

**Susan D. Ritenour**  
Secretary and Treasurer  
and Regulatory Manager

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Pensacola, Florida 32501-0781

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December 12, 2011

Mr. John Slemkewicz  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of October 2011.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

nm

enclosure

cc/enc.: Office of the Public Counsel  
c/o Florida Legislature  
111 W. Madison, Rm. 801  
Tallahassee FL 32399-1400

GOV 2-1-5-3

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
October, 2011

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	146,250,482	(76,156,623)	70,093,859	0	70,093,859
Average Rate Base	2,551,167,554	(966,348,270)	1,584,819,284	0	1,584,819,284
Average Rate of Return	5.73%		4.42%		4.42%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	146,244,887	(75,439,073)	70,805,814	0	70,805,814
Year End Rate Base	2,640,626,165	(1,020,148,642)	1,620,477,523	0	1,620,477,523
Year End Rate of Return	5.54%		4.37%		4.37%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

**III. Required Rates of Return  
Average Capital Structure  
(FPSC Adjusted Basis)**

Low	6.46%
Midpoint	6.94%
High	7.23%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	3.87 x (System per Books Basis)
B. Tie Without AFUDC	3.65 x (System per Books Basis)
C. AFUDC To Net Income	11.67% (System per Books Basis)
D. Internally Generated Funds	70.75% (System per Books Basis)
E. LTD To Total Investor Funds	49.34% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.42% (FPSC Adjusted Basis)
G. Return on Common Equity	5.43% (FPSC Adjusted Basis)
H. Return on Common Equity	5.43% (Proforma Basis)

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Name and Title

Signature

Date

Richard J. McMillan  
Corporate Planning Manager



12/9/11

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
October, 2011

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	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
<b>SYSTEM PER BOOKS</b>	3,708,150,506	1,294,836,390	2,413,314,116	5,609,261	227,749,407	0	2,646,672,784	239,383,957	2,886,056,741
<b>JURISDICTIONAL PER BOOKS</b>	3,287,343,474	1,168,749,162	2,118,594,312	5,433,750	185,305,716	0	2,309,333,778	241,833,776	2,551,167,554
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(836,577,456)	(61,138,656)	(775,438,800)		(2,117,485)		(777,556,285)	(11,416,418)	(788,972,703)
INT BEARING CWIP					(129,855,666)		(129,855,666)	0	(129,855,666)
ENERGY CONSERVATION CLAUSE	(10,216,433)	1,254,961	(11,471,394)		(0)		(11,471,394)	(1,999,466)	(13,470,860)
LOANS TO EMPLOYEES / RETIREES								(51,155)	(51,155)
INTEREST AND DIVIDENDS RECEIVABLE								(310,081)	(310,081)
FUNDED PROP RES & OTHER INVESTMENTS								(17,633,468)	(17,633,468)
FUEL RELATED DEFERRED DEBITS								(16,244,943)	(16,244,943)
FLAME RESISTANT CLOTHING								(110)	(110)
ACCRUED PROVISION FOR REFUND								187,640	187,640
SALE OF RAILCARS								3,076	3,076
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(846,793,889)</b>	<b>(59,883,695)</b>	<b>(786,910,194)</b>	<b>0</b>	<b>(131,973,151)</b>	<b>0</b>	<b>(918,883,345)</b>	<b>(47,464,925)</b>	<b>(966,348,270)</b>
<b>FPSC ADJUSTED</b>	<b>2,440,549,585</b>	<b>1,108,865,467</b>	<b>1,331,684,118</b>	<b>5,433,750</b>	<b>53,332,565</b>	<b>0</b>	<b>1,390,450,433</b>	<b>194,368,851</b>	<b>1,584,819,284</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,440,549,585</b>	<b>1,108,865,467</b>	<b>1,331,684,118</b>	<b>5,433,750</b>	<b>53,332,565</b>	<b>0</b>	<b>1,390,450,433</b>	<b>194,368,851</b>	<b>1,584,819,284</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
October, 2011

