

Susan D. Ritenour
Corporate Secretary, Treasurer &
Corporate Planning Manager

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December 12, 2014

Mr. Bart Fletcher
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Monthly Rate of Return Report

Dear Mr. Fletcher:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of October 2014.

Sincerely,

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

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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

October 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
October, 2014

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	176,523,344	(66,714,701)	109,808,643	0	109,808,643
Average Rate Base	3,153,888,155	(1,256,965,086)	1,896,923,069	0	1,896,923,069
Average Rate of Return	5.60%		5.79%		5.79%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	176,515,684	(65,818,565)	110,697,119	0	110,697,119
Year End Rate Base	3,264,618,659	(1,345,995,519)	1,918,623,141	0	1,918,623,141
Year End Rate of Return	5.41%		5.77%		5.77%

- (a) Includes AFUDC Earnings
(b) Includes Reversal of AFUDC Earnings

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

Low	5.40%
Midpoint	5.77%
High	6.14%

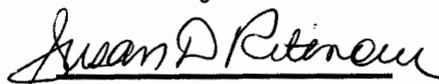
IV. Financial Integrity Indicators

A. Tie With AFUDC	5.12 x (System per Books Basis)
B. Tie Without AFUDC	4.84 x (System per Books Basis)
C. AFUDC To Net Income	9.97% (System per Books Basis)
D. Internally Generated Funds	57.26% (System per Books Basis)
E. LTD To Total Investor Funds	46.01% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.00% (FPSC Adjusted Basis)
G. Return on Common Equity	10.30% (FPSC Adjusted Basis)
H. Return on Common Equity	10.30% (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
Susan D. Ritenour
Corporate Planning Manager, Corporate Treasurer & Secretary

Signature


Date
12/12/14

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
October, 2014

SCHEDULE 2
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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	4,386,079,033	1,474,801,189	2,911,277,844	16,360,841	341,612,271	0	3,269,250,956	219,571,115	3,488,822,071
JURISDICTIONAL PER BOOKS	3,911,698,245	1,332,685,642	2,579,012,603	15,882,208	328,716,548	0	2,923,611,359	230,276,796	3,153,888,155
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,016,110,085)	(148,095,003)	(868,015,082)		(10,392,504)		(878,407,586)	(7,295,275)	(885,702,861)
INT BEARING CWIP					(276,943,979)		(276,943,979)	0	(276,943,979)
ENERGY CONSERVATION CLAUSE	(11,611,826)	6,233,467	(17,845,293)		(4,594)		(17,849,887)	(1,520,458)	(19,370,344)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(43,467)		(43,467)				(43,467)	0	(43,467)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(357)	(357)
LOANS TO EMPLOYEES / RETIREES								(31,150)	(31,150)
INTEREST AND DIVIDENDS RECEIVABLE								(15,840)	(15,840)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,567,136)			(12,567,136)	(4,508,757)	(17,075,893)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(52,948,684)	(52,948,684)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,832,511)	(4,832,511)
TOTAL FPSC ADJUSTMENTS	(1,027,765,378)	(141,861,536)	(885,903,842)	(12,567,136)	(287,341,077)	0	(1,185,812,055)	(71,153,032)	(1,256,965,086)
FPSC ADJUSTED	2,883,932,867	1,190,824,106	1,693,108,761	3,315,072	41,375,471	0	1,737,799,304	159,123,765	1,896,923,069
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUST	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	2,883,932,867	1,190,824,106	1,693,108,761	3,315,072	41,375,471	0	1,737,799,304	159,123,765	1,896,923,069

