

Robert L. McGee, Jr.
Regulatory & Pricing Manager

One Energy Place
Pensacola, Florida 32520-0780

Tel 850.444.6530
Fax 850.444.6026
RLMCGEE@southernco.com



February 12, 2016

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 December, 2015.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." in a cursive style.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

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

RECEIVED
FLORIDA PUBLIC SERVICE
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DIVISION OF
ACCOUNTING & FINANCE

December 2015

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
December, 2015

	(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	185,935,004	(70,180,975)	115,754,030	0	115,754,030
Average Rate Base	3,410,023,054	(1,412,165,846)	1,997,857,208	0	1,997,857,208
Average Rate of Return	5.45%		5.79%		5.79%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	185,942,232	(70,759,549)	115,182,684	0	115,182,684
Year End Rate Base	3,439,583,272	(1,439,155,897)	2,000,427,375	0	2,000,427,375
Year End Rate of Return	5.41%		5.76%		5.76%

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

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

Low	5.20%
Midpoint	5.56%
High	5.92%

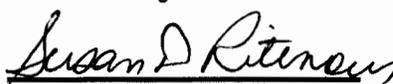
IV. Financial Integrity Indicators

A. Tie With AFUDC	5.09 x (System per Books Basis)
B. Tie Without AFUDC	4.79 x (System per Books Basis)
C. AFUDC To Net Income	10.80% (System per Books Basis)
D. Internally Generated Funds	100.65% (System per Books Basis)
E. LTD To Total Investor Funds	45.84% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.76% (FPSC Adjusted Basis)
G. Return on Common Equity	10.91% (FPSC Adjusted Basis)
H. Return on Common Equity	10.91% (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
2/12/16

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
December, 2015

	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	4,714,582,373	1,576,545,775	3,138,036,598	14,894,609	375,074,599	0	3,528,005,806	220,471,581	3,748,477,387
JURISDICTIONAL PER BOOKS	4,187,833,933	1,424,918,527	2,762,915,406	14,458,870	364,016,233	0	3,141,390,509	268,632,544	3,410,023,054
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,074,220,268)	(191,993,189)	(882,227,079)		(19,447,144)		(901,674,223)	(6,201,524)	(907,875,747)
INT BEARING CWIP					(310,641,332)		(310,641,332)	0	(310,641,332)
ENERGY CONSERVATION CLAUSE	(12,940,416)	7,166,263	(20,106,679)		(5,769)		(20,112,448)	(1,438,557)	(21,551,005)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(122,461,561)		(122,461,561)				(122,461,561)	0	(122,461,561)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(2,140,395)	(2,140,395)
LOANS TO EMPLOYEES / RETIREES								(47,248)	(47,248)
INTEREST AND DIVIDENDS RECEIVABLE								(46,826)	(46,826)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,358,940)	(17,020,271)
FUEL RELATED DEFERRED DEBITS								(27,411,293)	(27,411,293)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,970,168)	(2,970,168)
TOTAL FPSC ADJUSTMENTS	(1,209,622,245)	(184,826,926)	(1,024,795,319)	(12,661,331)	(330,094,245)	0	(1,367,550,895)	(44,614,951)	(1,412,165,846)
FPSC ADJUSTED	2,978,211,688	1,240,091,601	1,738,120,087	1,797,539	33,921,988	0	1,773,839,614	224,017,594	1,997,857,208
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	2,978,211,688	1,240,091,601	1,738,120,087	1,797,539	33,921,988	0	1,773,839,614	224,017,594	1,997,857,208

