

September 2016

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
September, 2016

	(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	182,773,470	(87,209,836)	115,563,634	0	115,563,634
Average Rate Base	3,384,273,449	(1,405,282,543)	1,978,990,905	0	1,978,990,905
Average Rate of Return	5.40%		5.84%		5.84%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	182,776,302	(88,279,782)	114,496,520	0	114,496,520
Year End Rate Base	3,345,730,073	(1,410,664,680)	1,935,065,392	0	1,935,065,392
Year End Rate of Return	5.46%		5.92%		5.92%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.12%
Midpoint	5.48%
High	5.84%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.15 x (System per Books Basis)
B. Tie Without AFUDC	5.11 x (System per Books Basis)
C. AFUDC To Net Income	1.55% (System per Books Basis)
D. Internally Generated Funds	155.89% (System per Books Basis)
E. LTD To Total Investor Funds	43.50% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	3.50% (FPSC Adjusted Basis)
G. Return on Common Equity	11.24% (FPSC Adjusted Basis)
H. Return on Common Equity	11.24% (Proforma Basis)

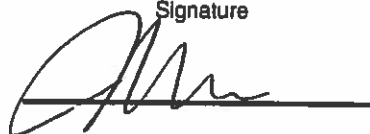
I am aware that Section 837.06, Florida Statutes, provides:

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

Josh J. Mason
Assistant Treasurer, Financial Planning & Budgeting Manager

Signature



Date

11/14/16

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
September, 2016

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,050,427,664	1,607,458,192	3,442,969,462	14,755,439	113,317,758	0	3,571,042,659	149,516,038	3,720,558,697
JURISDICTIONAL PER BOOKS	4,481,771,223	1,448,596,162	3,033,175,061	14,323,771	108,352,667	0	3,155,851,500	228,421,949	3,384,273,449
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,310,379,753)	(209,906,160)	(1,100,473,593)		(16,248,478)		(1,116,722,071)	(7,741,804)	(1,124,463,875)
INT BEARING CWIP					(52,477,264)		(52,477,264)	0	(52,477,264)
ENERGY CONSERVATION CLAUSE	(13,714,905)	7,594,989	(21,309,894)		3,002		(21,306,892)	(1,266,415)	(22,573,308)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,292,683)		(177,292,683)				(177,292,683)	0	(177,292,683)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(7,999,810)	(7,999,810)
LOANS TO EMPLOYEES / RETIREES								(47,866)	(47,866)
INTEREST AND DIVIDENDS RECEIVABLE								(13,274)	(13,274)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,368,236)	(17,029,567)
FUEL RELATED DEFERRED DEBITS								(2,338,286)	(2,338,286)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,046,600)	(1,046,600)
TOTAL FPSC ADJUSTMENTS	(1,501,387,351)	(202,311,171)	(1,299,076,180)	(12,661,331)	(68,722,740)	0	(1,380,460,252)	(24,822,291)	(1,405,282,543)
FPSC ADJUSTED	2,980,383,872	1,246,284,991	1,734,098,881	1,662,440	39,629,927	0	1,775,391,248	203,599,657	1,978,990,905
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	2,980,383,872	1,246,284,991	1,734,098,881	1,662,440	39,629,927	0	1,775,391,248	203,599,657	1,978,990,905