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	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,540,943,040	765,758,344	318,092,437	129,762,367	102,748,928	(29,411,462)	93,863,268	(1,381,078)	0	1,379,432,804	161,510,236 (a)
JURISDICTIONAL PER BOOKS	1,309,986,276	604,361,631	300,772,053	119,694,154	100,514,566	(3,315,040)	56,253,476	(1,023,288)	0	1,177,257,552	132,728,724 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(148,950,681)		(25,720,249)	(33,308,756)	(767,918)	(34,391,062)				(94,187,985)	(54,762,696)
GROSS RECEIPTS TAX REVENUE	(31,459,311)					(12,135,429)				(12,135,429)	(19,323,882)
MARKETING SUPPORT ACTIVITIES			(189,772)			73,205				(116,567)	116,567
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(48,218)			18,600				(29,618)	29,618
FRANCHISE FEE REVENUES	(41,051,769)					(15,835,720)				(15,835,720)	(25,216,049)
RETAIL FUEL REVENUES	(565,695,820)					(218,217,163)				(218,217,163)	(347,478,657)
ECCR and PPCC REVENUES	(54,959,417)					(21,200,595)				(21,200,595)	(33,758,822)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(1,056,881)			407,692				(649,189)	649,189
ECON DEV EXPENSE ALLOWED			1,004,037			(387,307)				616,730	(616,730)
LIAISON EXPENSES			(309,834)		(14,671)	125,178				(199,327)	199,327
CORP ADV & WHOLESALE EXPENSES		(59,838)	(32,907)			35,776				(56,969)	56,969
INDUSTRY ASSOCIATION DUES			(826)			319				(507)	507
RETAIL FUEL EXPENSES		(565,281,652)				218,057,397				(347,224,255)	347,224,255
ECCR AND PPCC EXPENSES		(39,020,141)	(11,671,661)	(289,632)	(305,057)	19,783,764				(31,502,727)	31,502,727
FRANCHISE FEE					(40,442,840)	15,600,826				(24,842,014)	24,842,014
GRT, FPSC FEES ON CLAUSES & FEES					(1,509,529)	582,301				(927,228)	927,228
GROSS RECEIPTS TAX ADJUST					(31,295,196)	12,072,122				(19,223,074)	19,223,074
INTEREST SYNCHRONIZATION						6,254,816				6,254,816	(6,254,816)
TOTAL FPSC ADJUSTMENTS	(842,116,998)	(604,361,631)	(38,025,420)	(33,598,388)	(74,335,212)	(29,151,945)	0	0	(9,537)	(779,482,133)	(62,634,865)
FPSC ADJUSTED	467,869,278	0	262,746,633	86,095,766	26,179,354	(32,466,985)	56,253,476	(1,023,288)	(9,537)	397,775,419	70,093,859
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,869,278	0	262,746,633	86,095,766	26,179,354	(32,466,985)	56,253,476	(1,023,288)	(9,537)	397,775,419	70,093,859
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				13,957,896			13,521,758				
CURRENT MO. SYSTEM PER BOOKS	109,991,220	48,428,794	26,975,871	11,072,323	8,147,769	(3,180,895)	7,056,156	(112,378)	0	98,387,640	11,603,579
CURRENT MO. JURIS PER BOOKS	92,734,751	38,150,890	25,119,515	10,167,590	7,961,484	5,733,902	(3,080,982)	(82,671)	0	83,969,727	8,765,024