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
December, 2015

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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	1,483,006,057	588,550,529	344,904,516	142,152,478	117,719,928	(25,771,874)	116,648,583	(701,940)	0	1,283,502,221	199,503,836 (a)
JURISDICTIONAL PER BOOKS	1,316,664,577	502,483,471	325,193,420	130,764,684	115,663,328	(13,428,706)	88,225,359	(440,564)	0	1,148,460,993	168,203,584 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(416,405,232)	(416,053,247)				(135,778)				(416,189,025)	(216,207)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(86,068,945)	(86,241,297)				66,485				(86,174,812)	105,867
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,979,330)		(15,487,773)	(962,456)	(331,115)	(693,573)				(16,874,918)	(1,104,412)
ENVIRONMENTAL COST RECOVERY CLAUSE	(143,731,287)		(25,261,485)	(40,670,812)	(3,606,592)	(28,619,717)				(98,158,606)	(45,572,681)
FRANCHISE FEE REVENUE & EXPENSE	(44,092,637)				(42,958,504)	(437,492)				(43,395,996)	(696,640)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(33,197,242)				(32,832,285)	(140,782)				(32,973,067)	(224,175)
MARKETING SUPPORT ACTIVITIES			(175,783)			67,808				(107,975)	107,975
WHOLESALE EXPENSES		(188,927)				72,879				(116,048)	116,048
INSTITUTIONAL ADVERTISING EXPENSE			(180,285)			69,545				(110,740)	110,740
ECONOMIC DEVELOPMENT EXPENSE			(60,300)			23,260				(37,040)	37,040
MGMT FINANCIAL PLANNING SERVICES			(18,996)			7,328				(11,668)	11,668
DIRECTORS' & OFFICERS' INSURANCE			(46,505)			17,939				(28,566)	28,566
INDUSTRY ASSOCIATION DUES			(1,316)			508				(808)	808
TALLAHASSEE LIAISON EXPENSES			(436,232)		(21,304)	176,495				(281,041)	281,041
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,556,218)	600,311				(955,907)	955,907
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,198			(21,251)	(13,053)	13,053
INTEREST SYNCHRONIZATION						6,404,153				6,404,153	(6,404,153)
TOTAL FPSC ADJUSTMENTS	(741,474,672)	(502,483,471)	(41,668,676)	(41,033,268)	(81,306,018)	(22,512,433)	0	0	(21,251)	(889,025,118)	(52,449,555)
FPSC ADJUSTED	575,189,905	0	283,524,744	89,731,416	34,357,310	(35,941,139)	88,225,359	(440,564)	(21,251)	459,435,875	115,754,030
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	575,189,905	0	283,524,744	89,731,416	34,357,310	(35,941,139)	88,225,359	(440,564)	(21,251)	459,435,875	115,754,030
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				18,153,153	AND THE JURISDICTIONAL NOI BY	17,731,420					
CURRENT MONTH SYSTEM PER BOOKS	103,134,478	31,746,702	31,039,441	14,463,719	8,773,540	(17,782,154)	23,087,065	(58,495)	0	91,269,819	11,864,660
CURRENT MONTH JURISDICTIONAL PER BOOKS	92,400,791	29,167,152	28,160,221	13,491,346	8,601,477	(470,856)	3,401,827	(36,719)	0	83,256,160	9,144,630

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2015

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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	(1,106,539,728)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(503,731,575)	(194,314,455)
ACCUMULATED DEPRECIATION	197,769,579	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(147,879,288)	(57,044,435)
CWIP	(20,032,239)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,307,864)	(33,293,259)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,940,416)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,979,330)	(6,935,527)
ACCUMULATED DEPRECIATION	(7,166,263)	FUEL EXPENSE	(499,809,767)	192,801,818
CWIP	(5,769)	PURCHASED POWER CAPACITY COST EXPENSE	(88,843,103)	34,271,227
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(122,461,561)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,850,230)	6,114,226
FAS 143 NET PLANT	(54,228,587)	CONSERVATION EXPENSES - OTHER TAXES	(331,115)	127,728
INTEREST BEARING CWIP	(318,029,765)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,565,669)	27,806,457
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(44,092,637)	(17,008,735)
		FRANCHISE FEE	(42,958,504)	16,571,243
		GROSS RECEIPTS TAX REVENUES	(33,197,242)	(12,605,836)
		GROSS RECEIPTS TAX EXPENSE	(32,832,285)	12,685,054
		MARKETING SUPPORT ACTIVITIES	(175,783)	67,808
		WHOLESALE EXPENSE	(194,685)	75,100
		INSTITUTIONAL ADVERTISING EXPENSE	(183,837)	70,915
		ECONOMIC DEVELOPMENT EXPENSE	(60,300)	23,261
		MGMT FINANCIAL PLANNING SERVICES	(19,415)	7,489
		DIRECTORS' & OFFICERS' INSURANCE	(47,532)	18,335
		INDUSTRY ASSOCIATION DUES	(1,342)	518
		TALLAHASSEE LIAISON EXPENSE	(467,644)	180,394
		DEPRECIATION CREDIT ADJUSTMENT	0	0
		GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,556,218)	600,311
		COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(123,939)	(47,810)
		GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
		INTEREST SYNCHRONIZATION	6,744,140	6,744,140
WORKING CAPITAL:				
ECRC WORKING CAPITAL	(6,388,106)			
CONSERVATION/AEM INVENTORY	(1,438,557)			
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(2,140,395)			
FUNDED PROPERTY INSURANCE RESERVE	0			
LOANS TO EMPLOYEES AND RETIREES	(49,311)			
INTEREST & DIVIDENDS RECEIVABLE	(48,870)			
NORTH ESCAMBIA SITE	(4,549,398)			
UNAMORTIZED RATE CASE EXPENSE	(3,099,945)			
FUEL RELATED DEFERRED DEBITS	(27,411,293)			
UNREALIZED LOSS ON FWD CONTRACT	(420)			
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	66,392,954			
FAS 158 REGULATORY ASSETS	(146,321,424)			
FAS 158 REGULATORY LIABILITIES	146,321,424			
PPA REGULATORY ASSETS	(174,071,356)			
PPA REGULATORY LIABILITIES	174,071,356			
FAS 133 REGULATORY ASSETS	(88,321,311)			
FAS 133 REGULATORY LIABILITIES	88,321,311			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
December, 2015