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
October, 2014

SCHEDULE 2
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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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,575,650,401	710,163,636	326,169,724	148,523,584	107,279,535	43,406,713	48,778,269	(1,285,320)	0	1,381,038,181	194,614,240 (a)
JURISDICTIONAL PER BOOKS	1,322,599,106	538,448,940	307,726,912	137,940,922	105,773,304	38,189,101	34,578,067	(936,944)	0	1,161,720,302	160,878,804 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(486,743,541)	(486,412,900)				(127,545)				(486,540,445)	(203,096)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(51,494,407)	(51,843,457)				134,646				(51,708,811)	214,404
ENERGY CONSERVATION COST REVENUES & EXPENSES	(18,544,053)		(16,187,766)	(329,651)	(396,254)	(828,920)				(17,542,592)	(1,001,461)
ENVIRONMENTAL COST RECOVERY CLAUSE	(143,808,012)		(28,573,635)	(39,461,337)	(1,965,820)	(28,470,364)				(98,471,156)	(45,334,856)
FRANCHISE FEE REVENUE & EXPENSE	(41,283,486)				(40,232,230)	(405,522)				(40,837,752)	(645,734)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,002,988)				(30,625,447)	(145,637)				(30,771,084)	(231,905)
MARKETING SUPPORT ACTIVITIES						75,079				(119,552)	119,552
WHOLESALE EXPENSES		(192,584)	(194,631)			74,289				(118,295)	118,295
INSTITUTIONAL ADVERTISING EXPENSE			(377,672)			145,687				(231,985)	231,985
ECONOMIC DEVELOPMENT EXPENSE			(58,464)			22,552				(35,912)	35,912
MGMT FINANCIAL PLANNING SERVICES			(28,926)			11,158				(17,768)	17,768
DIRECTORS' & OFFICERS' INSURANCE			(47,985)			18,510				(29,475)	29,475
INDUSTRY ASSOCIATION DUES			(214)			83				(131)	131
TALLAHASSEE LIAISON EXPENSES			(363,515)		(16,439)	146,567				(233,387)	233,387
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				4,851		(1,871)				2,980	(2,980)
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,452,223)	580,195				(892,028)	892,028
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						192,469			(498,947)	(308,478)	308,478
INTEREST SYNCHRONIZATION						5,849,545				5,849,545	(5,849,545)
TOTAL FPSC ADJUSTMENTS	(772,874,466)	(538,448,940)	(45,832,809)	(39,786,137)	(74,888,413)	(22,549,079)	0	0	(498,947)	(721,804,325)	(51,070,161)
FPSC ADJUSTED	549,724,620	0	261,894,103	98,154,785	31,084,891	15,640,022	34,578,067	(936,944)	(498,947)	439,915,977	109,808,643
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	549,724,620	0	261,894,103	98,154,785	31,084,891	15,640,022	34,578,067	(936,944)	(498,947)	439,915,977	109,808,643
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				16,016,638			15,644,540				
CURRENT MONTH SYSTEM PER BOOKS	123,334,129	53,380,991	31,940,274	12,952,089	9,106,543	2,539,896	1,768,001	(105,992)	0	111,581,803	11,752,326
CURRENT MONTH JURISDICTIONAL PER BOOKS	106,530,677	43,018,420	29,332,628	12,033,521	8,968,445	2,812,524	624,758	(76,860)	0	96,713,306	9,817,370

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
October, 2014

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,046,842,555)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(880,794,496)	(254,901,476)
ACCUMULATED DEPRECIATION	152,548,058	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,002,382)	(57,091,919)
CWIP	(10,706,130)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(51,890,974)	(20,018,943)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,811,826)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,544,053)	(7,153,368)
ACCUMULATED DEPRECIATION	(8,233,487)	FUEL EXPENSE	(856,734,557)	253,335,356
CWIP	(4,594)	PURCHASED POWER CAPACITY COST EXPENSE	(53,429,739)	20,810,522
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(43,487)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(18,517,418)	8,371,594
FAS 143 NET PLANT	(15,145,877)	CONSERVATION EXPENSES - OTHER TAXES	(398,254)	152,855
INTEREST BEARING CWIP	(283,530,857)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,034,405)	27,787,272
PHFU - NORTH ESCAMBIA	(12,945,885)	FRANCHISE FEE REVENUES	(41,283,486)	(15,925,105)
		FRANCHISE FEE	(40,232,230)	15,519,583
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,002,988)	(11,959,403)
ECRC WORKING CAPITAL	(7,514,385)	GROSS RECEIPTS TAX EXPENSE	(30,825,447)	11,813,766
CONSERVATION/AEM INVENTORY	(1,520,458)	MARKETING SUPPORT ACTIVITIES	(194,831)	75,079
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(373)	WHOLESALE EXPENSE	(198,453)	78,553
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(385,112)	148,557
LOANS TO EMPLOYEES AND RETIREES	(32,510)	ECONOMIC DEVELOPMENT EXPENSE	(58,464)	22,552
INTEREST & DIVIDENDS RECEIVABLE	(16,532)	MGMT FINANCIAL PLANNING SERVICES	(28,584)	11,404
NORTH ESCAMBIA SITE	(4,705,781)	DIRECTORS' & OFFICERS' INSURANCE	(49,044)	18,919
UNAMORTIZED RATE CASE EXPENSE	(5,043,661)	INDUSTRY ASSOCIATION DUES	(218)	84
DEPRECIATION CREDIT ADJUSTMENT	0	TALLAHASSEE LIAISON EXPENSE	(388,347)	149,805
FUEL RELATED DEFERRED DEBITS	(52,948,684)	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	4,851	(1,871)
UNREALIZED LOSS ON FWD CONTRACT	1,478	DEPRECIATION CREDIT ADJUSTMENT	0	0
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,452,223)	560,185
FAS 143 WORKING CAPITAL	26,423,762	COMP SALES/TRANS REV/L. SALE GAS/PROV RT REFIN. ESC REV	20,192	7,789
FAS 158 REGULATORY ASSETS	(88,339,590)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(520,244)	200,684
FAS 158 REGULATORY LIABILITIES	88,339,590	INTEREST SYNCHRONIZATION	6,278,967	6,278,967
PPA REGULATORY ASSETS	(181,332,020)			
PPA REGULATORY LIABILITIES	181,332,020			
FAS 133 REGULATORY ASSETS	(26,984,536)			
FAS 133 REGULATORY LIABILITIES	26,984,536			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
October, 2014

	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	4,440,452,102	1,525,636,999	2,914,815,103	15,560,289	448,997,642	0	3,379,373,034	219,571,115	3,598,944,149
JURISDICTIONAL PER BOOKS	3,962,926,580	1,379,648,617	2,583,277,963	15,105,075	435,321,454	0	3,033,704,492	230,914,167	3,264,618,659
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,018,497,885)	(167,569,893)	(850,927,992)		(17,342,689)		(868,270,681)	(7,295,275)	(875,565,956)
INT BEARING CWIP					(374,388,894)		(374,388,894)	0	(374,388,894)
ENERGY CONSERVATION CLAUSE	(12,133,642)	6,818,571	(18,952,213)				(18,952,213)	(1,520,458)	(20,472,671)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(565,077)		(565,077)				(565,077)	0	(565,077)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(4,648)	(4,648)
LOANS TO EMPLOYEES AND RETIREES								(31,150)	(31,150)
INTEREST AND DIVIDENDS RECEIVABLE								(15,840)	(15,840)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,508,757)	(17,170,088)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(52,948,684)	(52,948,684)
ACCRUED PROVISION FOR REFUND								0	0
								(4,832,511)	(4,832,511)
TOTAL FPSC ADJUSTMENTS	(1,031,196,604)	(160,751,322)	(870,445,282)	(12,661,331)	(391,731,583)	0	(1,274,838,196)	(71,157,323)	(1,345,995,519)
FPSC ADJUSTED	2,931,729,976	1,218,897,295	1,712,832,681	2,443,744	43,589,871	0	1,758,866,296	159,756,845	1,918,623,141
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	2,931,729,976	1,218,897,295	1,712,832,681	2,443,744	43,589,871	0	1,758,866,296	159,756,845	1,918,623,141

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
October, 2014

SCHEDULE 3
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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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,575,650,401	710,163,636	326,169,724	148,523,584	107,279,535	43,408,713	46,778,289	(1,285,320)	0	1,381,036,161	194,614,240 (a)
JURISDICTIONAL PER BOOKS	1,322,599,106	538,448,940	307,726,912	137,940,922	105,773,304	38,190,792	34,584,036	(936,944)	0	1,161,727,962	160,871,144 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(486,743,541)	(486,412,900)				(127,545)				(486,540,445)	(203,096)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(51,494,407)	(51,843,457)				134,648				(51,708,811)	214,404
ENERGY CONSERVATION COST REVENUES & EXPENSES	(18,544,053)		(16,187,786)	(329,651)	(396,254)	(828,920)				(17,542,592)	(1,001,461)
ENVIRONMENTAL COST RECOVERY CLAUSE	(143,806,012)		(28,573,635)	(39,461,337)	(1,965,820)	(28,470,364)				(98,471,156)	(45,334,856)
FRANCHISE FEE REVENUE & EXPENSE	(41,283,486)				(40,232,230)	(405,522)				(40,637,752)	(645,734)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,002,988)				(30,625,447)	(145,637)				(30,771,084)	(231,905)
MARKETING SUPPORT ACTIVITIES			(194,631)			75,079				(119,552)	119,552
WHOLESALE EXPENSES		(192,584)				74,289				(118,295)	118,295
INSTITUTIONAL ADVERTISING EXPENSE			(377,672)			145,687				(231,985)	231,985
ECONOMIC DEVELOPMENT EXPENSE			(58,464)			22,552				(35,912)	35,912
MGMT FINANCIAL PLANNING SERVICES			(28,928)			11,158				(17,768)	17,768
DIRECTORS' & OFFICERS' INSURANCE			(47,985)			18,510				(29,475)	29,475
INDUSTRY ASSOCIATION DUES			(214)			83				(131)	131
TALLAHASSEE LIAISON EXPENSES			(363,515)		(16,439)	146,567				(233,387)	233,387
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				4,851		(1,871)				2,980	(2,980)
DEPRECIATION CREDIT ADJUSTMENT									0	0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,452,223)	560,195				(892,028)	892,028
RECLASSIFY FINANCING EXPENSES											
INTEREST SYNCHRONIZATION						4,953,409				4,953,409	(4,953,409)
TOTAL FPSC ADJUSTMENTS	(772,874,486)	(538,448,940)	(45,832,809)	(39,786,137)	(74,688,413)	(23,445,215)	0	0	(498,947)	(722,700,461)	(50,174,025)
FPSC ADJUSTED	549,724,620	0	261,894,103	98,154,785	31,084,891	14,745,577	34,584,036	(936,944)	(498,947)	439,027,501	110,697,119
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	549,724,620	0	261,894,103	98,154,785	31,084,891	14,745,577	34,584,036	(936,944)	(498,947)	439,027,501	110,697,119
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				16,016,638	AND THE JURISDICTIONAL NOI BY	15,644,540					