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
September, 2016

	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	1,448,094,457	559,603,874	311,590,820	171,662,483	119,857,870	40,229,663	48,717,686	(559,074)	0	1,251,103,123	187,991,334 (a)
JURISDICTIONAL PER BOOKS	1,311,599,859	477,704,947	294,617,387	159,891,687	117,876,702	37,632,348	43,632,904	(300,428)	0	1,131,155,546	180,444,313 (a)
LESS FPSC ADJUSTMENTS:	(382,417,540)	(382,087,754)				(123,357)				(382,221,111)	(196,428)
RETAIL FUEL REVENUES & EXPENSES	(85,497,876)	(85,607,192)			(332,818)	42,189				(85,565,023)	87,148
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(12,923,131)			(384,315)	(4,903,677)	(710,815)				(11,791,261)	(1,131,869)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(170,891,823)		(10,383,313)	(47,847,277)	(35,541,192)	(35,541,192)				(114,097,715)	(56,594,108)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,665,074)		(25,805,569)		(41,489,706)	(453,388)				(41,943,104)	(721,970)
FRANCHISE FEE REVENUE & EXPENSE	(31,834,127)				(31,556,847)	(145,535)				(31,702,382)	(231,745)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(180,970)			62,084				(89,876)	99,876
MARKETING SUPPORT ACTIVITIES			(380,243)			146,679				(233,564)	233,564
WHOLESALE EXPENSES			(317,026)			122,293				(194,733)	194,733
INSTITUTIONAL ADVERTISING EXPENSE			(56,466)			21,777				(34,678)	34,678
ECONOMIC DEVELOPMENT EXPENSE			(13,755)			5,306				(8,449)	8,449
RIGHT FINANCIAL PLANNING SERVICES			(43,054)			16,608				(26,446)	26,446
DIRECTORS' & OFFICERS' INSURANCE			(1,316)			508				(808)	808
INDUSTRY ASSOCIATION DUES			(470,893)		(21,969)	190,122				(302,740)	302,740
TALLAHASSEE LIAISON EXPENSES					(1,464,343)	564,870				(899,473)	899,473
GRT, FPSC FEES ON CLAUSES & FEES						8,188				(13,053)	13,053
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						7,884,528			(21,251)	7,864,528	(7,884,528)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(736,129,570)	(477,704,947)	(37,612,595)	(46,231,582)	(79,769,360)	(27,908,147)	0		(21,251)	(671,248,891)	(64,880,879)
FPSC ADJUSTED	575,470,289	0	257,004,782	111,760,095	38,107,342	8,723,201	43,632,904	(300,428)	(21,251)	459,906,655	115,563,634
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	575,470,289	0	257,004,782	111,760,095	38,107,342	8,723,201	43,632,904	(300,428)	(21,251)	459,906,655	115,563,634
PRO FORMA ADJUSTED	1,311,599,859	477,704,947	294,617,387	159,891,687	117,876,702	37,632,348	43,632,904	(300,428)	0	1,131,155,546	180,444,313
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				2,384,554	AND THE JURISDICTIONAL NOI BY	2,329,157					
CURRENT MONTH SYSTEM PER BOOKS	131,755,771	51,461,516	27,899,514	19,913,762	11,485,342	5,533,063	453,537	(42,621)	0	116,704,112	15,051,859
CURRENT MONTH JURISDICTIONAL PER BOOKS	122,743,367	45,528,641	25,831,889	18,944,571	11,315,251	5,708,979	446,340	(21,142)	0	107,654,729	14,898,639

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
September, 2018

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RATE BASE ADJUSTMENTS

ENVIRONMENTAL COST RECOVERY CLAUSE
INVESTMENT
ACCUMULATED DEPRECIATION
CWIP

AMOUNT

(1,349,748,502)
218,212,533
(18,738,644)

ENERGY CONSERVATION COST RECOVERY
INVESTMENT
ACCUMULATED DEPRECIATION
CWIP

(13,714,905)
(7,594,989)
3,002

TRANSMISSION PURSUANT TO STIP. & SETT.
INVESTMENT

(177,282,893)

FAS 143 NET PLANT
INTEREST BEARING CWIP
PHFU - NORTH ESCAMBIA

(82,895,450)
(53,725,410)
(13,042,899)

WORKING CAPITAL:

ECRC WORKING CAPITAL
CONSERVATION/DEM INVENTORY
CAPITALIZED DEF. EARNINGS ON TRANSMISSION
PURSUANT TO STIP. & SETT.