	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	5,157,845,055	1,626,923,438	3,530,921,616	14,756,744	46,511,918	0	3,592,190,278	220,471,581	3,812,661,859
JURISDICTIONAL PER BOOKS	4,579,677,112	1,469,909,727	3,109,767,385	14,325,038	44,700,347	0	3,168,792,770	270,790,502	3,439,583,272
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,375,836,602)	(211,642,968)	(1,164,193,634)		(15,971,226)		(1,180,164,860)	(6,201,524)	(1,186,366,384)
INT BEARING CWIP					(70,060)		(70,060)	0	(70,060)
ENERGY CONSERVATION CLAUSE	(13,615,746)	7,369,779	(20,985,525)				(20,985,525)	(1,438,557)	(22,424,082)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(176,977,186)		(176,977,186)				(176,977,186)	0	(176,977,186)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(5,822,380)	(5,822,380)
LOANS TO EMPLOYEES AND RETIREES								(47,248)	(47,248)
INTEREST AND DIVIDENDS RECEIVABLE								(46,826)	(46,826)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,358,940)	(17,020,271)
FUEL RELATED DEFERRED DEBITS								(27,411,293)	(27,411,293)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,970,168)	(2,970,168)
TOTAL FPSC ADJUSTMENTS	(1,566,429,534)	(204,273,189)	(1,362,156,345)	(12,661,331)	(16,041,286)	0	(1,390,858,962)	(48,296,936)	(1,439,155,897)
FPSC ADJUSTED	3,013,247,578	1,265,636,538	1,747,611,040	1,663,707	28,659,061	0	1,777,933,808	222,493,567	2,000,427,375
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	3,013,247,578	1,265,636,538	1,747,611,040	1,663,707	28,659,061	0	1,777,933,808	222,493,567	2,000,427,375