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
October, 2011

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(41,051,769)	(15,835,720)
INVESTMENT	(328,438,414)	IIC FUEL REVENUES	(96,973,326)	(37,407,461)
ACCUMULATED DEPRECIATION	106,127,528	FUEL REVENUES	(625,908,651)	(241,444,262)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(612,763)	(236,373)
INVESTMENT	(10,216,433)	ECCR, PPCC, AND ECRC REVENUES	(204,083,723)	(78,725,296)
ACCUMULATED DEPRECIATION	(1,254,961)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,459,311)	(12,135,429)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	38,370	14,801
INVESTMENT	(864,906,897)	CORP ADVERTISING & WHOLESALE EXPENSES	(95,605)	36,879
ACCUMULATED DEPRECIATION	63,224,883	INDUSTRY ASSOCIATION DUES	(844)	325
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(765,719,694)	295,376,372
INTEREST BEARING CWIP	(134,042,180)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(36,466,319)	ECON DEVELOP EXPENSE- TOTAL	(1,056,881)	407,692
ECRC CWIP	(2,188,915)	ECON DEV EXPENSE - ALLOWED	1,004,037	(387,307)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,715,161)	CONSERVATION EXPENSES - O & M	(11,671,661)	4,502,343
		CONSERVATION EXPENSES - OTHER TAXES	(188,654)	72,773
		MARKETING SUPPORT ACTIVITIES	(189,772)	73,205
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(49,267)	19,005
ECRC WORKING CAPITAL	(11,801,193)	FRANCHISE FEE	(40,442,840)	15,600,826
LOANS TO EMPLOYEES AND RETIREES	(53,284)	GROSS RECEIPTS TAX EXPENSE	(31,295,196)	12,072,122
UNREALIZED LOSS ON FWD CONTRACT	(2,074)	LIAISON EXPENSE	(331,609)	127,918
CONSERVATION/AEM INVENTORY	(1,999,466)	ECRC/ECCR EXPENSES	(62,203,079)	23,994,838
INTEREST & DIVIDENDS RECEIVABLE	(322,986)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,590,231)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,509,530)	582,301
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	6,645,085	6,645,085
FUNDED PROP RES & OTHER INVESTMENTS	(17,311,648)			
FUEL RELATED DEFERRED DEBITS	(16,244,943)			
FLAME RESISTANT CLOTHING	(136)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	231,411			
FAS 143 WORKING CAPITAL	18,977,840			
FAS 158 REGULATORY ASSETS	(83,683,602)			
FAS 158 REGULATORY LIABILITIES	83,683,602			
PPA REGULATORY ASSETS	(73,058,401)			
PPA REGULATORY LIABILITIES	73,058,401			
FAS 133 REGULATORY ASSETS	(14,764,888)			
FAS 133 REGULATORY LIABILITIES	14,764,888			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
October, 2011

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	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	3,811,926,406	1,326,595,367	2,485,331,038	5,517,810	250,177,521	0	2,741,026,370	239,383,957	2,980,410,327
JURISDICTIONAL PER BOOKS	3,353,897,548	1,197,335,534	2,156,562,014	5,345,160	237,394,333	0	2,399,301,507	241,324,658	2,640,626,165
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(842,884,141)	(74,343,748)	(768,540,393)		(4,238,226)		(772,778,619)	(11,416,418)	(784,195,037)
ENERGY CONSERVATION CLAUSE					(187,726,622)		(187,726,622)	0	(187,726,622)
LOANS TO EMPLOYEES AND RETIREES	(10,272,405)	1,906,071	(12,178,476)				(12,178,476)	(1,999,466)	(14,177,942)
INTEREST AND DIVIDENDS RECEIVABLE								(51,155)	(51,155)
NOTES RECEIVABLE								(310,081)	(310,081)
FUNDED PROP RES & OTHER INVESTMENTS								0	0
FUEL RELATED DEFERRED DEBITS								(17,633,468)	(17,633,468)
FLAME RESISTANT CLOTHING								(16,244,943)	(16,244,943)
ACCRUED PROVISION FOR REFUND								(110)	(110)
SALE OF RAILCARS								187,640	187,640
								3,076	3,076
TOTAL FPSC ADJUSTMENTS	(853,156,546)	(72,437,677)	(780,718,869)	0	(191,964,848)	0	(972,683,717)	(47,464,925)	(1,020,148,642)
FPSC ADJUSTED	2,500,741,002	1,124,897,857	1,375,843,145	5,345,160	45,429,485	0	1,426,617,790	193,859,733	1,620,477,523
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	2,500,741,002	1,124,897,857	1,375,843,145	5,345,160	45,429,485	0	1,426,617,790	193,859,733	1,620,477,523

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
October, 2011

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	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,540,943,040	765,758,344	318,092,437	129,762,367	102,748,928	(29,411,462)	93,863,268	(1,381,078)	0	1,379,432,804	161,510,236 (a)
JURISDICTIONAL PER BOOKS	1,309,986,276	604,361,631	300,772,053	119,694,154	100,514,566	(3,327,398)	56,271,429	(1,023,288)	0	1,177,263,147	132,723,129 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(148,950,681)		(25,720,249)	(33,308,756)	(767,918)	(34,391,062)				(94,187,985)	(54,762,696)
GROSS RECEIPTS TAX REVENUE	(31,459,311)					(12,135,429)				(12,135,429)	(19,323,882)
MARKETING SUPPORT ACTIVITIES			(189,772)			73,205				(116,567)	116,567
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(48,218)			18,600				(29,618)	29,618
FRANCHISE FEE REVENUES	(41,051,769)					(15,835,720)				(15,835,720)	(25,216,049)
RETAIL FUEL REVENUES	(565,695,820)					(218,217,163)				(218,217,163)	(347,478,657)
ECCR & PPCC REVENUES	(54,959,417)					(21,200,595)				(21,200,595)	(33,758,822)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(1,056,881)			407,692				(649,189)	649,189
ECON DEV EXPENSE ALLOWED			1,004,037			(387,307)				616,730	(616,730)
LIAISON EXPENSES			(309,834)		(14,671)	125,178				(199,327)	199,327
CORP ADV & WHOLESALE EXPENSES		(59,838)	(32,907)			35,776				(56,969)	56,969
INDUSTRY ASSOCIATION DUES			(826)			319				(507)	507
RETAIL FUEL EXPENSES		(565,281,652)				218,057,397				(347,224,255)	347,224,255
ECCR AND PPCC EXPENSES		(39,020,141)	(11,671,661)	(289,632)		19,783,764				(31,502,727)	31,502,727
FRANCHISE FEE					(40,442,840)	15,600,826				(24,842,014)	24,842,014
GRT, FPSC FEES ON CLAUSES & FFEES					(1,509,529)	582,301				(927,228)	927,228
GROSS RECEIPTS TAX ADJUST					(31,295,196)	12,072,122				(19,223,074)	19,223,074
INTEREST SYNCHRONIZATION						5,537,266				5,537,266	(5,537,266)
TOTAL FPSC ADJUSTMENTS	(842,116,998)	(604,361,631)	(38,025,420)	(33,598,388)	(74,335,212)	(29,869,495)	0	0	(9,537)	(780,199,683)	(61,917,315)
FPSC ADJUSTED	467,869,278	0	262,746,633	86,095,766	26,179,354	(33,196,893)	56,271,429	(1,023,288)	(9,537)	397,063,464	70,805,814
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,869,278	0	262,746,633	86,095,766	26,179,354	(33,196,893)	56,271,429	(1,023,288)	(9,537)	397,063,464	70,805,814

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 13,957,696 AND THE JURISDICTIONAL NOI BY 13,521,758

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
October, 2011

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(41,051,769)	(15,835,720)
INVESTMENT	(364,917,268)	IIC FUEL REVENUES	(96,973,326)	(37,407,461)
ACCUMULATED DEPRECIATION	109,171,812	FUEL REVENUES	(625,908,651)	(241,444,262)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(612,763)	(236,373)
INVESTMENT	(10,272,405)	ECCR, PPCC, AND ECRC REVENUES	(204,083,723)	(78,725,296)
ACCUMULATED DEPRECIATION	(1,906,071)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,459,311)	(12,135,429)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	38,370	14,801
INVESTMENT	(871,213,812)	CORP ADVERTISING & WHOLESALE EXPENSES	(95,605)	36,879
ACCUMULATED DEPRECIATION	76,857,055	INDUSTRY ASSOCIATION DUES	(844)	325
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(765,719,694)	295,376,372
INTEREST BEARING CWIP	(193,778,880)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(5,124,552)	ECON DEVELOP EXPENSE - TOTAL	(1,056,881)	407,692
ECRC CWIP	(4,379,970)	ECON DEV EXPENSE - ALLOWED	1,004,037	(387,307)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,687,886)	CONSERVATION EXPENSES - O & M	(11,671,661)	4,502,343
		CONSERVATION EXPENSES - OTHER TAXES	(188,654)	72,773
		MARKETING SUPPORT ACTIVITIES	(189,772)	73,205
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(49,267)	19,005
ECRC WORKING CAPITAL	(11,801,193)	FRANCHISE FEE	(40,442,840)	15,600,826
LOANS TO EMPLOYEES AND RETIREES	(53,284)	GROSS RECEIPTS TAX EXPENSE	(31,295,196)	12,072,122
UNREALIZED LOSS ON FWD CONTRACT	(2,074)	LIAISON EXPENSE	(331,609)	127,918
CONSERVATION/AEM INVENTORY	(1,999,466)	ECRC/ECCR EXPENSES	(62,203,079)	23,994,838
INTEREST & DIVIDENDS RECEIVABLE	(322,986)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,492,028)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,509,530)	582,301
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	5,677,632	5,677,632
FUNDED PROP RES & OTHER INVESTMENTS	(17,311,648)			
FUEL RELATED DEFERRED DEBITS	(16,244,943)			
FLAME RESISTANT CLOTHING	(136)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	231,411			
FAS 143 WORKING CAPITAL	18,977,840			
FAS 158 REGULATORY ASSETS	(83,683,602)			
FAS 158 REGULATORY LIABILITIES	83,683,602			
PPA REGULATORY ASSETS	(73,058,401)			
PPA REGULATORY LIABILITIES	73,058,401			
FAS 133 REGULATORY ASSETS	(14,764,888)			
FAS 133 REGULATORY LIABILITIES	14,764,888			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
October, 2011

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	
LONG TERM DEBT	1,208,846,901	1,065,927,335	(403,759,069)	0	662,168,266	41.78	4.82	2.01	4.82	2.01	4.82	2.01	4.82	2.01	
SHORT TERM DEBT	52,875,060	30,714,420	(11,634,213)	0	19,080,207	1.20	0.43	0.01	0.43	0.01	0.43	0.01	0.43	0.01	
PREFERRED STOCK	97,998,345	86,410,073	(32,730,984)	0	53,679,089	3.39	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,860,070	36,061,004	(13,659,428)	0	22,401,576	1.41	6.29	0.09	6.29	0.09	6.29	0.09	6.29	0.09	
COMMON EQUITY	1,102,959,425	977,126,368	(370,122,446)	0	607,003,922	38.30	10.75	4.12	12.00	4.60	12.75	4.88	12.75	4.88	
DEFERRED INCOME TAXES	411,796,200	383,616,643	(145,308,872)	0	238,307,771	15.04									
FASB 109 DEFERRED TAXES	(37,359,980)	(34,803,406)	13,183,067	0	(21,620,339)	(1.36)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,661,609	6,115,117	(2,316,325)	0	3,798,792	0.24	7.60	0.02	8.18	0.02	8.52	0.02	8.52	0.02	
<b>TOTAL</b>	<b>2,880,637,630</b>	<b>2,551,167,554</b>	<b>(966,348,270)</b>	<b>0</b>	<b>1,584,819,284</b>	<b>100.00 %</b>		<b>6.46 %</b>		<b>6.94 %</b>		<b>7.23 %</b>			

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	COST RATE	WEIGHTED COST	
LONG TERM DEBT	1,207,695,415	1,081,880,460	(417,961,049)	0	663,919,411	40.97	5.10	2.09	5.10	2.09	5.10	2.09	5.10	2.09	
SHORT TERM DEBT	38,677,201	18,461,032	(7,132,019)	0	11,329,013	0.70	0.57	0.00	0.57	0.00	0.57	0.00	0.57	0.00	
PREFERRED STOCK	97,998,345	87,789,101	(33,915,415)	0	53,873,686	3.32	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,859,025	36,677,351	(14,169,499)	0	22,507,852	1.39	5.89	0.08	5.89	0.08	5.89	0.08	5.89	0.08	
COMMON EQUITY	1,113,388,420	1,010,068,889	(390,218,206)	0	619,850,683	38.25	10.75	4.11	12.00	4.59	12.75	4.88	12.75	4.88	
DEFERRED INCOME TAXES	462,296,520	440,317,183	(170,106,993)	0	270,210,190	16.68									
FASB 109 DEFERRED TAXES	(42,286,477)	(40,276,016)	15,559,765	0	(24,716,251)	(1.53)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	6,984,838	5,708,165	(2,205,226)	0	3,502,939	0.22	7.77	0.02	8.35	0.02	8.69	0.02	8.69	0.02	
<b>TOTAL</b>	<b>2,920,613,288</b>	<b>2,640,626,165</b>	<b>(1,020,148,642)</b>	<b>0</b>	<b>1,620,477,523</b>	<b>100.00 %</b>		<b>6.51 %</b>		<b>6.99 %</b>		<b>7.28 %</b>			

GULF POWER COMPANY  
Financial Integrity Indicators  
October, 2011

## A. Times Interest Earned with AFUDC

Earnings Before Interest	169,742,751
AFUDC - Debt	3,977,462
Income Taxes	62,980,440
	<hr/>
Total	236,700,652
Interest Charges (Before Deducting AFUDC - Debt)	61,101,456
	<hr/>
T.I.E. With AFUDC	3.87 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	169,742,751
AFUDC - Other	(9,980,235)
Income Taxes	62,980,440
	<hr/>
Total	222,742,956
Interest Charges (Before Deducting AFUDC - Debt)	61,101,456
	<hr/>
T.I.E. Without AFUDC	3.65 x

## C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,977,462
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,443,156
AFUDC - Other	9,980,235
	<hr/>
Total	12,423,391
	<hr/>
Net Income Available for Common Stockholders	106,416,257
Percent AFUDC to Available Net Income	11.67%

## D. Percent Internally Generated Funds

Net Income	112,618,757
Preferred Dividends	(6,202,500)
Common Dividends	(110,000,000)
AFUDC (Debt & Other)	(13,957,696)
Depreciation & Amortization	138,083,655
Deferred Income Taxes	93,855,793
Investment Tax Credits	0
Other	36,968,603
	<hr/>
Total	251,366,612
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	355,298,486
	<hr/>
Percent Internally Generated Funds	70.75%

E. Long Term Debt as Percent of Total Investor Capital  
(See calculation in item F, below)F. Short Term Debt as Percent of Total Investor Capital  
Reconciled Average Retail Amounts

Long Term Debt	662,168,266
Short Term Debt	19,080,207
Preferred Stock	53,679,089
Common Equity	607,003,922
	<hr/>
Total	1,341,931,484
	<hr/>
% Long Term Debt To Total	49.34%
	<hr/>
% Short Term Debt To Total	1.42%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.42%	4.42%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.01)	(2.01)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.34)	(2.34)
	<hr/>	<hr/>
Total	2.08	2.08
Divided by Common Equity Ratio	38.30	38.30
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	5.43%	5.43%

GULF POWER COMPANY  
Storm Accrual - Twelve Month to Date  
October, 2011

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
November	2010	291,667
December	2010	291,663
January	2011	291,667
February	2011	291,667
March	2011	291,667
April	2011	291,667
May	2011	291,667
June	2011	291,667
July	2011	291,667
August	2011	291,667
September	2011	291,667
<b>October</b>	<b>2011</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>