(7,974,397)
(1,266,415)
(7,999,810)

FUNDED PROPERTY INSURANCE RESERVE
LOANS TO EMPLOYEES AND RETIREES
INTEREST & DIVIDENDS RECEIVABLE
NORTH ESCAMBIA SITE

0
(49,956)
(13,853)
(4,560,181)

UNAMORTIZED RATE CASE EXPENSE
FUEL RELATED DEFERRED DEBITS
UNREALIZED LOSS ON FWD CONTRACT
ACCUM. PROV. FOR RATE REFUNDS

(1,092,330)
(2,338,286)
(15,937)
0

FAS 143 WORKING CAPITAL
FAS 158 REGULATORY ASSETS
FAS 158 REGULATORY LIABILITIES
PPA REGULATORY ASSETS
PPA REGULATORY LIABILITIES
FAS 133 REGULATORY ASSETS
FAS 133 REGULATORY LIABILITIES

98,941,540
(152,708,286)
152,706,286
(157,580,385)
157,580,385
(82,839,896)
82,839,896

NET OPERATING INCOME STATEMENT ADJUSTMENTS

FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS
ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES
PURCHASED POWER CAPACITY COST CLAUSE REVENUES
ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES
FUEL EXPENSE
PURCHASED POWER CAPACITY COST EXPENSE
CONSERVATION EXPENSES - DEPRECIATION AND O & M
CONSERVATION EXPENSES - OTHER TAXES
ENVIRONMENTAL COST RECOVERY EXPENSE
FRANCHISE FEE REVENUES
FRANCHISE FEE
GROSS RECEIPTS TAX REVENUES
GROSS RECEIPTS TAX EXPENSE
MARKETING SUPPORT ACTIVITIES
WHOLESALE EXPENSES
INSTITUTIONAL ADVERTISING EXPENSE
ECONOMIC DEVELOPMENT EXPENSE
MGMT FINANCIAL PLANNING SERVICES
DIRECTORS' & OFFICERS' INSURANCE
INDUSTRY ASSOCIATION DUES
TALLAHASSEE LIAISON EXPENSE
GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES
COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV
GAIN/LOSS ON DISPOSITION OF PROPERTY
INTEREST SYNCHRONIZATION

AMOUNT

(475,464,383)
(178,084,248)
(85,681,403)
(12,923,131)
(471,411,426)
(88,188,868)
(10,747,828)
(332,818)
(80,848,595)
(42,685,074)
(41,489,706)
(31,834,127)
(31,556,847)
(160,970)
(323,271)
(56,456)
(14,058)
(44,005)
(1,342)
(503,749)
(1,484,343)
(2,289,760)
(21,642)
8,220,341

TAX EFFECT

(183,410,378)
(87,924,499)
(33,051,601)
(4,995,098)
181,846,957
34,019,242
4,145,898
128,385
31,187,345
(18,458,052)
16,004,854
(12,318,589)
12,173,054
62,084
150,936
124,702
21,778
5,423
16,975
518
194,321
564,870
(875,560)
8,348
8,220,341

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
September, 2016

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,057,780,857	1,683,622,026	3,394,158,832	14,764,000	61,517,436	0	3,470,430,269	149,516,038	3,619,946,307
JURISDICTIONAL PER BOOKS	4,521,729,513	1,500,052,174	3,021,677,339	14,322,375	56,509,973	0	3,092,509,687	253,220,386	3,345,730,073
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,364,211,271)	(217,765,908)	(1,146,445,362)		(3,337,877)		(1,149,783,239)	(26,867,372)	(1,176,650,611)
ENERGY CONSERVATION CLAUSE	(14,292,837)	8,075,470	(22,368,307)				(22,368,307)	(1,266,415)	(23,634,722)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,577,780)		(177,577,780)				(177,577,780)	0	(177,577,780)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(12,325,974)	(12,325,974)
LOANS TO EMPLOYEES AND RETIREES INTEREST AND DIVIDENDS RECEIVABLE								(47,866)	(47,866)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(13,274)	(13,274)
FUEL RELATED DEFERRED DEBITS								(4,368,236)	(17,029,567)
ACCRUED PROVISION FOR REFUND								(2,338,286)	(2,338,286)
UNAMORTIZED RATE CASE EXPENSES								0	0
								(1,046,600)	(1,046,600)
<u>TOTAL FPSC ADJUSTMENTS</u>	<u>(1,556,081,888)</u>	<u>(209,690,439)</u>	<u>(1,346,391,449)</u>	<u>(12,661,331)</u>	<u>(3,337,877)</u>	<u>0</u>	<u>(1,362,390,657)</u>	<u>(48,274,023)</u>	<u>(1,410,664,680)</u>
FPSC ADJUSTED	2,965,647,625	1,290,361,735	1,675,285,890	1,661,044	53,172,096	0	1,730,119,030	204,946,362	1,935,065,392
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	2,965,647,625	1,290,361,735	1,675,285,890	1,661,044	53,172,096	0	1,730,119,030	204,946,362	1,935,065,392