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
December, 2015

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	1,483,006,057	588,550,529	344,904,516	142,152,478	117,719,928	(25,771,874)	116,648,583	(701,940)	0	1,283,502,221	199,503,836 (a)
JURISDICTIONAL PER BOOKS	1,316,664,577	502,483,471	325,193,420	130,764,684	115,663,328	(13,422,035)	88,211,460	(440,564)	0	1,148,453,765	168,210,812 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(416,405,232)	(416,053,247)				(135,778)				(416,189,025)	(216,207)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(86,068,945)	(86,241,297)				66,485				(86,174,812)	105,867
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,979,330)		(15,487,773)	(362,456)	(331,115)	(693,573)				(16,874,918)	(1,104,412)
ENVIRONMENTAL COST RECOVERY CLAUSE	(143,731,287)		(25,261,485)	(40,670,812)	(3,606,592)	(28,619,717)				(98,158,606)	(45,572,681)
FRANCHISE FEE REVENUE & EXPENSE	(44,092,637)				(42,958,504)	(437,492)				(43,395,996)	(696,640)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(33,197,242)				(32,832,285)	(140,782)				(32,973,067)	(224,175)
MARKETING SUPPORT ACTIVITIES			(175,783)			67,808				(107,975)	107,975
WHOLESALE EXPENSES		(188,927)				72,879				(116,048)	116,048
INSTITUTIONAL ADVERTISING EXPENSE			(180,285)			69,545				(110,740)	110,740
ECONOMIC DEVELOPMENT EXPENSE			(60,300)			23,260				(37,040)	37,040
MGMT FINANCIAL PLANNING SERVICES			(18,996)			7,328				(11,668)	11,668
DIRECTORS' & OFFICERS' INSURANCE			(46,505)			17,939				(28,566)	28,566
INDUSTRY ASSOCIATION DUES			(1,316)			508				(808)	808
TALLAHASSEE LIAISON EXPENSES			(436,232)		(21,304)	176,495				(281,041)	281,041
DEPRECIATION CREDIT ADJUSTMENT						0				0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,556,218)	600,311				(955,907)	955,907
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,198			(21,251)	(13,053)	13,053
INTEREST SYNCHRONIZATION						6,982,727				6,982,727	(6,982,727)
TOTAL FPSC ADJUSTMENTS	(741,474,672)	(502,483,471)	(41,668,676)	(41,033,268)	(81,306,018)	(21,933,859)	0	0	(21,251)	(688,446,544)	(53,028,129)
FPSC ADJUSTED	575,189,905	0	283,524,744	89,731,416	34,357,310	(35,355,894)	88,211,460	(440,564)	(21,251)	460,007,221	115,182,684
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	575,189,905	0	283,524,744	89,731,416	34,357,310	(35,355,894)	88,211,460	(440,564)	(21,251)	460,007,221	115,182,684
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				18,153,153	AND THE JURISDICTIONAL NOI BY	17,731,420					

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2015

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	(1,417,400,284)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(503,731,575)	(194,314,455)
ACCUMULATED DEPRECIATION	218,036,649	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(147,879,286)	(57,044,435)
CWIP	(16,453,713)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,307,864)	(33,293,259)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,615,746)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,979,330)	(6,835,527)
ACCUMULATED DEPRECIATION	(7,369,779)	FUEL EXPENSE	(499,809,787)	192,801,618
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,843,103)	34,271,227
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(176,977,186)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,850,230)	6,114,226
FAS 143 NET PLANT	(89,715,380)	CONSERVATION EXPENSES - OTHER TAXES	(331,115)	127,728
INTEREST BEARING CWIP	(71,726)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,565,869)	27,606,457
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(44,092,637)	(17,008,735)
		FRANCHISE FEE	(42,958,504)	16,571,243
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(33,197,242)	(12,805,836)
ECRC WORKING CAPITAL	(6,388,106)	GROSS RECEIPTS TAX EXPENSE	(32,832,285)	12,665,054
CONSERVATION/AEM INVENTORY	(1,438,557)	MARKETING SUPPORT ACTIVITIES	(175,783)	67,808
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(2,140,395)	WHOLESALE EXPENSE	(194,685)	75,100
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(183,837)	70,915
LOANS TO EMPLOYEES AND RETIREES	(49,311)	ECONOMIC DEVELOPMENT EXPENSE	(80,300)	23,281
INTEREST & DIVIDENDS RECEIVABLE	(48,870)	MGMT FINANCIAL PLANNING SERVICES	(19,415)	7,489
NORTH ESCAMBIA SITE	(4,549,398)	DIRECTORS' & OFFICERS' INSURANCE	(47,532)	18,335
UNAMORTIZED RATE CASE EXPENSE	(3,099,945)	INDUSTRY ASSOCIATION DUES	(1,342)	518
FUEL RELATED DEFERRED DEBITS	(27,411,293)	TALLAHASSEE LIAISON EXPENSE	(487,644)	180,394
UNREALIZED LOSS ON FWD CONTRACT	(420)	DEPRECIATION CREDIT ADJUSTMENT	0	0
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,556,218)	600,311
FAS 143 WORKING CAPITAL	66,392,954	COMP SALES/TRANS REV/L SALE GAS/PROV RT REFN. ESC REV	(123,939)	(47,810)
FAS 158 REGULATORY ASSETS	(146,321,424)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 156 REGULATORY LIABILITIES	146,321,424	INTEREST SYNCHRONIZATION	7,452,436	7,452,436
PPA REGULATORY ASSETS	(174,071,356)			
PPA REGULATORY LIABILITIES	174,071,356			
FAS 133 REGULATORY ASSETS	(88,321,311)			
FAS 133 REGULATORY LIABILITIES	88,321,311			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December, 2015

