENT EXPENSES	405,720	239,183	17,820	73,829	46,703	18,885	9,300	405,720
9	REV REQ - EQUAL SYSTEM ROR - PROPOSED RAI	575,413	338,832	24,003	107,011	63,639	27,245	14,682	575,413
10	PRESENT REVENUE REQUIREMENTS	481,909	279,894	20,614	94,328	54,769	19,291	13,013	481,909
11	REVENUE EXCESS / DEFICIENCY	93,504	58,938	3,389	12,683	8,870	7,954	1,669	93,504
12	REV REQ INDEX - EQUAL SYSTEM ROR - PROP. R/	83.75%	82.61%	85.88%	88.15%	86.06%	70.81%	88.63%	83.75%

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
EQUAL RATE OF RETURN SUMMARY - PROPOSED RATES

<u>Line No.</u>	<u>Ftnl. Label</u>	<u>Description</u>
1	(A)	From "Proposed Rate Summary", Total Retail Service Rate of Return
2	(B)	Line 1 times Total Rate Base - "Proposed Rate Summary"
3	(C)	From "Present Rate Summary"
4	(D)	Line 2 minus Line 3
5	(E)	Line 4 times the combined effective tax rate divided by 1 minus the combined effective tax rate
6	(C)	
7	(F)	Line 4 plus Line 5 times the Proposed Expense Factor divided by 1 minus the Proposed Expense Factor
8	(C)	
9	(G)	Line 2 plus Lines 5 - 8.
10	(C)	
11	(H)	Line 9 minus Line 10
12	(I)	Line 10 divided by Line 9

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION PLANT	1,438,174	576,525	28,309	230,995	135,879	66,407	5,234	1,043,349	36,485	358,340
2	RETAIL JURISDICTION DEMAND		537,957	26,270	212,309	123,358	59,058	4,139	963,091		
3	ENERGY		38,568	2,039	18,686	12,521	7,349	1,095	80,258		
	TRANSMISSION PLANT										
	350-LAND & LAND RIGHTS SUBSTATIONS										
4	LEVEL 2 COMMON	323	174	9	69	40	19	1	312	11	0
5	LEVEL 3 COMMON	571	339	16	133	54	28	3	571	0	0
6	TOTAL SUBSTATION LAND LINES	894	513	25	202	94	45	4	883	11	0
7	LEVEL 2 COMMON	15,283	8,249	403	3,255	1,891	906	63	14,767	516	0
8	TOTAL ACCOUNT 350	16,177	8,782	428	3,457	1,985	951	67	15,650	527	0
	352-STRUCTURES										
9	LEVEL 2 CUSTOMER SUB	0	0	0	0	0	0	0	0	0	0
10	LEVEL 2 COMMON	10,114	5,458	267	2,154	1,252	599	42	9,772	342	0
11	LEVEL 3 COMMON	864	510	25	202	82	41	4	864	0	0
12	TOTAL ACCOUNT 352	10,978	5,968	292	2,356	1,334	640	46	10,636	342	0
	353-STATION EQUIPMENT										
13	LEVEL 2 CUSTOMER SUB	109	0	0	0	94	15	0	109	0	0
14	LEVEL 2 COMMON	107,216	55,347	2,703	21,843	12,691	6,076	426	99,066	3,465	4,665
15	LEVEL 3 COMMON	19,965	11,806	577	4,660	1,895	936	91	19,965	0	0
16	TOTAL ACCOUNT 353	127,290	67,153	3,280	26,503	14,680	7,027	517	119,160	3,465	4,665
	354-TOWERS AND FIXTURES										
17	LEVEL 2 COMMON	49,203	26,556	1,297	10,480	6,089	2,915	204	47,541	1,662	0
	355-POLES AND FIXTURES										
18	LEVEL 2 COMMON	97,751	52,756	2,576	20,821	12,097	5,792	406	94,448	3,303	0
	356-OVERHEAD CONDUCTORS										
19	LEVEL 2 COMMON	80,172	43,268	2,113	17,076	9,922	4,751	333	77,463	2,709	0
	358-UNDERGROUND CONDUCTORS										
20	LEVEL 2 COMMON	16,989	9,168	448	3,619	2,103	1,006	71	16,415	574	0
	359-ROADS AND TRAILS										
21	LEVEL 2 COMMON	74	41	2	16	9	4	0	72	2	0
22	TOTAL TRANS. PLANT	398,634	213,672	10,436	84,328	48,219	23,086	1,644	381,385	12,584	4,665

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
DISTRIBUTION PLANT											
360-SUBSTATION LAND											
23	LEVEL 3 CUST. SUB	76	0	0	0	0	12	0	12	64	0
24	LEVEL 3 COMMON	2,914	1,723	84	680	277	137	13	2,914	0	0
25	LEVEL 4 COMMON	24	15	1	5	2	1	0	24	0	0
26	TOTAL ACCOUNT 360	3,013	1,738	85	685	279	150	13	2,950	64	0
361-STRUCTURES											
27	LEVEL 3 CUST. SUB	1,717	0	0	0	603	629	0	1,232	485	0
28	LEVEL 3 COMMON	17,603	10,410	508	4,108	1,671	826	80	17,603	0	0
29	LEVEL 4 COMMON	10	7	0	2	1	0	0	10	0	0
30	TOTAL ACCOUNT 361	19,330	10,417	508	4,110	2,275	1,455	80	18,845	485	0
362-STATION EQUIPMENT											
31	LEVEL 3 CUST. SUB	14,697	0	0	0	4,122	6,632	0	10,754	3,943	0
32	LEVEL 3 COMMON	158,346	93,641	4,573	36,956	15,030	7,426	720	158,346	0	0
33	LEVEL 4 COMMON	110	64	3	25	10	6	2	110	0	0
34	TOTAL ACCOUNT 362	173,153	93,705	4,576	36,981	19,162	14,064	722	169,210	3,943	0
364-POLES AND FIXTURES											
35	LEVEL 4 COMMON	36,079	20,993	1,084	8,190	3,314	1,973	525	36,079	0	0
36	LEVEL 4 CUSTOMER	67,516	58,685	4,509	2,688	47	3	1,584	67,516	0	0
37	LEVEL 5 COMMON	10,061	6,352	328	2,462	758	22	159	10,061	0	0
38	LEVEL 5 CUSTOMER	18,969	16,491	1,267	754	12	0	445	18,969	0	0
39	TOTAL ACCOUNT 364	132,645	102,521	7,188	14,094	4,131	1,998	2,713	132,645	0	0
365-OVERHEAD CONDUCTORS											
40	LEVEL 4 COMMON	87,925	51,162	2,642	19,959	8,075	4,808	1,279	87,925	0	0
41	LEVEL 4 CUSTOMER	13,428	11,671	897	535	9	1	315	13,428	0	0
42	LEVEL 5 COMMON	24,144	15,213	786	5,897	1,815	53	380	24,144	0	0
43	LEVEL 5 CUSTOMER	3,614	3,142	241	144	2	0	85	3,614	0	0
44	TOTAL ACCOUNT 365	129,111	81,188	4,566	26,535	9,901	4,862	2,059	129,111	0	0
366-UNDERGROUND CONDUIT											
45	LEVEL 4 COMMON	706	412	21	160	65	38	10	706	0	0
46	LEVEL 4 CUSTOMER	35	31	2	1	0	0	1	35	0	0
47	LEVEL 5 COMMON	532	336	17	130	40	1	8	532	0	0
48	LEVEL 5 CUSTOMER	16	14	1	1	0	0	0	16	0	0
49	TOTAL ACCOUNT 366	1,289	793	41	292	105	39	19	1,289	0	0
367-UNDERGROUND COND. & DEV.											
50	LEVEL 4 COMMON	85,044	49,485	2,556	19,305	7,811	4,650	1,237	85,044	0	0
51	LEVEL 4 CUSTOMER	4,258	3,701	284	170	3	0	100	4,258	0	0
52	LEVEL 5 COMMON	34,193	21,546	1,113	8,352	2,570	74	538	34,193	0	0
53	LEVEL 5 CUSTOMER	1,754	1,525	117	70	1	0	41	1,754	0	0
54	TOTAL ACCOUNT 367	125,249	76,257	4,070	27,897	10,385	4,724	1,916	125,249	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.10 - ANALYSIS OF GROSS PLANT
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
368-LINE TRANSFORMERS											
55	LEVEL 4 COMMON	36,355	21,154	1,092	8,253	3,339	1,988	529	36,355	0	0
56	LEVEL 4 CUSTOMER	2,097	1,824	140	83	1	0	49	2,097	0	0
57	LEVEL 5 COMMON	137,498	86,640	4,474	33,585	10,335	299	2,165	137,498	0	0
58	LEVEL 5 CUSTOMER	57,097	49,636	3,814	2,271	37	0	1,339	57,097	0	0
59	TOTAL ACCOUNT 368	233,047	159,254	9,520	44,192	13,712	2,287	4,082	233,047	0	0
369-SERVICES											
60	HOUSE POWER BOXES	0	0	0	0	0	0	0	0	0	0
61	OTHER SERVICES	98,505	87,692	6,737	4,011	65	0	0	98,505	0	0
62	TOTAL ACCOUNT 369	98,505	87,692	6,737	4,011	65	0	0	98,505	0	0
63	370-METERS	56,774	39,273	8,382	7,956	636	55	468	56,770	4	0
64	373-STREET LIGHTING	62,208	0	0	0	0	0	62,208	62,208	0	0
65	TOTAL DIST. PLANT	1,034,325	652,838	45,673	166,753	60,651	29,634	74,280	1,029,829	4,496	0
66	DEMAND	648,054	379,153	19,252	148,069	59,838	29,575	7,645	643,562	4,492	0
67	CUSTOMER	386,271	273,685	26,391	18,684	813	59	66,635	386,267	4	0
GENERAL PLANT											
68	ELECTRIC	164,397	99,673	8,812	27,163	12,825	6,157	2,880	157,510	2,887	4,000
69	DEMAND	100,193	52,750	2,802	20,771	11,260	5,370	557	93,310	2,883	4,000
70	CUSTOMER	58,460	44,160	6,063	5,056	669	263	2,245	58,456	4	0
71	ENERGY	5,744	2,763	147	1,336	896	524	78	5,744	0	0
72	TOTAL GENERAL PLANT	164,397	99,673	8,812	27,163	12,825	6,157	2,880	157,510	2,887	4,000
73	TOTAL ELEC. GROSS PLANT	3,035,530	1,542,708	93,230	509,239	257,574	125,284	84,038	2,612,073	56,452	367,005
74	DEMAND	2,504,798	1,183,532	58,590	465,477	242,675	117,089	13,985	2,081,348	56,444	367,005
75	CUSTOMER	444,731	317,845	32,454	23,740	1,482	322	68,880	444,723	8	0
76	ENERGY	86,001	41,330	2,186	20,022	13,417	7,873	1,173	86,001	0	0

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF GROSS PLANT

<u>Line No.</u>	<u>Fnrt. Label</u>	<u>Description</u>
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
5	(E)	Allocated per Level 3 Demand Allocator.
7	(D)	
9	(F)	Specific Assignment
10	(D)	
11	(E)	
13	(F)	
14	(D)	
15	(E)	
17	(D)	
18	(D)	
19	(D)	
20	(D)	
21	(D)	
23	(F)	
24	(E)	
25	(G)	Allocated per Level 4 NCP Demand Allocator
27	(F)	
28	(E)	
29	(G)	
31	(F)	
32	(E)	
33	(G)	
35	(G)	
36	(H)	Allocated per Average Number of Customers at Level 4 and Level 5.
37	(I)	Allocated per Level 5 NCP Demand Allocator
38	(J)	Allocated per Average Number of Customers at Level 5.

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF GROSS PLANT

<u>Line No.</u>	<u>Ftnt Label</u>	<u>Description</u>
40	(G)	
41	(H)	
42	(I)	
43	(J)	
45	(G)	
46	(H)	
47	(I)	
48	(J)	
50	(G)	
51	(H)	
52	(I)	
53	(J)	
55	(G)	
56	(H)	
57	(I)	
58	(J)	
60	(F)	
61	(K)	Allocated per Average Number of Customers at Level 5 excluding Rate OS.
63	(L)	Provided by Gulf Power Company
64	(F)	
68	(M)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
69	(M)	
70	(M)	
71	(M)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.20 - ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION	726,099	327,944	16,103	131,396	77,291	37,774	2,977	593,485	20,754	111,860
RETAIL JURISDICTION											
2	DEMAND		306,005	14,943	120,767	70,169	33,594	2,354	547,832		
3	ENERGY		21,939	1,160	10,629	7,122	4,180	623	45,653		
TRANSMISSION											
4	350-LAND AND LAND RIGHTS	6,417	3,465	169	1,367	794	380	26	6,201	216	0
5	352-STRUCTURES	3,498	1,900	93	751	425	205	15	3,389	109	0
6	353-STATION EQUIPMENT	41,315	21,160	1,033	8,351	4,625	2,214	163	37,546	1,091	2,678
7	354-TOWERS & FIXTURES	15,366	8,293	405	3,273	1,902	910	64	14,847	519	0
8	355-POLES & FIXTURES	30,365	16,388	800	6,468	3,758	1,799	126	29,339	1,026	0
9	356-OVERHEAD COND.	24,962	13,471	658	5,317	3,089	1,479	104	24,118	844	0
10	358-UNDERGROUND COND.	5,264	2,841	139	1,121	652	311	22	5,086	178	0
11	359-ROADS AND TRAILS	23	12	1	5	3	1	0	22	1	0
12	TOTAL TRANSMISSION	127,210	67,530	3,298	26,653	15,248	7,299	520	120,548	3,984	2,678
DISTRIBUTION											
13	360-SUBSTATION LAND	6	4	0	1	1	0	0	6	0	0
14	361-STRUCTURES	7,823	4,216	206	1,663	921	588	32	7,626	197	0
15	362-STATION EQUIPMENT	70,166	37,971	1,854	14,986	7,765	5,699	293	68,568	1,598	0
364-POLES & FIXTURES											
16	COMMON	18,682	11,067	571	4,311	1,648	808	277	18,682	0	0
17	CUSTOMER	35,002	30,424	2,338	1,394	24	1	821	35,002	0	0
18	TOTAL ACCOUNT 364	53,684	41,491	2,909	5,705	1,672	809	1,098	53,684	0	0
365-OVERHEAD COND.											
19	COMMON	45,357	26,863	1,387	10,465	4,003	1,968	671	45,357	0	0
20	CUSTOMER	6,897	5,996	461	274	4	0	162	6,897	0	0
21	TOTAL ACCOUNT 365	52,254	32,859	1,848	10,739	4,007	1,968	833	52,254	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.20 - ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE
 (\$'000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
366-UNDG. CONDUIT											
22	COMMON	501	304	15	118	42	15	7	501	0	0
23	CUSTOMER	21	16	2	1	1	0	1	21	0	0
24	TOTAL ACCOUNT 366	522	320	17	119	43	15	8	522	0	0
367-UNDERGROUND COND. & DEV.											
25	COMMON	48,258	28,748	1,485	11,194	4,201	1,912	718	48,258	0	0
26	CUSTOMER	2,433	2,114	162	98	2	0	57	2,433	0	0
27	TOTAL ACCOUNT 367	50,691	30,862	1,647	11,292	4,203	1,912	775	50,691	0	0
368-LINE TRANSFORMERS											
28	COMMON	70,362	43,627	2,253	16,933	5,534	925	1,090	70,362	0	0
29	CUSTOMER	23,957	20,827	1,600	952	16	0	562	23,957	0	0
30	TOTAL ACCOUNT 368	94,319	64,454	3,853	17,885	5,550	925	1,652	94,319	0	0
31	369-SERVICES	39,867	35,491	2,727	1,623	26	0	0	39,867	0	0
32	370-METERS	9,952	6,955	1,436	1,363	109	9	80	9,952	0	0
33	373-STREET LIGHTING	25,177	0	0	0	0	0	25,177	25,177	0	0
34	TOTAL DISTRIBUTION	404,461	254,623	16,497	65,376	24,297	11,925	29,948	402,666	1,795	0
35	DEMAND	261,155	152,800	7,771	59,671	24,115	11,915	3,088	259,360	1,795	0
36	CUSTOMER	143,306	101,823	8,726	5,705	182	10	26,860	143,306	0	0
GENERAL PLANT											
ELECTRIC											
37	DEMAND	40,274	21,141	1,043	8,324	4,512	2,153	223	37,396	1,155	1,723
38	CUSTOMER	23,428	17,696	2,430	2,026	288	106	900	23,426	2	0
39	ENERGY	2,302	1,108	58	536	360	209	31	2,302	0	0
40	TOTAL ELECTRIC GENERAL PLANT	66,004	39,945	3,531	10,886	5,140	2,468	1,154	63,124	1,157	1,723
41	TOTAL ELECTRIC DEPR. RESERVE	1,323,774	690,042	39,429	234,311	121,976	59,466	34,599	1,179,823	27,690	116,261
42	DEMAND	1,109,085	547,476	27,055	215,415	114,044	54,961	6,185	965,136	27,688	116,261
43	CUSTOMER	166,734	119,519	11,156	7,731	450	116	27,760	166,732	2	0
44	ENERGY	47,955	23,047	1,218	11,165	7,482	4,389	654	47,955	0	0

GULF POWER COMPANY
12 MONTHS ENDED MAY 31, 2003
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF ACCUMULATED DEPRECIATION RESERVE

<u>Line</u> <u>No.</u>	<u>Fnt</u> <u>Label</u>	<u>Description</u>
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Account 350 Gross Plant (Lines portion only); UPS directly assigned.
5	(E)	Allocated per corresponding Transmission Gross Plant; UPS directly assigned.
6	(E)	
7	(E)	
8	(E)	
9	(E)	
10	(E)	
11	(E)	
13	(F)	Allocated per corresponding Distribution Gross Plant.
14	(F)	
15	(F)	
16	(F)	
17	(F)	
19	(F)	
20	(F)	
22	(F)	
23	(F)	
25	(F)	
26	(F)	
28	(F)	
29	(F)	
31	(F)	
32	(F)	
33	(F)	
37	(G)	Allocated per corresponding Gross General Plant; UPS directly assigned.
38	(G)	
39	(G)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.30 - ANALYSIS OF MATERIALS AND SUPPLIES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
----- PRODUCTION -----											
1	NON-FUEL RETAIL JURISDICTION	27,142	13,195	648	5,287	3,110	1,520	120	23,880	835	2,427
2	DEMAND		12,313	601	4,859	2,823	1,352	95	22,043		
3	ENERGY		882	47	428	287	168	25	1,837		
4	FUEL	94,042	40,303	2,131	19,527	13,085	7,680	1,145	83,871	2,933	7,238
5	TOTAL PRODUCTION M & S	121,184	53,498	2,779	24,814	16,195	9,200	1,265	107,751	3,768	9,665
----- TRANSMISSION -----											
6	LINES RELATED	1,003	543	26	214	124	59	4	970	33	0
7	SUBSTATION RELATED	419	229	11	91	50	24	2	407	12	0
8	TOTAL TRANS. M & S	1,422	772	37	305	174	83	6	1,377	45	0
----- DISTRIBUTION -----											
9	DEMAND RELATED	9,910	5,766	298	2,250	910	542	144	9,910	0	0
10	METERING RELATED	116	81	17	16	1	0	1	116	0	0
11	ST. LIGHTING RELATED	479	0	0	0	0	0	479	479	0	0
12	OTHER	1,169	684	35	267	108	53	14	1,161	8	0
13	TOTAL DIST. M & S	11,674	6,531	350	2,533	1,019	595	638	11,666	8	0
14	CUSTOMER ACCOUNTS	4	4	0	0	0	0	0	4	0	0
15	CUSTOMER ASSISTANCE	4	2	0	0	2	0	0	4	0	0
16	TOTAL ELECTRIC M & S	134,288	60,807	3,166	27,652	17,390	9,878	1,909	120,802	3,821	9,665
17	DEMAND	37,806	19,535	971	7,681	4,015	2,030	259	34,491	888	2,427
18	CUSTOMER	603	87	17	16	3	0	480	603	0	0
19	ENERGY	95,879	41,185	2,178	19,955	13,372	7,848	1,170	85,708	2,933	7,238

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF MATERIALS AND SUPPLIES

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
6	(E)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
7	(F)	Allocated per Gross Investment in Transmission Substations excluding UPS.
9	(G)	Allocated per Level 4 NCP Demand Allocator.
10	(H)	Allocated per Distribution Gross Plant in Account 370.
11	(I)	Directly assigned to Street Lighting.
12	(J)	Allocated per Demand-related Distribution Gross Plant.
14	(K)	Allocated per Customer Accounts O & M Expense.
15	(L)	Allocated per Customer Assistance O & M Energy Cost Conservation.

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.40 - ANALYSIS OF OTHER WORKING CAPITAL
 (\$'000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
OTHER WORKING CAPITAL											
1	CURRENT ASSETS & LIAB.	126,953	73,746	5,942	20,471	13,906	4,634	2,595	121,294	2,231	3,428
2	DEMAND	79,200	41,742	2,061	16,431	8,785	4,194	462	73,675	2,097	3,428
3	CUSTOMER	42,626	29,294	3,700	2,968	4,509	130	2,023	42,624	2	0
4	ENERGY	2,101	1,010	54	488	329	192	28	2,101	0	0
5	REVENUE RELATED	3,027	1,700	127	584	283	118	82	2,894	132	0
6	CABLE ATTACHMENTS	(129,879)	(75,444)	(6,079)	(20,941)	(14,225)	(4,745)	(2,656)	(124,090)	(2,282)	(3,507)
7	DEMAND	(81,025)	(42,703)	(2,109)	(16,809)	(8,967)	(4,291)	(473)	(75,372)	(2,146)	(3,507)
8	CUSTOMER	(43,608)	(29,969)	(3,785)	(3,036)	(4,613)	(133)	(2,070)	(43,606)	(2)	0
9	ENERGY	(2,149)	(1,032)	(55)	(499)	(336)	(198)	(29)	(2,149)	0	0
10	REVENUE RELATED	(3,096)	(1,740)	(130)	(597)	(289)	(123)	(84)	(2,963)	(134)	0
PREPAYMENTS											
11	PRODUCTION RETAIL JURISDICTION	7,899	4,091	200	1,639	964	471	37	7,402	259	238
12	DEMAND		3,818	186	1,506	875	419	29	6,833		
13	ENERGY		273	14	133	89	52	8	569		
14	TRANSMISSION	2,653	1,439	70	568	325	155	11	2,568	85	0
15	DISTRIBUTION	7,071	4,466	313	1,136	413	201	511	7,040	31	0
16	DEMAND	4,409	2,580	131	1,007	407	201	52	4,378	31	0
17	CUSTOMER	2,662	1,886	182	129	6	0	459	2,662	0	0
18	CUSTOMER ACCOUNTS	136	118	9	6	0	0	3	136	0	0
19	CUSTOMER ASSISTANCE	147	60	14	13	59	1	0	147	0	0
20	CUSTOMER	147	60	14	13	59	1	0	147	0	0
21	ENERGY	0	0	0	0	0	0	0	0	0	0
22	TOTAL PREPAYMENTS	17,906	10,174	606	3,362	1,761	828	562	17,293	375	238
23	DEMAND	14,392	7,837	387	3,081	1,607	775	92	13,779	375	238
24	CUSTOMER	2,945	2,064	205	148	65	1	462	2,945	0	0
25	ENERGY	569	273	14	133	89	52	8	569	0	0
26	PRELIM. SURVEY & INVESTIGATION RETAIL JURISDICTION	4,799	2,562	126	1,027	604	295	23	4,637	162	0
27	DEMAND		2,390	117	944	548	263	18	4,280		
28	ENERGY		172	9	83	56	32	5	357		
OTHER INVESTMENTS											
29	PRODUCTION RETAIL JURISDICTION	37,282	19,904	978	7,975	4,691	2,293	181	36,022	1,260	0
30	DEMAND		18,573	907	7,330	4,259	2,039	143	33,251		
31	ENERGY		1,331	71	645	432	254	38	2,771		
32	TRANSMISSION	3,245	1,752	85	692	400	194	14	3,137	108	0
33	DISTRIBUTION	16,255	10,740	894	2,454	799	361	984	16,232	23	0
34	DEMAND	8,648	5,120	263	1,996	773	359	112	8,625	23	0
35	CUSTOMER	7,607	5,620	631	456	26	2	872	7,607	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.40 - ANALYSIS OF OTHER WORKING CAPITAL
 (\$'000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
36	CUSTOMER ACCOUNTS	9,881	8,560	681	411	9	7	211	9,879	2	0
37	CUSTOMER ASSISTANCE	10,713	7,122	1,612	1,572	288	119	0	10,713	0	0
38	CUSTOMER ENERGY	10,713	7,122	1,612	1,572	288	119	0	10,713	0	0
39	ENERGY	0	0	0	0	0	0	0	0	0	0
40	TOTAL OTHER INVESTMENTS	77,376	48,078	4,250	13,104	6,187	2,974	1,390	75,983	1,393	0
41	DEMAND	46,404	25,445	1,255	10,020	5,432	2,592	269	45,013	1,391	0
42	CUSTOMER ENERGY	28,201	21,302	2,924	2,439	323	128	1,083	28,199	2	0
43	ENERGY	2,771	1,331	71	645	432	254	38	2,771	0	0
44	ENVIRONMENTAL CLEANUP	58,248	33,834	2,726	9,393	6,380	2,126	1,191	55,650	1,025	1,573
45	DEMAND	36,338	19,151	946	7,539	4,030	1,924	212	33,802	963	1,573
46	CUSTOMER ENERGY	19,557	13,440	1,697	1,362	2,069	59	928	19,555	2	0
47	ENERGY	964	463	25	224	151	88	13	964	0	0
48	REVENUE RELATED	1,389	780	58	268	130	55	38	1,329	60	0
49	PROP. INSURANCE RESERVE	(15,323)	(8,141)	(513)	(2,626)	(1,295)	(628)	(472)	(13,675)	(275)	(1,373)
50	DEMAND	(12,305)	(6,073)	(301)	(2,388)	(1,228)	(593)	(74)	(10,657)	(275)	(1,373)
51	CUSTOMER ENERGY	(2,654)	(1,893)	(203)	(153)	(10)	(2)	(393)	(2,654)	0	0
52	ENERGY	(363)	(174)	(9)	(85)	(57)	(33)	(5)	(363)	0	0
OTHER POST RETIREMENT BENEFITS											
53	PRODUCTION RETAIL JURISDICTION	(30,696)	(16,392)	(805)	(6,566)	(3,862)	(1,886)	(148)	(29,659)	(1,037)	0
54	DEMAND		(15,295)	(747)	(6,035)	(3,506)	(1,678)	(117)	(27,378)		
55	ENERGY		(1,097)	(58)	(531)	(356)	(208)	(31)	(2,281)		
56	TRANSMISSION	(2,671)	(1,443)	(70)	(570)	(330)	(158)	(11)	(2,582)	(89)	0
57	DISTRIBUTION	(13,383)	(8,843)	(736)	(2,020)	(658)	(296)	(810)	(13,363)	(20)	0
58	DEMAND	(7,120)	(4,215)	(216)	(1,645)	(636)	(295)	(93)	(7,100)	(20)	0
59	CUSTOMER ENERGY	(6,263)	(4,626)	(520)	(375)	(22)	(2)	(718)	(6,263)	0	0
60	CUSTOMER ACCOUNTS	(8,136)	(7,049)	(561)	(338)	(7)	(5)	(174)	(8,134)	(2)	0
61	CUSTOMER ASSISTANCE	(8,820)	(5,864)	(1,327)	(1,295)	(237)	(97)	0	(8,820)	0	0
62	CUSTOMER ENERGY	(8,820)	(5,864)	(1,327)	(1,295)	(237)	(97)	0	(8,820)	0	0
63	ENERGY	0	0	0	0	0	0	0	0	0	0
64	TOTAL OTHER POST RETIREMENT BENEFITS	(63,706)	(39,589)	(3,499)	(10,789)	(5,094)	(2,443)	(1,144)	(62,558)	(1,148)	0
65	DEMAND	(38,206)	(20,953)	(1,033)	(8,250)	(4,472)	(2,131)	(221)	(37,060)	(1,146)	0
66	CUSTOMER ENERGY	(23,219)	(17,539)	(2,408)	(2,008)	(266)	(104)	(892)	(23,217)	(2)	0
67	ENERGY	(2,281)	(1,097)	(58)	(531)	(356)	(208)	(31)	(2,281)	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.40 - ANALYSIS OF OTHER WORKING CAPITAL
 (\$'000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
68	OTHER DEF. CR. & DEBITS	(46,430)	(26,973)	(2,173)	(7,486)	(5,085)	(1,694)	(949)	(44,360)	(816)	(1,254)
69	DEMAND	(28,965)	(15,266)	(754)	(6,009)	(3,213)	(1,533)	(169)	(26,944)	(767)	(1,254)
70	CUSTOMER	(15,589)	(10,714)	(1,353)	(1,085)	(1,649)	(47)	(740)	(15,588)	(1)	0
71	ENERGY	(768)	(368)	(20)	(179)	(120)	(71)	(10)	(768)	0	0
72	REVENUE RELATED	(1,107)	(625)	(46)	(213)	(103)	(43)	(30)	(1,060)	(48)	0
73	UNAMORT. RATE CASE EXP. REVENUE RELATED	2,450	1,440	107	494	239	100	70	2,450	0	0
74	TOTAL OTHER WORK. CAP.	32,395	19,688	1,493	6,009	3,378	1,447	610	32,625	665	(895)
75	DEMAND	20,275	11,570	569	4,559	2,502	1,200	116	20,516	654	(895)
76	CUSTOMER	8,259	5,965	777	635	428	32	401	8,258	1	0
77	ENERGY	1,201	578	31	279	188	108	17	1,201	0	0
78	REVENUE RELATED	2,660	1,555	116	536	260	107	76	2,650	10	0

**GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OTHER WORKING CAPITAL**

<u>Line No.</u>	<u>Ftnt Label</u>	<u>Description</u>
1	(A)	Allocated per Total Expenses less Production Energy related O & M, Income taxes, and Non-cash items.
2	(A)	
3	(A)	
4	(A)	
5	(A)	
6	(A)	
7	(A)	
8	(A)	
9	(A)	
10	(A)	
11	(B)	Allocated per corresponding Gross Plant; UPS directly assigned.
12	(C)	Allocated per corresponding Gross Plant.
13	(C)	
14	(B)	
15	(C)	
16	(C)	
17	(C)	
18	(D)	Allocated per corresponding Operations and Maintenance Expense.
19	(D)	
20	(D)	
21	(D)	
26	(E)	Allocated per Production Gross Plant. UPS directly assigned.
27	(F)	Allocated per corresponding Production Gross Plant.
28	(F)	
29	(G)	Allocated per corresponding Salaries and Wages
30	(G)	
31	(G)	
32	(G)	
33	(G)	
34	(G)	
35	(G)	
36	(G)	
37	(G)	
38	(G)	
39	(G)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OTHER WORKING CAPITAL

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
44	(A)	
45	(A)	
46	(A)	
47	(A)	
48	(A)	
49	(H)	Allocated per Total Net Plant, UPS directly assigned.
50	(H)	
51	(I)	Allocated per Total Net Plant.
52	(I)	
53	(G)	
54	(G)	
55	(G)	
56	(G)	
57	(G)	
58	(G)	
59	(G)	
60	(G)	
61	(G)	
62	(G)	
63	(G)	
68	(A)	
69	(A)	
70	(A)	
71	(A)	
72	(A)	
73	(J)	Allocated per Retail Revenue from Sales and AMI Revenue Adjustment

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.50 - ANALYSIS OF OTHER RATE BASE ITEMS
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
CONST. WORK IN PROGRESS INTEREST BEARING											
1	PRODUCTION RETAIL JURISDICTION	0	0	0	0	0	0	0	0	0	0
2	DEMAND		0	0	0	0	0	0	0		
3	ENERGY		0	0	0	0	0	0	0		
4	TRANSMISSION	0	0	0	0	0	0	0	0	0	0
5	DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
6	DEMAND	0	0	0	0	0	0	0	0	0	0
7	CUSTOMER	0	0	0	0	0	0	0	0	0	0
8	CUSTOMER ACCOUNTS	0	0	0	0	0	0	0	0	0	0
9	CUSTOMER ASSISTANCE	0	0	0	0	0	0	0	0	0	0
10	CUSTOMER	0	0	0	0	0	0	0	0	0	0
11	ENERGY	0	0	0	0	0	0	0	0	0	0
12	TOTAL CWIP	0	0	0	0	0	0	0	0	0	0
13	DEMAND	0	0	0	0	0	0	0	0	0	0
14	CUSTOMER	0	0	0	0	0	0	0	0	0	0
15	ENERGY	0	0	0	0	0	0	0	0	0	0
CONST. WORK IN PROGRESS WORK NOT BEARING INTEREST											
16	PRODUCTION RETAIL JURISDICTION	33,327	14,436	709	5,785	3,403	1,664	131	26,128	914	6,285
17	DEMAND		13,471	658	5,317	3,069	1,479	104	24,118		
18	ENERGY		965	51	468	314	185	27	2,010		
19	TRANSMISSION	23,019	12,484	610	4,927	2,817	1,349	96	22,283	736	0
20	DISTRIBUTION	12,556	7,925	554	2,024	736	360	902	12,501	55	0
21	DEMAND	7,867	4,603	234	1,797	726	359	93	7,812	55	0
22	CUSTOMER	4,689	3,322	320	227	10	1	809	4,689	0	0
23	TOTAL CWIP - WORK NOT BEARING INTEREST	68,902	34,845	1,873	12,736	6,956	3,373	1,129	60,912	1,705	6,285
24	DEMAND	62,203	30,558	1,502	12,041	6,632	3,187	293	54,213	1,705	6,285
25	CUSTOMER	4,689	3,322	320	227	10	1	809	4,689	0	0
26	ENERGY	2,010	965	51	468	314	185	27	2,010	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.50 - ANALYSIS OF OTHER RATE BASE ITEMS
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
PLANT HELD FOR FUTURE USE											
27	PRODUCTION	33,028	17,635	865	7,066	4,156	2,030	180	31,912	1,116	0
	RETAIL JURISDICTION										
28	DEMAND		16,454	803	6,494	3,773	1,806	127	29,457		
29	ENERGY		1,181	62	572	383	224	33	2,455		
	DISTRIBUTION										
30	DEMAND	68	40	2	16	6	3	1	68	0	0
31	CUSTOMER	40	29	3	1	0	0	7	40	0	0
32	TOTAL DISTRIBUTION	108	69	5	17	6	3	8	108	0	0
	GENERAL										
33	DEMAND	130	73	3	28	15	7	1	127	3	0
34	CUSTOMER	79	60	8	7	1	0	3	79	0	0
35	ENERGY	7	3	1	1	1	1	0	7	0	0
36	TOTAL GENERAL	216	136	12	36	17	8	4	213	3	0
37	TOTAL PLNT HELD FOR FUT. USE	33,362	17,840	882	7,119	4,179	2,041	172	32,233	1,119	0
38	DEMAND	30,771	16,567	808	6,538	3,794	1,816	129	29,652	1,119	0
39	CUSTOMER	119	89	11	8	1	0	10	119	0	0
40	ENERGY	2,462	1,184	63	573	384	225	33	2,462	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 2.50 - ANALYSIS OF OTHER RATE BASE ITEMS
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
41	INJURIES & DAMAGES RESERVE PRODUCTION	(1,464)	(738)	(37)	(296)	(174)	(85)	(6)	(1,336)	(47)	(81)
42	RETAIL JURISDICTION DEMAND		(688)	(34)	(272)	(158)	(76)	(5)	(1,233)		
43	ENERGY		(50)	(3)	(24)	(16)	(9)	(1)	(103)		
44	TRANSMISSION	(120)	(65)	(3)	(26)	(15)	(6)	(1)	(116)	(4)	0
45	DISTRIBUTION	(603)	(397)	(33)	(91)	(30)	(14)	(37)	(602)	(1)	0
46	DEMAND	(321)	(189)	(10)	(74)	(29)	(14)	(4)	(320)	(1)	0
47	CUSTOMER	(282)	(208)	(23)	(17)	(1)	0	(33)	(282)	0	0
48	CUSTOMER ACCOUNTS	(366)	(318)	(25)	(15)	0	0	(8)	(366)	0	0
49	CUSTOMER ASSISTANCE	(397)	(263)	(60)	(58)	(11)	(5)	0	(397)	0	0
50	CUSTOMER	(397)	(263)	(60)	(58)	(11)	(5)	0	(397)	0	0
51	ENERGY	0	0	0	0	0	0	0	0	0	0
52	TOTAL INJ. & DAM. RES.	(2,950)	(1,781)	(158)	(486)	(230)	(110)	(52)	(2,817)	(52)	(81)
53	DEMAND	(1,802)	(942)	(47)	(372)	(202)	(96)	(10)	(1,669)	(52)	(81)
54	CUSTOMER	(1,045)	(789)	(108)	(90)	(12)	(5)	(41)	(1,045)	0	0
55	ENERGY	(103)	(50)	(3)	(24)	(16)	(9)	(1)	(103)	0	0
56	UNAMORT. PLANT ACQ. ADJ. PRODUCTION	2,349	0	0	0	0	0	0	0	0	2,349
57	RETAIL JURISDICTION DEMAND		0	0	0	0	0	0	0		
58	ENERGY		0	0	0	0	0	0	0		
59	TRANSMISSION	65	0	0	0	0	0	0	0	0	65
60	DISTRIBUTION	0	0	0	0	0	0	0	0	0	0
61	DEMAND	0	0	0	0	0	0	0	0	0	0
62	CUSTOMER	0	0	0	0	0	0	0	0	0	0
63	TOTAL UNAMORT PLNT ACQ. ADJ.	2,414	0	0	0	0	0	0	0	0	2,414
64	DEMAND	2,414	0	0	0	0	0	0	0	0	2,414
65	CUSTOMER	0	0	0	0	0	0	0	0	0	0
66	ENERGY	0	0	0	0	0	0	0	0	0	0
67	CUSTOMER ADVANCES FOR CONST.	0	0	0	0	0	0	0	0	0	0
68	TOTAL OTHER ADDITIONS	101,718	50,904	2,597	19,369	10,905	5,304	1,249	90,328	2,772	8,618
69	DEMAND	93,586	46,183	2,263	18,207	10,224	4,907	412	82,196	2,772	8,618
70	CUSTOMER	3,763	2,822	223	145	(1)	(4)	778	3,763	0	0
71	ENERGY	4,369	2,099	111	1,017	682	401	59	4,369	0	0

**GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OTHER RATE BASE ITEMS**

<u>Line No.</u>	<u>Fnt Label</u>	<u>Description</u>
1	(A)	Functional totals provided by Gulf Power Company. Allocated per corresponding Gross Plant excluding UPS. UPS directly assigned.
2	(B)	Functional totals provided by Gulf Power Company. Allocated per corresponding Gross Plant.
3	(B)	
4	(B)	
5	(B)	
6	(B)	
7	(B)	
8	(C)	Allocated per corresponding Operations and Maintenance expense.
9	(C)	
10	(C)	
11	(C)	
16	(A)	
17	(B)	
18	(B)	
19	(B)	
20	(B)	
21	(B)	
22	(B)	
27	(B)	
28	(B)	
29	(B)	
30	(B)	
31	(B)	
33	(B)	
34	(B)	
35	(B)	
41	(D)	Allocated per Total Salaries and Wages, including UPS Production Salaries and Wages of \$2,249.
42	(E)	Allocated per corresponding Salaries and Wages.
43	(E)	
44	(D)	
45	(E)	
46	(E)	
47	(E)	
48	(E)	
49	(E)	
50	(E)	
51	(E)	
56	(A)	
57	(B)	
58	(B)	
59	(A)	
60	(B)	
61	(B)	
62	(B)	
67	(F)	Specific Assignment.

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 3.00 - ANALYSIS OF REVENUES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
REVENUE FROM SALES											
1	BASE RATE REV. FROM SALES	464,147	265,037	19,761	90,940	44,157	18,496	12,837	451,228	12,919	0
2	FUEL, ECCR, PPCC, ECRC REVENUES	0	0	0	0	0	0	0	0	0	0
3	NET REVENUE EXCLUDING FUEL	464,147	265,037	19,761	90,940	44,157	18,496	12,837	451,228	12,919	0
OTHER OPERATING REVENUES											
451-MISC. SERVICE REVENUES											
4	RESTORATION FEE	1,676	1,609	50	17	0	0	0	1,676	0	0
5	AFTER HOURS FEE	85	84	1	0	0	0	0	85	0	0
6	INACCURATE METER FEE	31	28	2	1	0	0	0	31	0	0
7	RECONNECTION FEE	2,832	2,719	85	28	0	0	0	2,832	0	0
8	FRANCHISE FEES	39,238	23,505	1,670	7,687	3,732	1,560	1,084	39,238	0	0
9	INSTALL. & REM.-TEMP SERV	90	0	90	0	0	0	0	90	0	0
10	CONNECTION FEES	133	106	24	3	0	0	0	133	0	0
11	COLLECTION CHARGES	192	135	27	30	0	0	0	192	0	0
12	INVESTIGATIVE CHARGES	46	44	2	0	0	0	0	46	0	0
13	RETURN CHECK CHARGE	356	334	11	11	0	0	0	356	0	0
14	TOTAL ACCOUNT 451	44,679	28,564	1,982	7,777	3,732	1,560	1,084	44,679	0	0
454-RENT FROM ELEC. PROP.											
15	EQUIPMENT RENTAL	1,831	1,153	60	447	138	4	29	1,831	0	0
16	METER TREATER RENTAL	286	276	8	2	0	0	0	286	0	0
17	POLE ATTACHMENT RENTAL	2,523	1,949	137	268	79	38	52	2,523	0	0
18	MICROWAVE TRANSPORT	715	445	39	121	57	27	13	702	13	0
19	RENT FROM PLANT DANIEL	20	11	1	4	2	1	0	19	1	0
20	MISCELLANEOUS RENTS	452	281	25	77	36	17	8	444	8	0
21	TOTAL ACCOUNT 454	5,827	4,115	270	919	312	87	102	5,805	22	0
22	455-INTERDEPART. RENTAL	0	0	0	0	0	0	0	0	0	0
23	456-OTHER ELECTRIC REVENUES	6,890	3,717	182	1,468	853	408	29	6,657	233	0
24	456-GULF POWER ENERGY SERVICES REVENUES	8,938	0	0	0	8,938	0	0	8,938	0	0
25	456 - FPU SERVICE PAYMENTS	3,820	0	0	0	0	0	0	0	3,820	0
26	456 - BLOUNTSTOWN SERVICE PAYMENTS	301	0	0	0	0	0	0	0	301	0
27	TOTAL ACCOUNT 456	19,949	3,717	182	1,468	9,791	408	29	15,595	4,354	0
28	REV. NONASSOC. CO.-DEMAND	52,341	0	0	0	0	0	0	0	0	52,341
29	REV. NONASSOC. CO.-ENERGY	10,683	1,568	83	760	509	300	45	3,265	107	7,311
30	TOTAL REV. NONASSOC. CO.	63,024	1,568	83	760	509	300	45	3,265	107	59,652
31	TOTAL OTHER OPER. REVENUE	133,479	37,964	2,497	10,924	14,344	2,355	1,260	69,344	4,483	59,652

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 3.00 - ANALYSIS OF REVENUES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
ADJUSTMENTS TO REVENUES											
32	FRANCHISE FEE REVENUES	(39,238)	(23,505)	(1,670)	(7,687)	(3,732)	(1,560)	(1,084)	(39,238)	(0)	0
33	AMI REVENUE ADJUSTMENT	575	398	26	151	0	0	0	575	0	0
34	NET ADJUSTMENT TO REVENUES	(38,663)	(23,107)	(1,644)	(7,536)	(3,732)	(1,560)	(1,084)	(38,663)	(0)	0
35	TOTAL ADJUSTED REVENUES	558,963	279,894	20,614	94,328	54,769	19,291	13,013	481,909	17,402	59,652

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF REVENUES

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	Provided by Gulf Power Company.
2	(B)	Allocated per Retail MWH Sales.
4	(A)	
5	(A)	
6	(A)	
7	(A)	
8	(C)	Allocated per retail revenue from sales.
9	(A)	
10	(A)	
11	(A)	
12	(A)	
13	(A)	
15	(D)	Allocated per Level 5 Demand Allocator
16	(A)	
17	(E)	Allocated per Distribution Gross Plant in Account 364.
18	(F)	Allocated per Total Salaries and Wages.
19	(G)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
20	(F)	
22	(F)	
23	(G)	
24	(H)	Provided by Gulf Power Company and assigned to Rate Class LP/LPT.
25	(I)	Assigned to FPU.
28	(G)	
29	(J)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
32	(C)	
33	(A)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
PRODUCTION O & M EXPENSES											
STEAM POWER GENERATION											
OPERATIONS											
1	500-SUPERVISION	10,997	5,790	283	2,285	1,328	636	45	10,367	362	268
2	501-ENERGY RELATED	448,059	191,366	10,118	92,717	62,127	36,462	5,434	398,224	13,091	36,744
3	501-FUEL REMOVAL	(440,918)	(188,147)	(9,948)	(91,157)	(61,082)	(35,848)	(5,343)	(391,525)	(12,871)	(36,522)
4	501-NET	7,141	3,219	170	1,560	1,045	614	91	6,899	220	222
502-STEAM											
5	DEMAND RELATED	1,190	534	26	211	122	59	4	956	33	201
6	ENERGY RELATED	5,339	1,889	100	916	613	360	54	3,932	129	1,278
7	TOTAL ACCOUNT 502	6,529	2,424	126	1,127	735	419	58	4,889	162	1,478
505-ELECTRIC EXPENSES											
8	DEMAND RELATED	3,724	1,955	95	771	448	215	15	3,499	123	102
9	ENERGY RELATED	1,006	465	24	224	150	88	13	964	31	11
10	TOTAL ACCOUNT 505	4,730	2,420	119	995	598	303	28	4,463	154	113
506-MISCELLANEOUS											
11	DEMAND RELATED	16,137	8,098	395	3,196	1,857	889	62	14,497	507	1,133
12	ENERGY RELATED	0	0	0	0	0	0	0	0	0	0
13	TOTAL ACCOUNT 506	16,137	8,098	395	3,196	1,857	889	62	14,497	507	1,133
14	507-RENTS	0	0	0	0	0	0	0	0	0	0
15	509-ALLOWANCES	0	0	0	0	0	0	0	0	0	0
16	TOTAL STEAM OPERATIONS	45,534	21,951	1,093	9,163	5,563	2,861	284	40,915	1,405	3,214
MAINTENANCE											
17	510-SUPERVISION	9,369	4,751	232	1,875	1,089	521	37	8,505	298	566
18	511-STRUCTURES	5,117	2,544	124	1,004	583	279	20	4,554	159	404
512-BOILER PLANT											
19	DEMAND RELATED	4,501	2,133	104	842	489	234	16	3,818	134	549
20	ENERGY RELATED	26,748	10,449	553	5,063	3,393	1,991	297	21,746	715	4,287
21	TOTAL ACCOUNT 512	31,249	12,582	657	5,905	3,882	2,225	313	25,564	849	4,836
513-ELECTRIC PLANT											
22	DEMAND RELATED	1,844	950	46	374	217	104	7	1,698	59	87
23	ENERGY RELATED	13,249	5,772	305	2,796	1,874	1,100	164	12,011	394	844
24	TOTAL ACCOUNT 513	15,093	6,722	351	3,170	2,091	1,204	171	13,709	453	931

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
	514-MISCELLANEOUS										
25	DEMAND RELATED	2,341	1,165	57	461	268	128	9	2,088	74	179
26	ENERGY RELATED	0	0	0	0	0	0	0	0	0	0
27	TOTAL ACCOUNT 514	2,341	1,165	57	461	268	128	9	2,088	74	179
28	TOTAL MAINTENANCE	63,169	27,765	1,421	12,415	7,913	4,357	550	54,421	1,833	6,915
29	TOTAL STEAM POWER GENERATION	108,703	49,716	2,514	21,578	13,476	7,218	834	95,336	3,238	10,129
	OTHER POWER GENERATION										
	OPERATION										
30	546-SUPERVISION	412	222	11	88	51	25	2	399	13	0
31	547-ENERGY RELATED	593	275	15	134	90	52	8	574	19	0
32	547-FUEL	160,161	74,515	3,940	36,103	24,192	14,198	2,116	155,064	5,097	0
33	547-FUEL REMOVAL	(160,161)	(74,515)	(3,940)	(36,103)	(24,192)	(14,198)	(2,116)	(155,064)	(5,097)	0
34	547-NET FUEL	0	0	0	0	0	0	0	0	0	0
	548-GENERATION EXPENSES										
35	DEMAND	696	376	18	148	86	42	3	673	23	0
36	ENERGY	0	0	0	0	0	0	0	0	0	0
37	TOTAL ACCOUNT 548	696	376	18	148	86	42	3	673	23	0
	549-MISCELLANEOUS PLANT										
38	DEMAND	793	428	21	169	98	47	3	766	27	0
39	ENERGY	0	0	0	0	0	0	0	0	0	0
40	TOTAL ACCOUNT 549	793	428	21	169	98	47	3	766	27	0
41	TOTAL OPERATION	2,494	1,301	65	539	325	166	16	2,412	82	0
	MAINTENANCE										
42	551-SUPERVISION	774	418	20	165	96	46	3	748	26	0
	552-STRUCTURES										
43	DEMAND	3	2	0	1	0	0	0	3	0	0
44	ENERGY	0	0	0	0	0	0	0	0	0	0
45	TOTAL ACCOUNT 552	3	2	0	1	0	0	0	3	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
553-ELECTRIC PLANT											
46	DEMAND	524	282	14	112	65	31	2	506	18	0
47	ENERGY	3,597	1,674	88	811	543	318	48	3,482	115	0
48	TOTAL ACCOUNT 553	4,121	1,956	102	923	608	349	50	3,988	133	0
554-MISCELLANEOUS PLANT											
49	DEMAND	409	220	11	87	51	25	2	396	13	0
50	ENERGY	0	0	0	0	0	0	0	0	0	0
51	TOTAL ACCOUNT 554	409	220	11	87	51	25	2	396	13	0
52	TOTAL MAINTENANCE	5,307	2,596	133	1,176	755	420	55	5,135	172	0
53	TOTAL OTHER GEN. EXPENSE	7,801	3,897	198	1,715	1,080	586	71	7,547	254	0
54	TOTAL GENERATION EXPENSES	116,504	53,613	2,712	23,293	14,556	7,804	905	102,883	3,492	10,129
55	DEMAND	58,831	29,869	1,457	11,789	6,848	3,281	230	53,474	1,869	3,488
56	ENERGY	57,673	23,744	1,255	11,504	7,708	4,523	675	49,409	1,623	6,641
OTHER PRODUCTION EXPENSE											

555-PURCHASED POWER											
57	DEMAND	77,246	32,127	1,699	15,566	10,430	6,121	912	66,855	2,198	8,193
58	ENERGY	0	0	0	0	0	0	0	0	0	0
59	FUEL REMOVAL	77,246	32,127	1,699	15,566	10,430	6,121	912	66,855	2,198	8,193
60	NET ENERGY	(77,246)	(32,127)	(1,699)	(15,566)	(10,430)	(6,121)	(912)	(66,855)	(2,198)	(8,193)
61	NET TOTAL ACCOUNT 555	0	0	0	0	0	0	0	0	0	0
556-SYSTEM CONTROL											
63	DEMAND	2,019	1,091	53	430	250	119	8	1,951	68	0
64	ENERGY	0	0	0	0	0	0	0	0	0	0
65	TOTAL ACCOUNT 556	2,019	1,091	53	430	250	119	8	1,951	68	0
557-OTHER EXPENSES											
66	DEMAND	2,494	1,345	66	531	309	148	10	2,409	85	0
67	ENERGY	0	0	0	0	0	0	0	0	0	0
68	TOTAL ACCOUNT 557	2,494	1,345	66	531	309	148	10	2,409	85	0
69	TOTAL OTHER PROD. EXPENSE	4,513	2,436	119	961	559	267	18	4,360	153	0
70	DEMAND	4,513	2,436	119	961	559	267	18	4,360	153	0
71	ENERGY	0	0	0	0	0	0	0	0	0	0
72	TOTAL PRODUCTION EXPENSES	121,017	56,049	2,831	24,254	15,115	8,071	923	107,243	3,645	10,129
73	DEMAND	63,344	32,305	1,576	12,750	7,407	3,548	248	57,834	2,022	3,488
74	ENERGY	57,673	23,744	1,255	11,504	7,708	4,523	675	49,409	1,623	6,641

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
TRANSMISSION O & M EXPENSE											
OPERATION											
75	561-LOAD DISPATCHING	3,545	1,913	93	755	439	211	15	3,426	119	0
76	562-STATION	238	130	6	51	29	14	1	231	7	0
77	563-OVERHEAD LINES	297	158	8	63	36	18	1	284	10	3
78	564-UNDERGROUND LINES	0	0	0	0	0	0	0	0	0	0
79	565-TRANS. OF ELEC. BY OTHERS	0	0	0	0	0	0	0	0	0	0
80	SUBTOTAL	4,080	2,201	107	869	504	243	17	3,941	136	3
81	560-SUPERVISION	1,170	631	31	249	145	70	5	1,131	39	0
82	566-MISCELLANEOUS	814	440	21	174	101	48	3	787	27	0
83	567-RENTS	164	88	4	35	20	10	1	158	6	0
84	TOTAL OPERATIONS	6,228	3,360	163	1,327	770	371	26	6,017	208	3
MAINTENANCE											
85	569-STRUCTURES	706	381	19	150	87	43	3	683	23	0
86	570-STATION EQUIPMENT	900	491	24	195	108	52	4	874	26	0
87	571-OVERHEAD LINES	2,575	1,390	68	548	319	152	11	2,488	87	0
88	SUBTOTAL	4,181	2,262	111	893	514	247	18	4,045	136	0
89	568-SUPERVISION	1,058	571	28	226	130	63	5	1,023	35	0
90	573-MISCELLANEOUS	145	78	4	31	18	9	1	141	4	0
91	TOTAL MAINTENANCE	5,384	2,911	143	1,150	662	319	24	5,209	175	0
92	TOTAL TRANSMISSION EXPENSE	11,612	6,271	306	2,477	1,432	690	50	11,226	383	3
DISTRIBUTION O & M EXPENSE											
OPERATIONS											
93	581-LOAD DISPATCHING	819	484	24	191	78	38	4	819	0	0
94	582-STATION	455	245	12	97	51	37	2	444	11	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
583-OVERHEAD LINES											
95	DEMAND	2,124	1,294	67	503	175	53	32	2,124	0	0
96	CUSTOMER	566	492	38	22	0	0	14	566	0	0
97	TOTAL ACCOUNT 583	2,690	1,786	105	525	175	53	46	2,690	0	0
584-UNDERGROUND LINES											
98	DEMAND	712	435	22	169	58	17	11	712	0	0
99	CUSTOMER	158	136	11	6	1	0	4	158	0	0
100	TOTAL ACCOUNT 584	870	571	33	175	59	17	15	870	0	0
101	585-STREET LIGHTING	595	0	0	0	0	0	595	595	0	0
102	586-METER	2,516	1,741	371	353	28	2	21	2,516	0	0
103	586-OTHER MISC. REVS.	1,191	1,138	41	12	0	0	0	1,191	0	0
104	TOTAL ACCOUNT 586	3,707	2,879	412	365	28	2	21	3,707	0	0
105	587-CUSTOMER INSTAL.	704	627	48	29	0	0	0	704	0	0
106	587-OTHER MISC. REVS.	29	28	1	0	0	0	0	29	0	0
107	TOTAL ACCOUNT 587	733	655	49	29	0	0	0	733	0	0
108	SUBTOTAL	9,869	6,620	635	1,382	391	147	683	9,868	11	0
109	DEMAND	4,110	2,458	125	960	362	145	49	4,099	11	0
110	CUSTOMER	5,759	4,162	510	422	29	2	634	5,759	0	0
580-SUPERVISION											
111	DEMAND	2,567	1,534	78	600	226	91	31	2,560	7	0
112	CUSTOMER	3,598	2,600	319	264	18	1	396	3,598	0	0
113	TOTAL ACCOUNT 580	6,165	4,134	397	864	244	92	427	6,158	7	0
588-MISCELLANEOUS											
114	DEMAND	1,998	1,194	61	467	176	71	24	1,993	5	0
115	CUSTOMER	2,800	2,024	248	205	14	1	308	2,800	0	0
116	TOTAL ACCOUNT 588	4,798	3,218	309	672	190	72	332	4,793	5	0
589-RENTS											
117	DEMAND	9	6	0	2	1	0	0	9	0	0
118	CUSTOMER	13	10	1	1	0	0	1	13	0	0
119	TOTAL ACCOUNT 589	22	16	1	3	1	0	1	22	0	0
120	TOTAL OPERATION	20,854	13,988	1,342	2,921	826	311	1,443	20,831	23	0
MAINTENANCE											
121	591-STRUCTURES	138	74	4	29	16	11	1	135	3	0
122	592-STATION EQUIPMENT	1,083	585	29	231	120	88	5	1,058	25	0

GULF POWER COMPANY
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 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
123	593-OVHD LINES - MISC REVS	74	0	74	0	0	0	0	74	0	0
	593-OVERHEAD LINES										
124	DEMAND	7,313	4,332	224	1,687	645	317	108	7,313	0	0
125	CUSTOMER	4,785	4,160	320	190	3	0	112	4,785	0	0
126	SUBTOTAL OVERHEAD LINES	12,098	8,492	544	1,877	648	317	220	12,098	0	0
127	TOTAL ACCOUNT 593	12,172	8,492	618	1,877	648	317	220	12,172	0	0
	594-UNDERGROUND LINES										
128	DEMAND	1,704	1,016	52	395	148	68	25	1,704	0	0
129	CUSTOMER	86	74	6	4	0	0	2	86	0	0
130	TOTAL ACCOUNT 594	1,790	1,090	58	399	148	68	27	1,790	0	0
	595-LINE TRANSFORMERS										
131	DEMAND	592	368	19	142	47	7	9	592	0	0
132	CUSTOMER	201	175	13	8	0	0	5	201	0	0
133	TOTAL ACCOUNT 595	793	543	32	150	47	7	14	793	0	0
134	596-STREET LIGHTING	598	0	0	0	0	0	598	598	0	0
135	597-METERS	134	92	20	19	2	0	1	134	0	0
136	SUBTOTAL	16,708	10,876	761	2,705	981	491	866	16,680	28	0
137	DEMAND	10,830	6,375	328	2,484	976	491	148	10,802	28	0
138	CUSTOMER	5,878	4,501	433	221	5	0	718	5,878	0	0
	590-SUPERVISION										
139	DEMAND	2,314	1,361	70	531	209	105	32	2,308	6	0
140	CUSTOMER	1,256	962	93	47	1	0	153	1,256	0	0
141	TOTAL ACCOUNT 590	3,570	2,323	163	578	210	105	185	3,564	6	0
	598-MISCELLANEOUS										
142	DEMAND	301	178	9	69	27	13	4	300	1	0
143	CUSTOMER	163	125	12	6	0	0	20	163	0	0
144	TOTAL ACCOUNT 598	464	303	21	75	27	13	24	463	1	0
145	TOTAL MAINTENANCE	20,742	13,502	945	3,358	1,218	609	1,075	20,707	35	0
146	TOTAL DISTRIBUTION EXPENSE	41,596	27,490	2,267	6,279	2,044	920	2,518	41,538	58	0
147	TOTAL DEMAND	22,129	13,106	671	5,113	1,977	916	288	22,071	58	0
148	TOTAL CUSTOMER	19,467	14,384	1,616	1,166	67	4	2,230	19,467	0	0
149	CUSTOMER ACCOUNTS EXPENSE	20,139	17,449	1,388	838	17	12	431	20,135	4	0

GULF POWER COMPANY
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 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	RETAIL SERVICE (10)	WHOLESALE (11)	POWER SALES (12)
CUSTOMER ASSISTANCE EXPENSE											
150	907/911-SUPERVISION	3,351	2,930	267	151	3	0	0	3,351	0	0
	908/912-CUSTOMER ASSISTANCE										
151	RESIDENTIAL	4,863	4,863	0	0	0	0	0	4,863	0	0
152	COMMERCIAL	2,387	0	1,522	852	13	0	0	2,387	0	0
153	TOTAL INDUSTRIAL	9,836	0	198	895	8,604	139	0	9,836	0	0
154	INDUSTRIAL - GULF POWER ENERGY SERVICES	8,282	0	0	0	8,282	0	0	8,282	0	0
155	NET INDUSTRIAL OF GULF POWER ENERGY SVS	1,554	0	198	895	322	139	0	1,554	0	0
156	STREET LIGHTING	0	0	0	0	0	0	0	0	0	0
157	TOTAL ACCOUNT 908/912	17,086	4,863	1,720	1,747	8,617	139	0	17,086	0	0
158	909/913-ADVERTISING	1,132	1,024	18	60	21	9	0	1,132	0	0
159	910-MISCELLANEOUS	77	68	6	3	0	0	0	77	0	0
160	ENERGY CONSERVATION	18,071	15,801	1,470	926	55	19	0	18,071	0	0
161	ECCR ADJUSTMENT	(18,071)	(15,801)	(1,470)	(926)	(55)	(19)	0	(18,071)	0	0
162	NET ENERGY COST CONSER.	0	0	0	0	0	0	0	0	0	0
163	TOTAL CUSTOMER ASSISTANCE	21,646	8,885	2,011	1,961	8,641	148	0	21,646	0	0

GULF POWER COMPANY
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 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	RETAIL SERVICE (10)	WHOLESALE (11)	POWER SALES (12)
ADMIN. & GENERAL EXPENSE											

	924-PROPERTY INSURANCE										
164	PRODUCTION	4,033	2,032	100	815	479	235	19	3,680	136	217
	RETAIL JURISDICTION										
165	DEMAND		1,896	93	749	435	209	15	3,397		
166	ENERGY		136	7	66	44	26	4	283		
167	TRANSMISSION	1,666	904	44	357	204	97	7	1,613	53	0
168	DISTRIBUTION	5,437	3,431	240	877	319	156	390	5,413	24	0
169	DEMAND	3,407	1,984	101	778	315	155	40	3,383	24	0
170	CUSTOMER	2,030	1,437	139	99	4	1	350	2,030	0	0
171	CUSTOMER ACCOUNTS	34	30	2	1	0	0	1	34	0	0
172	CUSTOMER ASSISTANCE	37	16	3	3	15	0	0	37	0	0
173	CUSTOMER	37	16	3	3	15	0	0	37	0	0
174	ENERGY	0	0	0	0	0	0	0	0	0	0
175	TOTAL ACCOUNT 924	11,207	6,413	389	2,053	1,017	488	417	10,777	213	217
176	DEMAND	8,823	4,794	238	1,884	954	461	62	8,393	213	217
177	CUSTOMER	2,101	1,483	144	103	19	1	351	2,101	0	0
178	ENERGY	283	136	7	66	44	26	4	283	0	0
	REG. COMM. EXP. & UNCOLL.										
179	STATE & FEDERAL	2,014	1,015	76	349	169	71	49	1,729	285	0
180	UNCOLLECTIBLE EXP.	4,143	2,434	181	835	405	170	118	4,143	0	0
181	TOTAL REG. COMM. & UNCOLL.	6,157	3,449	257	1,184	574	241	167	5,872	285	0
182	OTHER INDUSTRY DUES	656	312	17	152	104	62	9	656	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.10 - ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
183	MISC. A & G - OTHER REVS.	2	2	0	0	0	0	0	2	0	0
184	MISC. A & G - GULF POWER ENERGY SRVC OH	656	0	0	0	656	0	0	656	0	0
185	MISCELLANEOUS A & G	66,166	39,854	3,523	10,861	5,128	2,463	1,151	62,980	1,155	2,031
186	DEMAND	40,494	21,092	1,041	8,305	4,502	2,147	223	37,310	1,153	2,031
187	CUSTOMER	23,375	17,855	2,424	2,022	268	106	898	23,373	2	0
188	ENERGY	2,297	1,107	58	534	358	210	30	2,297	0	0
189	TOTAL MISCELLANEOUS A & G	66,824	39,856	3,523	10,861	5,784	2,463	1,151	63,638	1,155	2,031
190	DEMAND	40,494	21,092	1,041	8,305	4,502	2,147	223	37,310	1,153	2,031
191	CUSTOMER	24,033	17,667	2,424	2,022	924	106	898	24,031	2	0
192	ENERGY	2,297	1,107	58	534	358	210	30	2,297	0	0
193	TOTAL ADMIN. & GENERAL	84,844	50,030	4,186	14,250	7,479	3,254	1,744	80,943	1,653	2,248
194	TOTAL OPER. & MAINTENANCE	300,854	166,174	13,009	50,059	34,728	13,095	5,666	282,731	5,743	12,380
195	DEMAND	146,402	77,568	3,832	30,529	16,272	7,762	871	136,834	3,829	5,739
196	ENERGY	60,909	25,299	1,337	12,256	8,214	4,821	718	52,645	1,623	6,641
197	CUSTOMER	87,386	59,858	7,583	6,090	9,668	271	3,910	87,380	6	0
198	REVENUE	6,157	3,449	257	1,184	574	241	167	5,872	285	0

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	Allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per Level 1 Energy Allocator; UPS directly assigned.
3	(B)	
5	(A)	
6	(B)	
8	(A)	
9	(B)	
11	(A)	
12	(B)	
14	(C)	Allocated per Level 2 Demand Allocator; UPS directly assigned.
15	(B)	
17	(A)	
18	(A)	
19	(A)	
20	(B)	
22	(A)	
23	(B)	
25	(A)	
26	(B)	
30	(D)	Allocated per Level 1 Demand Allocator.
31	(E)	Allocated per Level 1 Energy Allocator.
32	(E)	
33	(E)	
35	(D)	
36	(E)	
38	(D)	
39	(E)	
42	(D)	
43	(D)	
44	(E)	
46	(D)	
47	(E)	
49	(D)	
50	(E)	
58	(A)	
59	(B)	
60	(B)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

<u>Line No.</u>	<u>Fnt Label</u>	<u>Description</u>
63	(F)	Allocated per sum of Generation Demand Expenses and Purchased Power Demand Expenses.
64	(E)	
66	(D)	
67	(E)	
75	(C)	
76	(G)	Allocated per Transmission Substations Gross Plant; UPS directly assigned.
77	(H)	Allocated per Transmission Lines Gross Plant; UPS directly assigned.
78	(I)	Allocated per Transmission Account 358 Gross Plant.
79	(D)	
81	(J)	Allocated per Subtotal of Transmission Operations O & M Expense; UPS directly assigned.
82	(J)	
83	(J)	
85	(K)	Allocated per sum of Transmission Accounts 352, 354, and 355 Gross Plant; UPS directly assigned.
86	(L)	Allocated per Transmission Account 353 Gross Plant; UPS directly assigned.
87	(H)	
89	(M)	Allocated per Subtotal of Transmission Maintenance O & M Expense; UPS directly assigned.
90	(M)	
93	(N)	Allocated per Level 3 Demand Allocator.
94	(O)	Allocated per Distribution Substations Gross Plant.
95	(P)	Allocated per corresponding Distribution Gross Plant Accounts 365 and 368.
96	(P)	
98	(Q)	Allocated per corresponding Distribution Gross Plant Accounts 367 and 368.
99	(Q)	
101	(R)	Allocated per Distribution Account 373 Gross Plant.
102	(S)	Allocated per Distribution Account 370 Gross Plant.
103	(T)	Per analysis of Information provided by Gulf Power Company.
105	(U)	Allocated per Distribution Account 369 Gross Plant.
106	(T)	
111	(V)	Allocated per corresponding Subtotal of Distribution Operations O & M.
112	(V)	
114	(V)	
115	(V)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

<u>Line No.</u>	<u>Fnt Label</u>	<u>Description</u>
117	(V)	
118	(V)	
121	(W)	Allocated per Distribution Account 361 Gross Plant.
122	(X)	Allocated per Distribution Account 362 Gross Plant.
123	(T)	
124	(Y)	Allocated per Common portion of Distribution Accounts 364 and 365.
125	(Z)	Allocated per Customer portion of Distribution Accounts 364 and 365.
128	(AA)	Allocated per Common portion of Distribution Accounts 366 and 367 Gross Plant.
129	(AB)	Allocated per Customer portion of Distribution Accounts 366 and 367 Gross Plant.
131	(AC)	Allocated per Distribution Account 368 Gross Plant.
132	(AC)	
134	(R)	
135	(S)	
139	(AD)	Allocated per corresponding Subtotal of Distribution Maintenance O & M.
140	(AD)	
142	(AD)	
143	(AD)	
149	(AE)	Direct assignment to rate provided by Gulf Power Company.
150	(AF)	Assigned to customer class. Allocated within class per Average Number of Customers by rate.
151	(AG)	Provided by Gulf Power to Class. Allocated to rate based on analysis of average number of customers within class.
152	(AG)	
153	(AG)	
154	(AH)	Provided by Gulf Power and assigned to Rate Class LP/LPT.
156	(AG)	
158	(AG)	
159	(AG)	
160	(AG)	
161	(AG)	

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF OPERATIONS AND MAINTENANCE EXPENSE

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
164	(AH)	Retail jurisdiction sum of corresponding demand and energy pieces; Total All Other allocated per Level 1 Demand Allocator; UPS directly assigned.
165	(D)	
166	(E)	
167	(AJ)	Allocated per Transmission Gross Plant; UPS directly assigned.
168	(AJ)	Allocated per corresponding Distribution Gross Plant.
169	(AJ)	
170	(AJ)	
171	(AK)	Allocated per Customer Accounts O & M Expense.
172	(AL)	Allocated per corresponding Customer Assistance O & M Expense.
173	(AL)	
174	(AL)	
179	(AM)	Provided by Gulf Power to jurisdiction. Allocated to rate per Retail Revenue from Sales and AMI Revenue Adjustment.
180	(AN)	Allocated per Retail Revenue from Sales and AMI Revenue Adjustment.
182	(AO)	Allocated per Retail MWH Sales.
183	(T)	
184	(AP)	A&G Overheads related to Gulf Power Energy Services. Assigned to Rate Class LP/LPT,
185	(AQ)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
186	(AQ)	
187	(AQ)	
188	(AQ)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.20 - ANALYSIS OF DEPRECIATION EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	TOTAL PRODUCTION	46,901	21,023	1,032	8,423	4,954	2,421	191	38,044	1,330	7,527
	RETAIL JURISDICTION										
2	DEMAND		19,616	958	7,742	4,498	2,153	151	35,118		
3	ENERGY		1,407	74	681	456	268	40	2,926		
	TRANSMISSION										
4	350-LAND AND LAND RIGHTS	216	117	6	46	27	11	1	208	8	0
5	352-STRUCTURES	268	156	8	62	35	17	1	279	9	0
6	353-STATION EQUIPMENT	3,318	1,785	87	704	390	186	14	3,166	92	60
7	354-TOWERS & FIXTURES	1,289	695	34	275	160	77	5	1,246	43	0
8	355-POLES & FIXTURES	2,550	1,375	67	543	316	152	11	2,464	86	0
9	356-OVERHEAD COND.	2,098	1,131	55	447	260	125	9	2,027	71	0
10	358-UNDERGROUND COND.	444	238	12	95	55	27	2	429	15	0
11	359-ROADS AND TRAILS	2	2	0	0	0	0	0	2	0	0
12	TOTAL TRANSMISSION	10,205	5,499	269	2,172	1,243	595	43	9,821	324	60
	DISTRIBUTION										
13	360-SUBSTATION LAND	8	5	0	2	1	0	0	8	0	0
14	361-STRUCTURES	688	370	18	146	81	53	3	671	17	0
15	362-STATION EQUIPMENT	6,161	3,333	163	1,316	682	501	26	6,021	140	0
	364-POLES & FIXTURES										
16	COMMON	1,643	973	50	379	145	72	24	1,643	0	0
17	CUSTOMER	3,077	2,673	206	123	2	0	73	3,077	0	0
18	TOTAL ACCOUNT 364	4,720	3,646	256	502	147	72	97	4,720	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.20 - ANALYSIS OF DEPRECIATION EXPENSE
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
365-OVERHEAD COND.											
19	DEMAND	3,988	2,363	122	920	352	172	59	3,988	0	0
20	CUSTOMER	606	528	40	24	0	0	14	606	0	0
21	TOTAL ACCOUNT 365	4,594	2,891	162	944	352	172	73	4,594	0	0
366-UNDG. CONDUIT											
22	COMMON	44	27	1	10	4	1	1	44	0	0
23	CUSTOMER	2	2	0	0	0	0	0	2	0	0
24	TOTAL ACCOUNT 366	46	29	1	10	4	1	1	46	0	0
367-UNDERGROUND COND. & DEV.											
25	COMMON	4,243	2,528	131	984	369	168	63	4,243	0	0
26	CUSTOMER	214	185	14	9	1	0	5	214	0	0
27	TOTAL ACCOUNT 367	4,457	2,713	145	993	370	168	68	4,457	0	0
368-LINE TRANSFORMERS											
28	COMMON	6,186	3,834	198	1,489	487	82	96	6,186	0	0
29	CUSTOMER	2,106	1,832	141	83	1	0	49	2,106	0	0
30	TOTAL ACCOUNT 368	8,292	5,666	339	1,572	488	82	145	8,292	0	0
31	369-SERVICES	3,505	3,120	240	143	2	0	0	3,505	0	0
32	370-METERS	4,624	3,199	683	648	52	4	38	4,624	0	0
33	373-STREET LIGHTING	2,213	0	0	0	0	0	2,213	2,213	0	0
34	TOTAL DISTRIBUTION	39,308	24,972	2,007	6,276	2,179	1,053	2,664	39,151	157	0
35	DEMAND	22,961	13,433	683	5,246	2,121	1,049	272	22,804	157	0
36	CUSTOMER	16,347	11,539	1,324	1,030	58	4	2,392	16,347	0	0
37	GENERAL PLANT	8,328	5,166	457	1,407	665	320	149	8,164	150	17
38	DEMAND	5,001	2,734	135	1,076	584	279	29	4,837	150	17
39	CUSTOMER	3,029	2,269	314	262	35	14	116	3,030	0	0
40	ENERGY	298	143	8	69	46	27	4	297	0	0
41	TOTAL DEPR. EXPENSE	104,745	56,660	3,765	18,278	9,041	4,389	3,047	95,180	1,961	7,604
42	DEMAND	82,145	41,282	2,045	16,236	8,446	4,076	495	72,580	1,961	7,604
43	CUSTOMER	19,377	13,828	1,638	1,292	93	18	2,508	19,377	0	0
44	ENERGY	3,223	1,550	82	750	502	295	44	3,223	0	0

**GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF DEPRECIATION EXPENSE**

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per corresponding Level 1 Demand Allocator.
3	(C)	Allocated per corresponding Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Account 350 Gross Plant (Lines portion only); UPS directly assigned.
5	(E)	Allocated per corresponding Transmission Gross Plant; UPS directly assigned.
6	(E)	
7	(E)	
8	(E)	
9	(E)	
10	(E)	
11	(E)	
13	(F)	Allocated per corresponding Distribution Gross Plant.
14	(F)	
15	(F)	
16	(F)	
17	(F)	
19	(F)	
20	(F)	
22	(F)	
23	(F)	
25	(F)	
26	(F)	
28	(F)	
29	(F)	
31	(F)	
32	(F)	
33	(F)	
37	(G)	Allocated per corresponding Gross General Plant; UPS directly assigned.
38	(G)	
39	(G)	
40	(G)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.30 - ANALYSIS OF TAXES OTHER THAN INCOME TAXES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LPLPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
REAL & PERSONAL PROPERTY											
1	PRODUCTION RETAIL JURISDICTION	16,040	7,779	382	3,116	1,833	896	71	14,077	493	1,470
2	DEMAND		7,259	354	2,864	1,664	797	56	12,994		
3	ENERGY		520	28	252	169	99	15	1,083		
4	TRANSMISSION	2,015	1,086	53	429	245	117	8	1,938	64	12
5	DISTRIBUTION	5,678	3,584	251	915	333	162	408	5,653	25	0
6	DEMAND	3,558	2,083	106	813	329	162	42	3,535	25	0
7	CUSTOMER	2,118	1,501	145	102	4	0	366	2,118	0	0
8	CUSTOMER ACCOUNTS	102	88	7	4	0	0	2	101	0	0
9	CUSTOMER ASSISTANCE	111	45	10	10	44	1	0	110	0	0
10	CUSTOMER	110	45	10	10	44	1	0	110	0	0
11	ENERGY	0	0	0	0	0	0	0	0	0	0
12	TOTAL ELECTRIC PROP. TAXES	23,943	12,582	703	4,474	2,455	1,176	489	21,879	582	1,482
13	DEMAND	20,531	10,428	513	4,106	2,238	1,076	106	18,467	582	1,482
14	CUSTOMER	2,329	1,634	162	116	48	1	368	2,329	0	0
15	ENERGY	1,083	520	28	252	169	99	15	1,083	0	0
PAYROLL TAXES											
16	PRODUCTION RETAIL JURISDICTION	3,114	1,564	77	627	369	180	14	2,831	99	184
17	DEMAND		1,460	71	576	335	160	11	2,613		
18	ENERGY		104	6	51	34	20	3	218		
19	TRANSMISSION	271	145	7	58	33	16	1	260	9	1
20	DISTRIBUTION	1,357	897	75	205	67	30	82	1,356	2	0
21	DEMAND	722	428	22	167	65	30	9	721	2	0
22	CUSTOMER	635	469	53	38	2	0	73	635	0	0
23	CUSTOMER ACCOUNTS	825	715	57	34	1	0	18	825	0	0
24	CUSTOMER ASSISTANCE	1,199	860	159	145	24	9	0	1,197	0	0
25	CUSTOMER	895	594	135	131	24	9	0	893	0	0
26	ENERGY	304	266	24	14	0	0	0	304	0	0
27	SUBTOTAL ELEC. PAYROLL TAXES	6,764	4,181	375	1,069	494	235	115	6,469	110	185
28	DEMAND	3,889	2,033	100	801	433	206	21	3,594	110	185
29	CUSTOMER	2,353	1,778	245	203	27	9	91	2,353	0	0
30	ENERGY	522	370	30	65	34	20	3	522	0	0
31	ECCR PAYROLL ADJUSTMENT	(306)	(267)	(24)	(15)	0	0	0	(306)	0	0
32	NET ELEC. PAYROLL TAXES	6,458	3,914	351	1,054	494	235	115	6,163	110	185
33	DEMAND	3,889	2,033	100	801	433	206	21	3,594	110	185
34	CUSTOMER	2,353	1,778	245	203	27	9	91	2,353	0	0
35	ENERGY	216	103	6	50	34	20	3	216	0	0

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 4.30 - ANALYSIS OF TAXES OTHER THAN INCOME TAXES
 (\$000'S)

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
REVENUE TAXES											
36	GROSS RECEIPTS TAX	0	0	0	0	0	0	0	0	0	0
37	FLA REG. COMM. ASSESSMENT	383	225	17	77	37	16	11	383	0	0
38	FUEL & ECCR REL. REV TAXES	0	0	0	0	0	0	0	0	0	0
39	FRANCHISE FEE REV. ADJ.	0	0	0	0	0	0	0	0	0	0
40	TOTAL REVENUE TAXES	383	225	17	77	37	16	11	383	0	0
OTHER TAXES											
41	MISS. STATE FRAN. TAX	247	132	7	53	31	15	1	239	8	0
42	FRANCHISE FEE	0	0	0	0	0	0	0	0	0	0
43	MISCELLANEOUS TAXES	101	63	6	17	8	3	2	99	2	0
44	DEMAND	61	34	2	13	7	3	0	59	2	0
45	CUSTOMER	36	27	4	3	0	0	2	36	0	0
46	ENERGY	4	2	0	1	1	0	0	4	0	0
47	TOTAL OTHER TAXES	348	195	13	70	39	18	3	338	10	0
48	FRANCHISE FEE ADJUSTMENT	0	0	0	0	0	0	0	0	0	0
49	TOTAL TAXES OTHER THAN INC.	31,132	16,916	1,084	5,675	3,025	1,445	618	28,763	702	1,667
50	DEMAND	24,728	12,627	622	4,973	2,709	1,300	128	22,359	702	1,667
51	CUSTOMER	4,718	3,439	411	322	75	10	461	4,718	0	0
52	ENERGY	1,303	625	34	303	204	119	18	1,303	0	0
53	REVENUE RELATED	383	225	17	77	37	16	11	383	0	0

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF TAXES OTHER THAN INCOME TAXES

<u>Line No.</u>	<u>Fint Label</u>	<u>Description</u>
1	(A)	Retail jurisdiction sum of Lines 2 and 3; Wholesale allocated per Level 1 Demand Allocator; UPS directly assigned.
2	(B)	Allocated per Level 1 Demand Allocator.
3	(C)	Allocated per Level 1 Energy Allocator.
4	(D)	Allocated per Transmission Gross Plant; UPS directly assigned.
5	(E)	Allocated per corresponding Distribution Gross Plant.
6	(E)	
7	(E)	
8	(F)	Allocated per corresponding Operations and Maintenance Expense.
9	(F)	
10	(F)	
11	(F)	
16	(G)	Allocated per corresponding Salaries and Wages; UPS directly assigned.
17	(H)	Allocated per corresponding Salaries and Wages.
18	(H)	
19	(G)	
20	(H)	
21	(H)	
22	(H)	
23	(H)	
25	(H)	
26	(I)	Provided by Gulf Power to Class. Allocated to rate per average number of customers within class.
31	(I)	
36	(J)	Allocated per Retail Revenue from Sales and AMI Revenue Adjustment.
37	(J)	
38	(K)	Allocated per Retail MWH Sales.
39	(J)	
41	(B)	
42	(J)	
43	(H)	
44	(H)	
45	(H)	
46	(H)	
48	(J)	

GULF POWER COMPANY
 12 MONTHS ENDING DECEMBER 31, 2012
 12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
 SCHEDULE 5.0 - LINE ALLOCATORS AND PERCENTAGES

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
1	ENERGY - LEVEL 1	12,911,260	6,007,017	317,604	2,910,398	1,950,187	1,144,530	170,580	12,500,316	410,944	0
2	%	1.0000000	0.4652541	0.0245990	0.2254155	0.1510455	0.0686459	0.0132117	0.9681716	0.0318284	0.0000000
3	MWH SALES	12,173,165	5,611,580	296,697	2,719,213	1,866,508	1,114,916	159,351	11,768,265	404,900	0
4	%	1.0000000	0.4609795	0.0243731	0.2233777	0.1533296	0.0915880	0.0130904	0.9667383	0.0332617	0.0000000
CP DEMAND											
5	LEVELS 1 & 2	2,292,500	1,237,263	60,419	488,296	283,714	135,830	9,519	2,215,041	77,459	0
6	%	1.0000000	0.5397003	0.0263551	0.2129972	0.1237576	0.0592497	0.0041522	0.9662120	0.0337880	0.0000000
7	LEVEL 3	2,054,711	1,215,086	59,336	479,543	195,033	96,365	9,348	2,054,711	0	0
8	%	1.0000000	0.5913659	0.0288780	0.2333871	0.0949198	0.0468995	0.0045495	1.0000000	0.0000000	0.0000000
NCP DEMAND											
9	LEVEL 4	2,653,721	1,544,148	79,745	602,400	243,729	145,110	38,589	2,653,721	0	0
10	%	1.0000000	0.5818803	0.0300503	0.2270019	0.0918442	0.0546817	0.0145415	1.0000000	0.0000000	0.0000000
11	LEVEL 5	2,360,537	1,487,406	76,807	576,587	177,429	5,137	37,171	2,360,537	0	0
12	%	1.0000000	0.6301134	0.0325379	0.2442609	0.0751648	0.0021762	0.0157468	1.0000000	0.0000000	0.0000000
AVERAGE NO. OF CUSTOMERS											
13	LEVEL 4 and BELOW	436,534	379,435	29,154	17,381	306	19	10,239	436,534	0	0
14	%	1.0000000	0.8691992	0.0667852	0.0398159	0.0007011	0.0000435	0.0234552	1.0000000	0.0000000	0.0000000
15	LEVEL 5	436,465	379,435	29,152	17,357	280	2	10,239	436,465	0	0
16	%	1.0000000	0.8693366	0.0667912	0.0397672	0.0006416	0.0000046	0.0234589	1.0000000	0.0000000	0.0000000
17	TOTAL	436,565	379,435	29,154	17,384	320	31	10,239	436,563	2	0
18	%	1.0000000	0.8691375	0.0667804	0.0398200	0.0007331	0.0000710	0.0234536	0.9999954	0.0000046	0.0000000

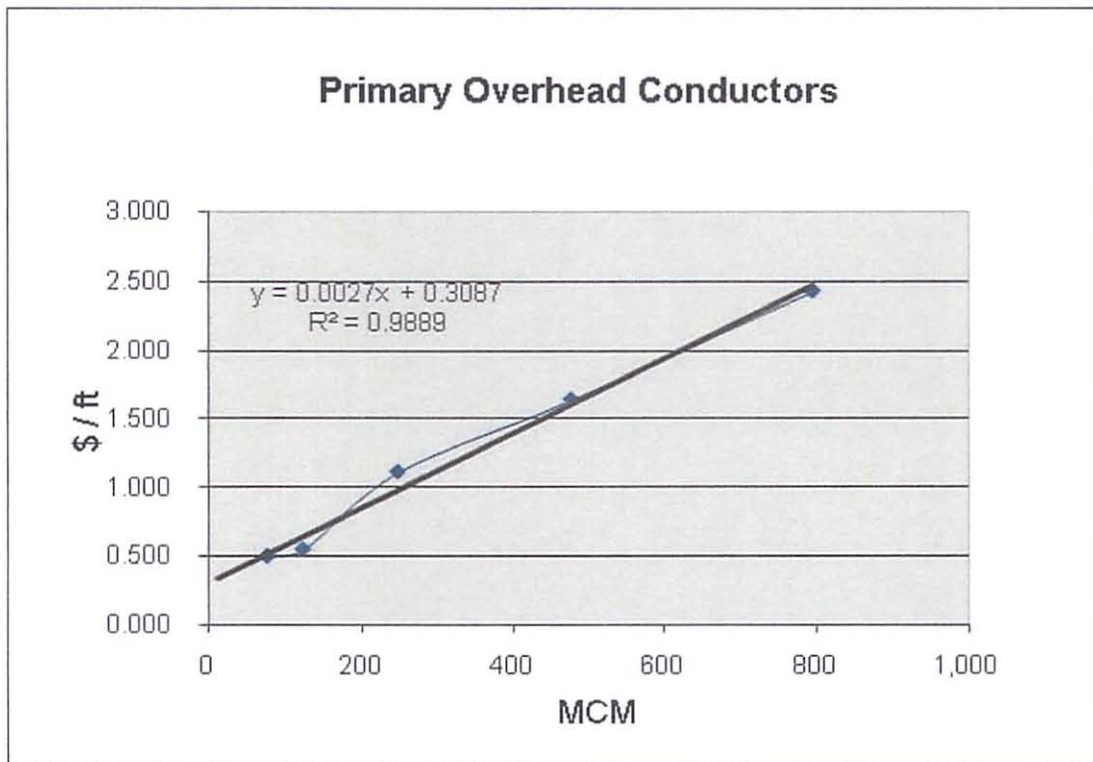
GULF POWER COMPANY
12 MONTHS ENDING DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
SCHEDULE 5.0 - LINE ALLOCATORS AND PERCENTAGES

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC SYSTEM (3)	RATE CLASS RESIDENTIAL (4)	RATE CLASS GS (5)	RATE CLASS GSD/GSDT (6)	RATE CLASS LP/LPT (7)	RATE CLASS MAJOR ACCTS (8)	RATE CLASS OS (9)	TOTAL RETAIL SERVICE (10)	WHOLESALE (11)	UNIT POWER SALES (12)
SALARIES AND WAGES											
19	PRODUCTION	38,458	20,534	1,009	8,226	4,839	2,364	186	37,158	1,300	0
	RETAIL JURISDICTION										
20	12/13 DEMAND RELATED		19,180	936	7,561	4,393	2,103	147	34,300		
21	1/13 ENERGY RELATED		1,374	73	665	446	261	39	2,858		
22	%	1.0000000	0.5339331	0.0262364	0.2138957	0.1258256	0.0614697	0.0048364	0.9661969	0.0338031	0.0000000
23	TRANSMISSION	3,347	1,808	88	714	413	199	14	3,236	111	0
24	%	1.0000000	0.5401852	0.0262922	0.2133254	0.1233941	0.0594562	0.0041829	0.9668360	0.0331640	0.0000000
	DISTRIBUTION										
25	DEMAND	8,921	5,282	271	2,061	797	370	116	8,897	24	0
26	CUSTOMER	7,847	5,798	651	470	27	2	899	7,847	0	0
27	TOTAL DISTRIBUTION	16,768	11,080	922	2,531	824	372	1,015	16,744	24	0
28	%	1.0000000	0.6607824	0.0549857	0.1509423	0.0491412	0.0221851	0.0605320	0.9885687	0.0014313	0.0000000
29	CUSTOMER ACCOUNTS	10,193	8,830	703	424	9	7	218	10,191	2	0
30	%	1.0000000	0.8662808	0.0689689	0.0415972	0.0008830	0.0006867	0.0213872	0.9996038	0.0001962	0.0000000
	CUSTOMER ASSISTANCE										
31	CUSTOMER	11,051	7,347	1,663	1,622	297	122	0	11,051	0	0
32	ENERGY	0	0	0	0	0	0	0	0	0	0
33	TOTAL CUSTOMER ASST.	11,051	7,347	1,663	1,622	297	122	0	11,051	0	0
34	%	1.0000000	0.6648267	0.1504841	0.1467740	0.0268754	0.0110397	0.0000000	1.0000000	0.0000000	0.0000000
	SUBTOTAL SALARIES & WAGES										
35	DEMAND	47,868	26,250	1,295	10,336	5,603	2,672	277	46,433	1,435	0
36	CUSTOMER	29,091	21,975	3,017	2,516	333	131	1,117	29,089	2	0
37	ENERGY	2,858	1,374	73	665	446	261	39	2,858	0	0
38	SUBTOTAL SALARIES & WAGES	79,817	49,599	4,385	13,517	6,382	3,064	1,433	78,380	1,437	0
39	%	1.0000000	0.6214090	0.0549382	0.1693499	0.0799579	0.0383878	0.0179536	0.9819963	0.0180037	0.0000000
40	ADMINISTRATIVE & GENERAL	14,384	8,938	790	2,436	1,150	553	258	14,125	259	0
41	%	1.0000000	0.6213849	0.0549221	0.1693548	0.0799499	0.0384455	0.0179366	0.9819939	0.0180061	0.0000000
42	TOTAL SALARIES & WAGES	94,201	58,537	5,175	15,953	7,532	3,617	1,691	92,505	1,696	0
43	%	1.0000000	0.6214053	0.0549357	0.1693506	0.0799567	0.0383966	0.0179510	0.9819959	0.0180040	0.0000000

GULF POWER COMPANY
12 MONTHS ENDED DECEMBER 31, 2012
12/13 DEMAND ALLOCATION WITH MDS METHODOLOGY
ANALYSIS OF LINE ALLOCATORS AND PERCENTAGES

<u>Line No.</u>	<u>Ftnt Label</u>	<u>Description</u>
1	(A)	Energy at point of generation.
2	(B)	Percent of above lines total.
3	(C)	Total sales of energy at point of delivery.
4	(B)	
5	(D)	Coincident peak demand at Levels 1 & 2.
6	(B)	
7	(E)	Coincident peak demand at Level 3
8	(B)	
9	(F)	Non-coincident peak demand at Level 4.
10	(B)	
11	(G)	Non-coincident peak demand at Level 5.
12	(B)	
13	(H)	Average number of customers at Levels 4 & 5.
14	(B)	
15	(I)	Average number of common customers at Level 5.
16	(B)	
17	(J)	Total average number of customers at all levels.
18	(B)	
19	(K)	Retail Jurisdiction sum of lines 2 & 3; Wholesale and Total Retail Service Allocated per Level 1 Demand Allocator.
20	(L)	Allocated per corresponding Level 1 Demand Allocator.
21	(M)	Allocated per corresponding Level 1 Energy Allocator.
22	(B)	
23	(N)	Allocated per Total Transmission O & M Expense excluding UPS.
24	(B)	
25	(O)	Allocated per demand related Distribution O & M Expense.
26	(P)	Allocated per customer related Distribution O & M Expense.
28	(B)	
29	(Q)	Allocated per Customer Accounts Expense excluding UPS.
30	(B)	
31	(R)	Allocated per customer related Customer Assistance Expense excluding UPS and Gulf Power Energy Services.
32	(S)	Allocated per energy related Customer Assistance Expense excluding UPS.
34	(B)	
40	(T)	Allocated per Subtotal Salaries and Wages.
41	(B)	

Minimum Distribution System
 Account 365 – Overhead Regression
 Schedule 6.1

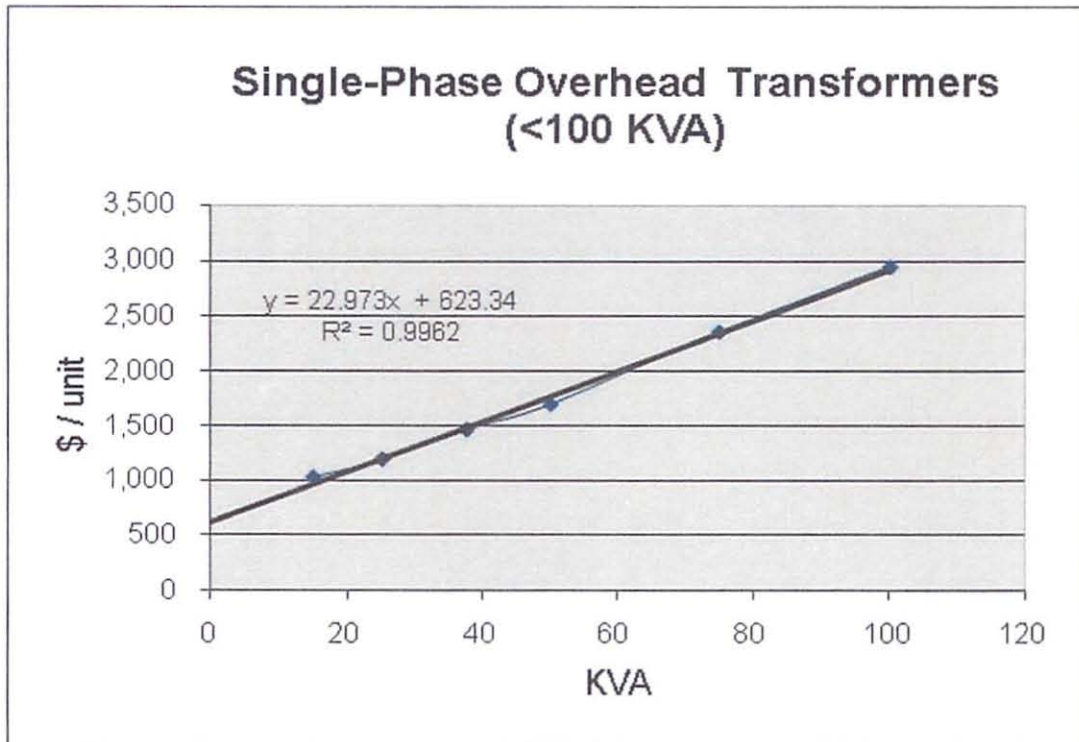


Account 365 – Overhead Primary Conductors

Size	MCM	\$/ft
#2	77.47	.0498
1/0	123.30	0.546
4/0	246.90	1.108
477	477.00	1.637
795	795.00	2.428

Zero Intercept = 0.3087

Minimum Distribution System
 Account 368 – Single Phase Transformer Regression
 Schedule 6.2



Account 368 – Single Phase Overhead Transformers <100 KVA

KVA	\$ / ea
15	1,028
25	1,190
37.5	1,465
50	1,699
75	2,360
100	2,947

Zero Intercept = 623.34

GULF POWER COMPANY
 TWELVE MONTHS ENDED 12/31/10
 MINIMUM DISTRIBUTION SYSTEM
 ACCOUNT 364 - POLES, TOWERS AND FIXTURES ANALYSIS (MASS ACCOUNT)
 SCHEDULE 6.3

	PRIMARY LEVEL 4			NOTES
	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS				
1. AVERAGE UNIT COST OF MFUS POLES		206.06		(A)
2. TOTAL NUMBER OF POLES		255,703		(B)
3. TOTAL COST OF POLES	80,795,233	62,695,426	28,099,807	(C)
4. PERCENTAGE OF TOTAL COST OF POLES		66.22%	34.78%	

	PRIMARY LEVEL 4				SECONDARY LEVEL 5			NOTES
	12-31-10 TOTAL ALL COSTS	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	12-31-10 TOTAL LEVEL 5 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
5. PRIMARY / SECONDARY SPLIT OF OVERHEAD LINES FROM ACCOUNT 365	107,098,574	83,237,343			23,829,231			(D)
ANALYSIS OF ACCOUNT 364								
6. POLES (WOOD, CONCRETE)	79,450,041	61,767,273	40,285,208	21,482,065	17,682,768	11,532,571	6,148,897	(E)
7. STEEL-REINFORCED POLE TRUSS	1,345,192	1,345,192	877,347	467,845	-	-	-	(F)
8. TOTAL POLES	80,795,233	63,112,465	41,162,555	21,949,910	17,682,768	11,532,571	6,148,897	
9. FIXTURE SETS	42,553,068	33,239,836	21,679,405	11,690,531	8,313,122	6,074,106	3,239,014	(G)
10. OTHER ACCOUNT 364	1,971,847	1,540,134	1,004,490	535,644	431,513	281,437	150,076	(H)
11. TOTAL ACCOUNT 364	125,318,938	97,892,535	63,846,450	34,046,085	27,427,403	17,888,416	9,538,987	
12. PERCENTAGES AT LEVEL			66.22%	34.78%		66.22%	34.78%	
13. PERCENTAGES OF TOTAL		78.11%	50.95%	27.17%	21.89%	14.27%	7.61%	

NOTES:

- (A) MFUS INCLUDES 35-FOOT WOODEN POLES—MOST FREQUENTLY USED—AND SMALLER.
- (B) INCLUDES ALL POSE SIZES.
- (C) TOTAL AMOUNT FOR ALL POLES. CUSTOMER COMPONENT EQUAL TOTAL NUMBER OF POLES (LINE 2) TIMES AVERAGE UNIT COST OF MFUS POLES (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
- (D) FROM ACCOUNT 365, LINE 7, TOTAL OVERHEAD LINES.
- (E) TOTAL AMOUNT ALLOCATED TO LEVEL PER PRIMARY / SECONDARY SPLIT OF OVERHEAD LINES FROM ACCOUNT 365 (LINE 5). WITHIN LEVEL, ALLOCATED TO COMPONENT PER TOTAL COST OF POLES (LINE 3).
- (F) TOTAL AMOUNT ASSIGNED TO PRIMARY LEVEL. ALLOCATED TO COMPONENT PER TOTAL COST OF POLES (LINE 3).
- (G) ALLOCATED PER TOTAL POLES (LINE 6).
- (H) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER TOTAL POLES (LINE 8).

GULF POWER COMPANY
 TWELVE MONTHS ENDED 12/31/10
 MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
 ACCOUNT 385 - OVERHEAD CONDUCTORS AND DEVICES ANALYSIS (CURRENT REPLACEMENT COST BASIS)
 SCHEDULE 6.4

	PRIMARY LEVEL 4			NOTES
	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
	COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS			
1. ZERO-INTERCEPT UNIT COST OF AAC/AAAC Wire (\$/FT)		0.3087		(A)
2. TOTAL FEET OF MINIMUM SYSTEM PRIMARY OVERHEAD LINES		82,208,980		(B)
3. TOTAL COST OF PRIMARY OVERHEAD LINES (ADJ FOR VINTAGE)	146,326,226	18,203,906	128,121,321	(C)
4. PERCENTAGE OF TOTAL COST OF OVERHEAD LINES		13.21%	86.79%	

	PRIMARY LEVEL 4				SECONDARY LEVEL 5			NOTES
	12-31-10 TOTAL ALL COSTS	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	12-31-10 TOTAL LEVEL 5 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
	ANALYSIS OF ACCOUNT 385							
5. PRIMARY LINES	83,237,343	83,237,343	10,989,344	72,237,999	-	-	-	(D)
6. SECONDARY LINES	23,829,231	-	-	-	23,829,231	3,148,988	20,680,333	(E)
7. TOTAL OVERHEAD LINES	107,066,574	83,237,343	10,989,344	72,237,999	23,829,231	3,148,988	20,680,333	
8. PRIMARY SWITCHGEAR	4,244,403	4,244,403	580,874	3,663,529	-	-	-	(F)
9. SECONDARY SWITCHGEAR	100,246	-	-	-	100,246	13,247	86,998	(G)
10. OTHER EQUIPMENT	6,916,088	6,286,278	700,137	4,586,139	1,816,793	200,438	1,316,357	(H)
11. TOTAL SWITCHGEAR AND OTHER EQUIPMENT	11,160,717	8,542,679	1,281,011	8,281,668	1,817,038	213,683	1,403,355	
12. SUBTOTAL	118,226,291	82,790,022	12,280,355	80,519,867	25,446,269	3,362,581	22,083,688	
13. OTHER 385	3,765,240	2,948,968	388,428	2,567,538	808,254	106,806	701,448	(I)
14. TOTAL ACCOUNT 385	121,991,531	85,727,008	12,648,783	83,077,225	26,254,523	3,469,387	22,785,136	
15. PERCENTAGES AT LEVEL			13.21%	86.79%		13.21%	86.79%	
16. PERCENTAGES OF TOTAL		78.48%	10.37%	88.11%	21.52%	2.84%	18.89%	

NOTES:

- (A) Y-AXIS INTERCEPT OF REGRESSION BASED ON COST FROM MAXIMO SSTEM OF AAC AND AAAC WIRRE SIZES.
- (B) TWO TIMES TOTAL PRIMARY OVERHEAD CIRCUIT-MILES FROM DISTGIS AUTOMATED MAPPING SYSTEM, CONVERTED TO FEET.
- (C) TOTAL AMOUNT FOR ALL PRIMARY WIRE TYPES AND SIZES, ADJUSTED FOR VITAGE BY HANDY-WHITMAN RATIOS. CUSTOMER COMPONENT EQUALS TOTAL FEET OF MINIMUM SYSTEM OVERHEAD LINES (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
- (D) INCLUDES ALL OVERHEAD WIRE TYPES AND SIZES EXCEPT N-PLEX. ALLOCATED PER TOTAL COST OF PRIMARY OVERHEAD LINES (ADJ FOR VINTAGE) (LINE 3).
- (E) INCLUDES ALL DUPLEX, TRIPLEX, AND QUADRUPLIX. ALLOCATED TO COMPONENT PER LINE 3.
- (F) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER PRIMARY LINES (LINE 5).
- (G) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED PER SECONDARY LINES (LINE 6).
- (H) INCLUDES ALL OTHER UNITIZED EQUIPMENT. ALLOCATED PER TOTAL OVERHEAD LINES (LINE 7).
- (I) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER SUBTOTAL (LINE 12).

GULF POWER COMPANY
 TWELVE MONTHS ENDED 12/31/10
 MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
 ACCOUNT 366 - UNDERGROUND CONDUIT ANALYSIS (MASS ACCOUNT)
 SCHEDULE 6.5

	12-31-10 TOTAL ALL COSTS	PRIMARY LEVEL 4		SECONDARY LEVEL 5		NOTES		
		12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	12-31-10 TOTAL LEVEL 5 COSTS		CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT
1. TOTAL UNDERGROUND LINES FROM ACCOUNT 367	94,664,919	66,607,961	3,177,238	63,430,723	27,966,968	1,333,563	26,623,385	(A)
<i>ANALYSIS OF ACCOUNT 366</i>								
2. DUCT LINES, MANHOLES, AND SPLICING CHAMBERS	994,359	700,389	33,409	666,980	293,970	14,023	279,947	(B)
3. TRANSFORMER VAULTS AND SUMP PUMPS	223,086	0	0	0	223,086	0	223,086	(C)
4. TOTAL ACCOUNT 366	1,217,465	700,389	33,409	666,980	617,086	14,023	503,043	
5. PERCENTAGES AT LEVEL			4.77%	96.23%		2.71%	97.29%	
6. PERCENTAGES OF TOTAL		57.53%	2.74%	54.78%	42.47%	1.15%	41.32%	

NOTES:

- (A) FROM ANALYSIS OF ACCOUNT 367, LINE 7, TOTAL UNDERGROUND LINES.
- (B) ALLOCATED PER TOTAL UNDERGROUND LINES FROM ACCOUNT 367 (LINE 1).
- (C) ASSIGNED TO SECONDARY LEVEL 5 DEMAND-RELATED COMPONENT.

Florida Public Service Commission
 Docket No. 110138-El
 GULF POWER COMPANY
 Witness: Michael T. O'Sheasy
 Exhibit No. ___ (MTO-2)
 Schedule 6.5
 Page 1 of 1

GULF POWER COMPANY
 TWELVE MONTHS ENDED 12/31/10
 MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
 ACCOUNT 367 - UNDERGROUND CONDUCTORS ANALYSIS (CURRENT REPLACEMENT COST BASIS)
 SCHEDULE 6.6

	PRIMARY LEVEL 4			NOTES
	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
	COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS			
1. ZERO-INTERCEPT UNIT COST OF AAC/AAAC WIRE (S/FT)		0.3067		(A)
2. TOTAL FEET OF PRIMARY UNDERGROUND MINIMUM SYSTEM LINES		18,490,690		(B)
3. TOTAL COST OF PRIMARY UNDERGROUND LINES (ADJ FOR VINTAGE)	119,863,890	6,706,036	113,956,854	(C)
4. PERCENTAGE OF TOTAL COST OF UNDERGROUND LINES		4.77%	95.23%	

	PRIMARY LEVEL 4				SECONDARY LEVEL 6			NOTES
	12-31-10 TOTAL ALL COSTS	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	12-31-10 TOTAL LEVEL 6 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
	ANALYSIS OF ACCOUNT 367							
5. PRIMARY LINES	66,607,991	66,607,991	3,177,238	63,430,723	-	-	-	(D)
6. SECONDARY LINES	27,966,968	-	-	-	27,966,968	1,333,663	26,623,306	(E)
7. TOTAL UNDERGROUND LINES	94,564,919	66,607,991	3,177,238	63,430,723	27,966,968	1,333,663	26,623,306	
8. NEUTRALS	31,866	-	-	-	31,866	1,621	30,364	(F)
9. PRIMARY SWITCHGEAR	3,419,683	3,419,683	163,116	3,266,467	-	-	-	(G)
10. SECONDARY SWITCHGEAR	9,209	-	-	-	9,209	439	8,770	(H)
11. OTHER EQUIPMENT	17,004,804	11,977,401	571,329	11,406,072	5,027,203	239,800	4,787,403	(I)
12. TOTAL SWITCHGEAR AND OTHER EQUIPMENT	20,433,396	15,396,994	734,445	14,662,539	5,036,412	240,239	4,796,173	
13. SUBTOTAL	115,030,200	82,004,945	3,911,683	78,093,262	33,026,255	1,575,323	31,449,932	
14. OTHER 367	3,302,906	2,364,641	112,318	2,242,323	948,267	46,233	903,034	(J)
15. TOTAL ACCOUNT 367	118,333,106	84,369,586	4,024,001	80,335,585	33,973,522	1,620,666	32,362,966	
16. PERCENTAGES AT LEVEL			4.77%	95.23%		4.77%	95.23%	
17. PERCENTAGES OF TOTAL		71.29%	3.40%	67.89%	28.71%	1.37%	27.34%	

- NOTES:
- (A) FROM ACCOUNT 366, LINE 1, ZERO-INTERCEPT UNIT COST OF AAC/AAAC WIRE.
 - (B) TWO TIMES TOTAL PRIMARY UNDERGROUND CIRCUIT-MILES FROM DISTGIS AUTOMATED MAPPING SYSTEM, CONVERTED TO FEET.
 - (C) TOTAL AMOUNT FOR ALL PRIMARY WIRE TYPES AND SIZES, ADJUSTED FOR VINTAGE BY HANDY-WHITMAN RATIOS. CUSTOMER COMPONENT EQUALS TOTAL FEET OF MINIMUM SYSTEM UNDERGROUND LINES (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
 - (D) INCLUDES ALL UNDERGROUND CABLE SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER TOTAL COST OF PRIMARY UNDERGROUND LINES ADJUSTED FOR VINTAGE (LINE 3).
 - (E) INCLUDES ALL UNDERGROUND CABLE SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED TO COMPONENT PER LINE 4.
 - (F) ASSIGNED TO SECONDARY. ALLOCATED TO COMPONENT PER SECONDARY LINES (LINE 6).
 - (G) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 5 KV AND ABOVE. ALLOCATED PER PRIMARY LINES (LINE 5).
 - (H) INCLUDES ALL SWITCHES SPECIFIED FOR USAGE AT 4.9 KV AND BELOW. ALLOCATED PER SECONDARY LINES (LINE 6).
 - (I) INCLUDES ALL OTHER UNITIZED EQUIPMENT. ALLOCATED PER TOTAL UNDERGROUND LINES (LINE 7).
 - (J) INCLUDES ADJUSTMENTS, INTERIM RUCs, AND NON-UNITIZED. ALLOCATED PER SUBTOTAL (LINE 13).

Florida Public Service Commission
 Docket No. 110138-EI
 GULF POWER COMPANY
 Witness: Michael T. O'Sheasy
 Exhibit No. ____ (MTO-2)
 Schedule 6.6
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GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/10
MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
ACCOUNT 368 - LINE TRANSFORMERS ANALYSIS (CURRENT REPLACEMENT COST BASIS)
SCHEDULE 6.7

	PRIMARY LEVEL 4				SECONDARY LEVEL 5			NOTES
	12-31-10 TOTAL ALL COSTS	12-31-10 TOTAL LEVEL 4 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	12-31-10 TOTAL LEVEL 5 COSTS	CUSTOMER- RELATED COMPONENT	DEMAND- RELATED COMPONENT	
COMPONENT SPLIT ANALYSIS OF MASS ACCOUNT RECORDS								
1. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						623.34		(A)
2. TOTAL NUMBER OF O/H TRANSFORMERS						118,031		(B)
3. TOTAL OVERHEAD TRANSFORMERS (ADJ FOR VINTAGE)					178,688,247	73,673,444	108,094,803	(C)
4. PERCENTAGE SPLIT OF OVERHEAD TRANSFORMERS						40.96%	59.06%	
5. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						623.34		(A)
6. TOTAL NUMBER OF PAD-MT TRANSFORMERS						29,515		(B)
7. TOTAL PAD-MT TRANSFORMERS (ADJ FOR VINTAGE)					140,064,980	18,397,880	121,666,900	(C)
8. PERCENTAGE SPLIT OF PAD-MT TRANSFORMERS						13.14%	86.86%	
9. UNIT COST OF ZERO-INTERCEPT (1 PHASE O/H)						623.34		(A)
10. TOTAL NUMBER OF VAULT/DRY TRANSFORMERS						119		(B)
11. TOTAL VAULT/DRY TRANSFORMERS (ADJ FOR VINTAGE)					759,127	74,177	684,949	(C)
12. PERCENTAGE SPLIT OF VAULT/DRY TRANSFORMERS						9.77%	90.23%	
13. PRIMARY LINES FROM ACCOUNT 365		83,237,343	10,999,344	72,237,999				(D)
ANALYSIS OF ACCOUNT 368								
TRANSFORMERS								
14. OVERHEAD TRANSFORMERS	70,208,785	0	0	0	70,208,785	28,760,832	41,469,163	(E)
15. PAD-MOUNTED TRANSFORMERS	72,091,984	0	0	0	72,091,984	9,470,144	62,621,840	(F)
16. VAULT AND UNDERGROUND DRY TRANSFORMERS	390,764	0	0	0	390,764	38,182	352,672	(G)
17. NETWORK PROTECTORS	164,278	0	0	0	164,278	15,075	139,203	(H)
18. REGULATORS AND CAPACITORS	12,600,650	12,600,650	0	12,600,650	0	0	0	(I)
19. SWITCHES	2,607,495	2,607,495	344,568	2,262,928	0	0	0	(J)
CUTOUPS AND ARRESTERS								
20. TRANSFORMER-RELATED	35,641,801	0	0	0	35,641,801	14,695,056	21,046,446	(K)
21. REGULATOR/CAPACITOR-RELATED	7,808,477	7,808,477	0	7,808,477	0	0	0	(L)
22. LINE/SWITCH-RELATED	12,973,995	12,973,995	1,714,436	11,259,559	0	0	0	(M)
23. OTHER UNITIZED ACCOUNT 368	3,101,574	0	0	0	3,101,574	407,429	2,694,145	(N)
24. SUBTOTAL	217,578,463	35,985,587	2,069,002	33,929,585	181,599,876	53,276,517	128,313,359	
14. OTHER 367	2,599,316	429,940	24,598	405,342	2,169,376	636,472	1,532,904	(O)
15. TOTAL ACCOUNT 367	220,177,779	36,415,527	2,093,600	34,334,927	183,769,252	53,912,989	129,846,263	
16. PERCENTAGES AT LEVEL			5.72%	94.28%		29.34%	70.66%	
17. PERCENTAGES OF TOTAL		16.54%	0.95%	15.59%	83.48%	24.49%	58.97%	

NOTES:

- (A) Y-AXIS INTERCEPT OF REGRESSION BASED ON COST FROM MAXIMO SYSTEM OF SINGLE-PHASE OVERHEAD TRANSFORMERS 100 KVA AND LESS.
(B) INCLUDES ALL OVERHEAD, PAD-MOUNTED, AND VAULT/UNDERGROUND DRY TRANSFORMERS, RESPECTIVELY.
(C) TOTAL AMOUNT FOR ALL TRANSFORMERS OF EACH RESPECTIVE TYPE ADJUSTED FOR VINTAGE USING HANDY-WHITMAN RATIOS. CUSTOMER COMPONENT EQUALS TOTAL NUMBER OF TRANSFORMERS (LINE 2) TIMES UNIT COST OF ZERO-INTERCEPT (LINE 1). DEMAND COMPONENT IS TOTAL MINUS CUSTOMER COMPONENT.
(D) FROM ANALYSIS OF ACCOUNT 368, LINE 6, PRIMARY LINES.
(E) ALLOCATED PER TOTAL OVERHEAD TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 3).
(F) ALLOCATED PER TOTAL PAD-MT TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 7).
(G) ALLOCATED PER TOTAL VAULT/DRY TRANSFORMERS ADJUSTED FOR VINTAGE (LINE 11).
(H) ALLOCATED PER VAULT AND UNDERGROUND DRY TRANSFORMERS (LINE 16).
(I) ASSIGNED TO LEVEL 4 DEMAND COMPONENT.
(J) ALLOCATED PER PRIMARY LINES FROM ACCOUNT 365 (LINE 13).
(K) FROM ACCOUNT 368-A. ALLOCATED PER OVERHEAD TRANSFORMERS (LINE 14).
(L) FROM ACCOUNT 368-A. ALLOCATED PER REGULATORS AND CAPACITORS (LINE 18).
(M) FROM ACCOUNT 368-A. ALLOCATED PER PRIMARY LINES FROM ACCOUNT 365 (LINE 13).
(N) ALLOCATED PER PAD-MOUNTED TRANSFORMERS (LINE 15).
(O) ALLOCATED PER SUBTOTAL (LINE 24).

GULF POWER COMPANY
TWELVE MONTHS ENDED 12/31/10
MINIMUM DISTRIBUTION SYSTEM - ZERO-INTERCEPT METHOD
ACCOUNT 368-A - CUTOUTS AND ARRESTERS ANALYSIS
SCHEDULE 6.7

	<u>QUANTITY</u>	<u>PERCENTAGE</u>	<u>AMOUNT (\$)</u>	<u>NOTES</u>
1. TOTAL FOR CUTOUTS	171,839		26,590,701	(A)
2. PROTECTION FOR OVERHEAD TRANSFORMERS	118,031	68.69%	18,264,348	(B)
3. REMAINDER FOR LINE PROTECTION	53,808	31.31%	8,326,355	(C)
4. TOTAL FOR ARRESTERS	202,623		29,831,242	(D)
5. PROTECTION FOR OVERHEAD TRANSFORMERS	118,031	58.25%	17,377,155	(E)
6. PROTECTION FOR REGULATORS AND AUTO-BOOSTERS	1,346	0.66%	198,165	(F)
7. PROTECTION FOR CAPACITORS	51,878	25.50%	7,808,312	(G)
8. PROTECTION FOR SWITCHES	7,010	3.48%	1,032,050	(H)
9. REMAINDER FOR LINE PROTECTION	24,558	12.12%	3,815,560	(I)
SUMMARY FOR CUTOUTS AND ARRESTERS				
10. Transformer-related			35,641,501	(J)
11. Regulator/Capacitor-related			7,808,477	(K)
12. Line/Switch-related			12,973,965	(L)

NOTES:

- (A) TOTAL NUMBER AND AMOUNT FOR CUTOUTS
- (B) ASSUMED 1 CUTOUT PER TRANSFORMER.
- (C) DIFFERENCE BETWEEN TOTAL FOR CUTOUTS (LINE 1) AND PROTECTION FOR OVERHEAD TRANSFORMERS (LINE 2).
- (D) TOTAL NUMBER AND AMOUNT FOR ARRESTERS.
- (E) ASSUMED 1 ARRESTER PER TRANSFORMER.
- (F) REGULATORS AND AUTO-BOOSTERS ALL SINGLE-PHASE. ASSUMED 2 ARRESTERS PER UNIT (ONE EACH ON LOAD SIDE AND SOURCE SIDE).
- (G) ASSUMED ALL CAPACITORS 3-PHASE. ASSUMED SIX ARRESTERS PER CAPACITOR—TWO PER PHASE (ONE EACH ON LOAD SIDE AND SOURCE SIDE).
- (H) ASSUMED TWO ARRESTERS PER SINGLE-PHASE SWITCH AND 6 ARRESTERS PER 3-PHASE SWITCH.
- (I) DIFFERENCE BETWEEN TOTAL FOR ARRESTERS (LINE 4) AND [PROTECTION FOR OVERHEAD TRANSFORMERS (LINE 5) PLUS PROTECTION FOR REGULATORS (LINE 6) PLUS PROTECTION FOR CAPACITORS (LINE 7) PLUS PROTECTION FOR SWITCHES (LINE 8)].
- (J) LINE 2 PLUS LINE 5
- (K) LINE 6 PLUS LINE 7.
- (L) LINE 3 PLUS LINE 8 PLUS LINE 9.

Gulf Power Company
Twelve Months Ended 12/31/10
Minimum Distribution System
Account 369 - Services Analysis (Mass Account)
Schedule 6.8

		Secondary -----Level 5-----			
		12-31-10 Total All Costs	Customer- Related Component	Demand- Related Component	Notes
1.	All Services	93,066,265	93,066,265	-	(A)
2.	Total Account 369	93,066,265	93,066,265	-	
3.	Percentages		100%		

Notes

(A) Assigned to Secondary Level 5 Customer-Related Component.

Gulf Power Company
Twelve Months Ended 12/31/10
Minimum Distribution System
Account 370 - Meters Analysis (Mass Account)
Schedule 6.9

		Secondary -----Level 5-----			
		12-31-10 Total All Costs	Customer- Related Component	Demand- Related Component	Notes
1.	All Meters	<u>57,547,263</u>	<u>57,547,263</u>	-	(A)
2.	Total Account 370	<u>57,547,263</u>	<u>57,547,263</u>	-	
3.	Percentages		100%		

Notes

(A) Assigned to Secondary Level 5 Customer-Related Component.