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
September, 2016

	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	1,449,094,457	559,603,874	311,590,620	171,662,483	119,857,870	40,229,863	48,717,686	(559,074)	0	1,251,103,123	197,991,334
JURISDICTIONAL PER BOOKS	1,311,599,859	477,704,947	294,617,397	159,991,687	117,876,702	37,632,234	43,630,186	(300,428)	0	1,131,152,714	180,447,145
LESS FPSC ADJUSTMENTS:	(392,417,540)	(392,097,754)				(123,357)				(392,221,111)	(196,428)
RETAIL FUEL REVENUES & EXPENSES	(85,497,876)	(85,607,192)				42,169				(85,565,023)	67,148
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(12,923,131)			(384,315)	(332,818)	(710,815)				(11,791,261)	(1,131,869)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(170,691,823)	(10,363,313)		(47,847,277)	(4,903,677)	(35,541,192)				(114,097,715)	(58,594,108)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,665,074)	(25,805,569)			(41,489,706)	(453,368)				(41,943,104)	(721,970)
FRANCHISE FEE REVENUE & EXPENSE	(31,934,127)				(31,556,847)	(145,535)				(31,702,382)	(231,745)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT		(160,970)				62,094				(98,876)	98,876
MARKETING SUPPORT ACTIVITIES		(380,243)				146,679				(233,564)	233,564
WHOLESALE EXPENSES		(317,026)				122,283				(194,733)	194,733
INSTITUTIONAL ADVERTISING EXPENSE		(56,455)				21,777				(34,678)	34,678
ECONOMIC DEVELOPMENT EXPENSE		(13,755)				5,306				(8,449)	8,449
MGMT FINANCIAL PLANNING SERVICES		(43,054)				16,808				(26,446)	26,446
DIRECTORS' & OFFICERS' INSURANCE		(1,316)				508				(808)	808
INDUSTRY ASSOCIATION DUES		(470,893)				190,122				(302,740)	302,740
TALLAHASSEE LIAISON EXPENSES					(21,969)	8,198				(899,473)	899,473
GRT, FPSC FEES ON CLAUSES & FEES					(1,464,343)	8,198				(13,053)	13,053
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,954,472			(21,251)	8,954,472	(8,954,472)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(736,129,570)	(477,704,947)	(37,812,595)	(48,231,592)	(79,769,360)	(26,839,201)	0	0	(21,251)	(870,178,945)	(65,950,625)
FPSC ADJUSTED	575,470,289	0	257,004,792	111,760,095	38,107,342	10,793,033	43,630,186	(300,428)	(21,251)	460,973,769	114,496,520
PRO FORMA REVENUE ANNUALIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	575,470,289	0	257,004,792	111,760,095	38,107,342	10,793,033	43,630,186	(300,428)	(21,251)	460,973,769	114,496,520
PRO FORMA ADJUSTED	575,470,289	0	257,004,792	111,760,095	38,107,342	10,793,033	43,630,186	(300,428)	(21,251)	460,973,769	114,496,520

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 2,384,554 AND THE JURISDICTIONAL NOI BY 2,329,157

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
September, 2018

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	(1,405,060,253)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(475,464,383)	(183,410,378)
ACCUMULATED DEPRECIATION	224,286,538	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(176,084,248)	(67,924,489)
CWIP	(3,437,824)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(85,681,403)	(33,051,601)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,292,837)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(12,923,131)	(4,985,088)
ACCUMULATED DEPRECIATION	(8,075,470)	FUEL EXPENSE	(471,411,426)	181,846,957
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,189,888)	34,019,242
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,577,780)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(10,747,628)	4,145,898
FAS 143 NET PLANT	(48,456,620)	CONSERVATION EXPENSES - OTHER TAXES	(332,818)	128,385
INTEREST BEARING CWIP	0	ENVIRONMENTAL COST RECOVERY EXPENSE	(80,848,595)	31,187,345
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,665,074)	(16,468,052)
		FRANCHISE FEE	(41,489,708)	16,004,854
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,934,127)	(12,318,589)
ECRC WORKING CAPITAL	(7,974,397)	GROSS RECEIPTS TAX EXPENSE	(31,556,847)	12,173,054
CONSERVATION/NAEM INVENTORY	(1,268,415)	MARKETING SUPPORT ACTIVITIES	(160,970)	62,094
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(7,999,810)	WHOLESALE EXPENSES	(391,279)	150,936
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(323,271)	124,702
LOANS TO EMPLOYEES AND RETIREES	(49,956)	ECONOMIC DEVELOPMENT EXPENSE	(56,456)	21,778
INTEREST & DIVIDENDS RECEIVABLE	(13,853)	MGMT FINANCIAL PLANNING SERVICES	(14,058)	5,423
NORTH ESCAMBIA SITE	(4,560,161)	DIRECTORS' & OFFICERS' INSURANCE	(44,005)	16,975
UNAMORTIZED RATE CASE EXPENSE	(1,092,330)	INDUSTRY ASSOCIATION DUES	(1,342)	518
FUEL RELATED DEFERRED DEBITS	(2,338,286)	TALLAHASSEE LIAISON EXPENSE	(503,749)	194,321
UNREALIZED LOSS ON FWD CONTRACT	(15,937)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,464,343)	564,870
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(2,289,780)	(875,560)
FAS 143 WORKING CAPITAL	96,941,540	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY ASSETS	(152,706,286)	INTEREST SYNCHRONIZATION	9,432,887	9,432,887
FAS 158 REGULATORY LIABILITIES	152,706,286			
PPA REGULATORY ASSETS	(157,580,385)			
PPA REGULATORY LIABILITIES	157,580,385			
FAS 133 REGULATORY ASSETS	(82,839,696)			
FAS 133 REGULATORY LIABILITIES	82,839,696			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
September, 2016

AVERAGE	ADJUSTMENTS						LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,236,113,584	1,119,514,286	(464,866,066)	0	654,648,220	33.08	4.45	1.47	4.45	1.47	4.45	1.47	4.45	1.47	4.45	1.47
SHORT TERM DEBT	101,855,433	89,956,746	(37,353,555)	0	52,603,191	2.66	0.47	0.01	0.47	0.01	0.47	0.01	0.47	0.01	0.47	0.01
PREFERENCE STOCK	146,504,320	132,682,391	(55,094,912)	0	77,587,479	3.92	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,022,291	36,028,286	(14,960,352)	0	21,067,934	1.06	2.37	0.03	2.37	0.03	2.37	0.03	2.37	0.03	2.37	0.03
COMMON EQUITY	1,392,310,723	1,231,399,851	(511,325,323)	0	720,074,528	36.39	9.25	3.37	10.25	3.73	11.25	3.73	11.25	4.09	11.25	4.09
DEFERRED INCOME TAXES	894,448,787	824,909,759	(342,534,757)	0	482,375,002	24.37										
FASB 109 DEFERRED TAXES	(54,973,141)	(50,699,247)	21,052,308	0	(29,646,939)	(1.50)										
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	1,960,913	481,376	(199,896)	0	281,490	0.01	6.92	0.00	7.42	0.00	7.91	0.00	7.91	0.00	7.91	0.00
TOTAL	3,714,242,875	3,384,273,449	(1,405,282,543)	0	1,978,990,905	100.00 %		5.12 %		5.48 %		5.84 %		5.84 %		5.84 %