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	1,327,320,776	1,211,884,362	(501,868,075)	0	710,016,287	35.54	4.50	1.60	4.50	1.60	4.50	1.60
SHORT TERM DEBT	109,767,987	73,091,918	(30,268,977)	0	42,822,941	2.14	0.39	0.01	0.39	0.01	0.39	0.01
PREFERENCE STOCK	146,503,969	133,761,401	(55,393,550)	0	78,367,851	3.92	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,612,499	35,925,959	(14,877,733)	0	21,048,226	1.05	2.37	0.02	2.37	0.02	2.37	0.02
COMMON EQUITY	1,333,059,490	1,225,024,270	(507,309,601)	0	717,714,669	35.92	9.25	3.32	10.25	3.68	11.25	4.04
DEFERRED INCOME TAXES	841,601,131	780,864,842	(323,373,374)	0	457,491,468	22.90						
FASB 109 DEFERRED TAXES	(55,284,015)	(51,294,304)	21,242,104	0	(30,052,200)	(1.50)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,432,420	764,606	(316,640)	0	447,966	0.02	6.85	0.00	7.32	0.00	7.80	0.00
TOTAL	3,741,014,257	3,410,023,054	(1,412,165,846)	0	1,997,857,208	100.00 %		5.20 %		5.56 %		5.92 %

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	1,287,522,852	1,171,306,213	(490,086,185)	0	681,220,028	34.05	4.44	1.51	4.44	1.51	4.44	1.51
SHORT TERM DEBT	141,924,078	102,070,099	(42,707,146)	0	59,362,953	2.97	0.51	0.02	0.51	0.02	0.51	0.02
PREFERENCE STOCK	146,504,320	133,280,289	(55,765,800)	0	77,514,489	3.87	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,860,079	36,029,449	(15,075,080)	0	20,954,369	1.05	2.68	0.03	2.68	0.03	2.68	0.03
COMMON EQUITY	1,354,718,603	1,221,024,207	(510,888,689)	0	710,135,518	35.50	9.25	3.28	10.25	3.64	11.25	3.99
DEFERRED INCOME TAXES	893,042,871	826,786,007	(345,935,500)	0	480,850,507	24.04						
FASB 109 DEFERRED TAXES	(55,576,577)	(51,453,225)	21,528,542	0	(29,924,683)	(1.50)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,081,450	540,233	(226,039)	0	314,194	0.02	6.86	0.00	7.34	0.00	7.82	0.00
TOTAL	3,806,077,675	3,439,583,272	(1,439,155,897)	0	2,000,427,375	100.00 %		5.08 %		5.43 %		5.79 %

GULF POWER COMPANY
Financial Integrity Indicators
December, 2015

A. Times Interest Earned with AFUDC

Earnings Before Interest	212,191,807
AFUDC - Debt	5,607,503
Income Taxes	91,752,950
	<u>309,552,259</u>
Total Interest Charges (Before Deducting AFUDC - Debt)	60,796,735
T.I.E. With AFUDC	<u>5.09 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	212,191,807
AFUDC - Other	(12,545,650)
Income Taxes	91,752,950
	<u>291,399,106</u>
Total Interest Charges (Before Deducting AFUDC - Debt)	60,796,735
T.I.E. Without AFUDC	<u>4.79 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	5,607,503
X (1 - Income Tax Rate)	0.61425
	<u>3,444,409</u>
Subtotal AFUDC - Other	12,545,650
Total	<u>15,990,059</u>
Net Income Available for Common Stockholders	<u>148,000,075</u>
Percent AFUDC to Available Net Income	<u>10.80%</u>

D. Percent Internally Generated Funds

Net Income	157,002,575
Preference Dividends	(9,002,500)
Common Dividends	(130,160,000)
AFUDC (Debt & Other)	(18,153,153)
Depreciation & Amortization	151,206,963
Deferred Income Taxes	116,603,010
Investment Tax Credits	0
Other	(36,487,077)
Total	<u>231,009,818</u>
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>229,508,542</u>
Percent Internally Generated Funds	<u>100.65%</u>

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	710,016,287
Short Term Debt	42,822,941
Preference Stock	78,367,851
Common Equity	<u>717,714,669</u>
Total	<u>1,548,921,748</u>
% Long Term Debt To Total	<u>45.84%</u>
% Short Term Debt To Total	<u>2.76%</u>