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
October, 2014

SCHEDULE 3
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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,048,837,303)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(880,794,496)	(254,901,476)
ACCUMULATED DEPRECIATION	172,561,532	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,002,382)	(57,091,919)
CWIP	(17,859,300)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(51,890,974)	(20,016,943)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,133,642)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,544,053)	(7,153,368)
ACCUMULATED DEPRECIATION	(6,818,571)	FUEL EXPENSE	(856,734,557)	253,335,358
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(53,429,739)	20,810,522
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(565,077)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(18,517,418)	6,371,584
FAS 143 NET PLANT	(15,133,776)	CONSERVATION EXPENSES - OTHER TAXES	(398,254)	152,855
INTEREST BEARING CWIP	(383,293,552)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,034,405)	27,787,272
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(41,283,488)	(15,925,105)
WORKING CAPITAL:		FRANCHISE FEE	(40,232,230)	15,519,583
ECRC WORKING CAPITAL	(7,514,385)	GROSS RECEIPTS TAX REVENUES	(31,002,988)	(11,959,403)
CONSERVATION/AEM INVENTORY	(1,520,458)	GROSS RECEIPTS TAX EXPENSE	(30,825,447)	11,813,766
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(373)	MARKETING SUPPORT ACTIVITIES	(184,631)	75,079
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(198,453)	76,553
LOANS TO EMPLOYEES AND RETIREES	(32,510)	INSTITUTIONAL ADVERTISING EXPENSE	(385,112)	148,557
INTEREST & DIVIDENDS RECEIVABLE	(16,532)	ECONOMIC DEVELOPMENT EXPENSE	(58,484)	22,552
NORTH ESCAMBIA SITE	(4,705,781)	MGMT FINANCIAL PLANNING SERVICES	(28,584)	11,404
UNAMORTIZED RATE CASE EXPENSE	(5,043,661)	DIRECTORS' & OFFICERS' INSURANCE	(49,044)	18,919
DEPRECIATION CREDIT ADJUSTMENT	0	INDUSTRY ASSOCIATION DUES	(218)	84
FUEL RELATED DEFERRED DEBITS	(52,948,684)	TALLAHASSEE LIAISON EXPENSE	(388,347)	149,805
UNREALIZED LOSS ON FWD CONTRACT	1,478	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	4,851	(1,871)
ACCUM. PROV. FOR RATE REFUNDS	0	DEPRECIATION CREDIT ADJUSTMENT	0	0
FAS 143 WORKING CAPITAL	26,423,782	GRT/PSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,452,223)	580,185
FAS 158 REGULATORY ASSETS	(88,339,590)	COMP SALES/TRANS REV/IGL SALE GAS/PROV RT REFN. ESC REV	20,182	7,789
FAS 158 REGULATORY LIABILITIES	88,339,590	GAIN/LOSS ON DISPOSITION OF PROPERTY	(520,244)	200,684
PPA REGULATORY ASSETS	(191,332,020)	INTEREST SYNCHRONIZATION	4,830,929	4,830,929
PPA REGULATORY LIABILITIES	191,332,020			
FAS 133 REGULATORY ASSETS	(26,984,538)			
FAS 133 REGULATORY LIABILITIES	26,984,538			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
October, 2014

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,241,306,539	1,135,922,187	(452,715,651)	0	683,206,536	36.02	4.60	1.66	4.60	1.66	4.60	1.66
SHORT TERM DEBT	84,764,780	24,728,326	(9,855,341)	0	14,872,985	0.78	0.22	0.00	0.22	0.00	0.22	0.00
PREFERENCE STOCK	146,506,295	134,054,586	(53,426,731)	0	80,627,855	4.25	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,754,112	35,348,657	(14,088,016)	0	21,260,641	1.12	2.38	0.03	2.38	0.03	2.38	0.03
COMMON EQUITY	1,274,945,087	1,174,114,027	(467,936,803)	0	706,177,224	37.23	9.25	3.44	10.25	3.82	11.25	4.19
DEFERRED INCOME TAXES	739,781,912	688,525,976	(274,408,308)	0	414,117,668	21.83						
FASB 109 DEFERRED TAXES	(45,128,020)	(42,001,317)	16,739,398	0	(25,261,919)	(1.33)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,632,874	3,195,713	(1,273,634)	0	1,922,079	0.10	6.92	0.01	7.40	0.01	7.88	0.01
TOTAL	3,480,563,579	3,153,888,155	(1,256,965,086)	0	1,896,923,069	100.00 %		5.40 %		5.77 %		6.14 %

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,343,939,504	1,200,346,899	(494,900,543)	0	705,446,356	36.77	4.79	1.76	4.79	1.76	4.79	1.76
SHORT TERM DEBT	4,999,572	(405,192)	167,060	0	(238,132)	(0.01)	2.10	(0.00)	2.10	(0.00)	2.10	(0.00)
PREFERENCE STOCK	146,503,864	136,131,239	(56,126,628)	0	80,004,611	4.17	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	35,024,637	36,080,821	(14,876,048)	0	21,204,773	1.11	2.34	0.03	2.34	0.03	2.34	0.03
COMMON EQUITY	1,291,075,588	1,216,542,937	(501,578,136)	0	714,964,801	37.26	9.25	3.45	10.25	3.82	11.25	4.19
DEFERRED INCOME TAXES	761,886,768	718,821,743	(296,368,717)	0	422,453,026	22.02						
FASB 109 DEFERRED TAXES	(48,393,145)	(45,657,763)	18,824,601	0	(26,833,162)	(1.40)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,995,374	2,757,976	(1,137,108)	0	1,620,868	0.08	6.99	0.01	7.47	0.01	7.94	0.01
TOTAL	3,538,032,161	3,264,618,659	(1,345,995,519)	0	1,918,623,141	100.00 %		5.50 %		5.87 %		6.24 %

GULF POWER COMPANY
Financial Integrity Indicators
October, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	203,383,861
AFUDC - Debt	5,034,431
Income Taxes	89,576,287
	<hr/>
Total	297,994,579
Interest Charges (Before Deducting AFUDC - Debt)	58,237,980
T.I.E. With AFUDC	<hr/> 5.12 x <hr/>

B. Times Interest Earned without AFUDC

Earnings Before Interest	203,383,861
AFUDC - Other	(10,982,207)
Income Taxes	89,576,287
	<hr/>
Total	281,977,941
Interest Charges (Before Deducting AFUDC - Debt)	58,237,980
T.I.E. Without AFUDC	<hr/> 4.84 x <hr/>

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	5,034,431
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	3,092,399
AFUDC - Other	10,982,207
	<hr/>
Total	14,074,606
	<hr/>
Net Income Available for Common Stockholders	141,177,812
Percent AFUDC to Available Net Income	<hr/> 9.97% <hr/>

D. Percent Internally Generated Funds

Net Income	150,180,312
Preference Dividends	(9,002,500)
Common Dividends	(123,200,000)
AFUDC (Debt & Other)	(16,016,638)
Depreciation & Amortization	157,304,146
Deferred Income Taxes	46,756,610
Investment Tax Credits	0
Other	(10,642,643)
	<hr/>
Total	195,379,287
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	341,237,850
	<hr/>
Percent Internally Generated Funds	<hr/> 57.26% <hr/>

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	683,206,536
Short Term Debt	14,872,985
Preference Stock	80,627,855
Common Equity	706,177,224
	<hr/>
Total	1,484,884,600
	<hr/>
% Long Term Debt To Total	46.01%
	<hr/>
% Short Term Debt To Total	1.00%
	<hr/>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.79%	5.79%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.66)	(1.66)
Short Term Debt	(0.00)	(0.00)
Preference Stock	(0.26)	(0.26)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(1.96)	(1.96)
	<hr/>	<hr/>
Total	3.83	3.83
Divided by Common Equity Ratio	37.23	37.23
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.30%	10.30%
	<hr/>	<hr/>