YEAR-END	ADJUSTMENTS						LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,157,586,985	1,047,975,444	(441,859,299)	0	606,116,145	31.32	4.38	1.37	4.38	1.37	4.38	1.37	4.38	1.37	4.38	1.37
SHORT TERM DEBT	101,830,739	89,887,731	(37,898,485)	0	51,989,246	2.69	0.18	0.00	0.18	0.00	0.18	0.00	0.18	0.00	0.18	0.00
PREFERENCE STOCK	146,504,320	132,631,874	(55,921,756)	0	76,710,118	3.96	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,457,569	35,531,117	(14,981,033)	0	20,550,084	1.06	2.25	0.02	2.25	0.02	2.25	0.02	2.25	0.02	2.25	0.02
COMMON EQUITY	1,395,293,853	1,250,924,246	(527,428,876)	0	723,495,370	37.39	9.25	3.46	10.25	3.83	11.25	3.83	11.25	4.21	11.25	4.21
DEFERRED INCOME TAXES	906,897,721	838,543,327	(353,566,153)	0	484,987,174	25.07										
FASB 109 DEFERRED TAXES	(54,196,439)	(50,111,563)	21,128,606	0	(28,982,957)	(1.50)										
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	1,697,861	347,896	(146,684)	0	201,212	0.01	6.98	0.00	7.50	0.00	8.01	0.00	8.01	0.00	8.01	0.00
TOTAL	3,681,072,608	3,345,730,073	(1,410,664,690)	0	1,835,065,392	100.00 %		5.10 %		5.48 %		5.85 %		5.85 %		5.85 %

GULF POWER COMPANY
Financial Integrity Indicators
September, 2016

A. Times Interest Earned with AFUDC

Earnings Before Interest	200,248,234
AFUDC - Debt	736,189
Income Taxes	91,359,505
	<hr/>
Total	292,343,928
Interest Charges (Before Deducting AFUDC - Debt)	56,743,851
	<hr/>
T.I.E. With AFUDC	5.15 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	200,248,234
AFUDC - Other	(1,648,366)
Income Taxes	91,359,505
	<hr/>
Total	289,959,374
Interest Charges (Before Deducting AFUDC - Debt)	56,743,851
	<hr/>
T.I.E. Without AFUDC	5.11 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	736,189
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	452,204
AFUDC - Other	1,648,366
	<hr/>
Total	2,100,570
	<hr/>
Net Income Available for Common Stockholders	135,238,072
Percent AFUDC to Available Net Income	1.55%

D. Percent Internally Generated Funds

Net Income	144,240,572
Preference Dividends	(9,002,500)
Common Dividends	(122,591,000)
AFUDC (Debt & Other)	(2,384,554)
Depreciation & Amortization	180,673,715
Deferred Income Taxes	48,896,015
Investment Tax Credits	0
Other	(5,039,061)
	<hr/>
Total	234,593,187
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	150,483,826
	<hr/>
Percent Internally Generated Funds	155.89%

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	654,648,220
Short Term Debt	52,603,191
Preference Stock	77,587,479
Common Equity	720,074,528
	<hr/>
Total	1,504,913,418
	<hr/>
% Long Term Debt To Total	43.50%
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% Short Term Debt To Total	3.50%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.84%	5.84%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.47)	(1.47)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.75)	(1.75)
	<hr/>	<hr/>
Total	4.09	4.09
Divided by Common Equity Ratio	36.39	36.39
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Jurisdictional Return on Common Equity	11.24%	11.24%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
September, 2016

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
October	2015	291,667
November	2015	291,667
December	2015	291,666
January	2016	291,667
February	2016	291,666
March	2016	291,667
April	2016	291,667
May	2016	291,667
June	2016	291,667
July	2016	291,666
August	2016	291,667
September	2016	291,666
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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6
7
8 Sixty-Eighth Quarterly Report

9
10 Report Period: Third Quarter, 2016

11	12	13	14	15	16
	<u>Rate Class</u>	<u>Third Quarter Total Revenue</u>	<u>Third Quarter Total KWH Sales</u>	<u>Third Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
17	RTP	\$45,009,635.20	492,683,101	9.136	8.225
18	PX/PXT	-	-	-	-
19	LP/LPT	\$22,330,873.94	249,511,242	8.950	9.261

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25 Notes to Quarterly
26 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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