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	(1.60)	(1.60)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
Subtotal	<u>(1.87)</u>	<u>(1.87)</u>
Total	3.92	3.92
Divided by Common Equity Ratio	<u>35.92</u>	<u>35.92</u>
Jurisdictional Return on Common Equity	<u>10.91%</u>	<u>10.91%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
December, 2015

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	2015	291,663
February	2015	291,667
March	2015	291,667
April	2015	291,667
May	2015	291,667
June	2015	291,667
July	2015	291,667
August	2015	291,667
September	2015	291,667
October	2015	291,667
November	2015	291,667
December	2015	291,667
12 - M-T-D		<u><u>3,500,000</u></u>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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8 Sixty-Fifth Quarterly Report

9 Report Period: Fourth Quarter, 2015

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13 <u>Rate Class</u>	14 <u>Fourth Quarter Total Revenue</u>	15 <u>Fourth Quarter Total KWH Sales</u>	16 <u>Fourth Quarter ¢/KWH</u>	17 <u>12-Month Rolling Average ¢/KWH</u>
18 RTP	\$36,106,387.54	422,186,440	8.552	8.466
19 PX/PXT	-	-	-	-
20 LP/LPT	\$20,058,309.00	206,509,066	9.713	9.626

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25 **Notes to Quarterly
Real Time Pricing Report**

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- 28 1. There were no changes made to the "M" multipliers during this period.
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31 2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT
32 and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between
33 RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling
34 average basis.
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GULF POWER COMPANY
CALCULATION OF AFUDC RATE
 December, 2015

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	710,016,287	35.54%	4.44	1.58
SHORT-TERM DEBT	42,822,941	2.14%	0.39	0.01
PREFERENCE STOCK	78,367,851	3.92%	6.14	0.24
CUSTOMER DEPOSITS	21,048,226	1.05%	2.37	0.02
COMMON EQUITY	717,714,669	35.92%	10.25	3.68
ITC	447,966	0.02%		
FASB 109 DIT	(30,052,200)	-1.50%		
DEFERRED TAXES	457,491,468	22.91%		
TOTAL	1,997,857,208	100.00%		5.53 %

AFUDC Rate Currently Authorized per order: PSC-14-0175-PAA-EI

5.73 %

GULF POWER COMPANY
13 MONTH AVERAGE CAPITAL STRUCTURE
December, 2015

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,327,320,776	-	(103,466,641)	-	(500,513,730)	723,340,405	0.9815797	710,016,286
SHORT-TERM DEBT	109,767,987	-	(8,542,846)	-	(57,598,587)	43,626,554	0.9815797	42,822,942
PREFERENCE STOCK	146,503,969	-	(11,421,408)	-	(55,244,064)	79,838,497	0.9815797	78,367,851
CUSTOMER DEPOSITS	35,612,499	-	-	-	(14,564,273)	21,048,226	1.0000000	21,048,226
COMMON EQUITY	1,333,059,490	(12,560,468)	(103,399,807)	20,024,615	(505,940,575)	731,183,255	0.9815797	717,714,669
ITC - ZERO COST	-	-	-	-	-	-	0.9815797	-
ITC - WEIGHTED COST	2,432,420	-	(1,660,261)	-	(315,786)	456,373	0.9815797	447,966
FASB 109 DIT	(55,284,015)	-	3,483,078	-	21,184,779	(30,616,158)	0.9815797	(30,052,199)
DEFERRED TAXES	841,601,131	-	(53,023,690)	-	(322,500,718)	466,076,723	0.9815797	457,491,468
TOTAL	3,741,014,257	(12,560,468)	(278,031,575)	20,024,615	(1,435,492,954)	2,034,953,875		1,997,857,208

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GULF POWER COMPANY
SUPPLEMENTAL SURVEILLANCE REPORT INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER 2015

CONFIDENTIAL

The information below is presented to comply with FPSC Order No. PSC-96-1219-FOF-EI, FPSC Order No. PSC-01-0390-TRF-EI and FPSC Order No. PSC-14-0197-PAA-EI. This supplemental information is to be treated as confidential. For CSA-3, it is estimated that the contract execution-to-date revenues, excluding tax and franchise fees, that would have been produced by the application of Gulf Power's otherwise applicable standard tariff rates to the pre-contract load would have been [REDACTED] [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA. For CSA-4, it is estimated that the contract execution-to-date revenues, excluding tax and franchise fees, that would have been produced by the application of Gulf Power's otherwise applicable standard tariff rates to the pre-contract load would have been [REDACTED] [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA.