

January 2015

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
January, 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	178,510,575	(68,819,598)	109,690,976	0	109,690,976
Average Rate Base	3,215,513,317	(1,300,060,601)	1,915,452,716	0	1,915,452,716
Average Rate of Return	5.55%		5.73%		5.73%
II. Year End Rate of Return					
(Jurisdictional)					
	(a)	(b)			
Net Operating Income	178,516,160	(68,721,049)	109,795,110	0	109,795,110
Year End Rate Base	3,326,625,420	(1,392,544,879)	1,934,080,540	0	1,934,080,540
Year End Rate of Return	5.37%		5.68%		5.68%
 (a) Includes AFUDC Earnings (b) Includes Reversal of AFUDC Earnings					
III. Required Rates of Return					
Average Capital Structure					
(FPSC Adjusted Basis)					
Low	5.38%				
Midpoint	5.75%				
High	6.12%				
IV. Financial Integrity Indicators					
A. Tie With AFUDC	5.04 x (System per Books Basis)				
B. Tie Without AFUDC	4.73 x (System per Books Basis)				
C. AFUDC To Net Income	11.40% (System per Books Basis)				
D. Internally Generated Funds	57.54% (System per Books Basis)				
E. LTD To Total Investor Funds	46.32% (FPSC Adjusted Basis)				
F. STD To Total Investor Funds	0.86% (FPSC Adjusted Basis)				
G. Return on Common Equity	10.19% (FPSC Adjusted Basis)				
H. Return on Common Equity	10.19% (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
Susan D. Ritenour Corporate Planning Manager, Corporate Treasurer & Secretary	_____	_____

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

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	4,419,658,155	1,499,212,809	2,920,445,346	15,706,951	386,539,530	0	3,322,691,827	228,182,850	3,550,874,677
JURISDICTIONAL PER BOOKS	3,942,783,835	1,355,101,893	2,587,681,942	15,247,447	373,627,443	0	2,976,556,832	238,956,485	3,215,513,317
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,016,805,608)	(157,571,464)	(859,234,144)		(13,300,664)		(872,534,808)	(7,020,619)	(879,555,427)
INT BEARING CWIP					(323,824,950)		(323,824,950)	0	(323,824,950)
ENERGY CONSERVATION CLAUSE	(11,869,630)	6,491,908	(18,361,538)		(10,363)		(18,371,901)	(1,188,348)	(19,560,249)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SI	(7,833)		(7,833)				(7,833)	0	(7,833)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(2,639)	(2,639)
LOANS TO EMPLOYEES / RETIREES								(35,810)	(35,810)
INTEREST AND DIVIDENDS RECEIVABLE								(25,529)	(25,529)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,585,871)			(12,585,871)	(4,471,367)	(17,057,238)
FUEL RELATED DEFERRED DEBITS								(55,417,550)	(55,417,550)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,573,376)	(4,573,376)
TOTAL FPSC ADJUSTMENTS	(1,028,683,071)	(151,079,556)	(877,603,515)	(12,585,871)	(337,135,977)	0	(1,227,325,363)	(72,735,238)	(1,300,060,601)
FPSC ADJUSTED	2,914,100,764	1,204,022,337	1,710,078,427	2,661,576	36,491,466	0	1,749,231,469	166,221,247	1,915,452,716
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	2,914,100,764	1,204,022,337	1,710,078,427	2,661,576	36,491,466	0	1,749,231,469	166,221,247	1,915,452,716

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

	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	1,554,357,949	694,298,424	336,416,441	132,116,231	111,272,660	11,157,429	77,423,701	(1,224,407)	0	1,361,460,479	192,896,870 (a)
JURISDICTIONAL PER BOOKS	1,318,468,157	538,042,354	317,620,036	121,468,277	109,419,276	14,297,669	57,794,134	(877,128)	0	1,157,754,619	160,703,539 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(471,163,544)	(470,834,557)				(126,906)				(470,961,463)	(202,080)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(66,649,484)	(67,019,290)				142,653				(66,876,637)	227,153
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,032,234)		(14,667,652)	(336,392)	(381,907)	(635,054)				(16,021,005)	(1,011,229)
ENVIRONMENTAL COST RECOVERY CLAUSE	(142,330,946)		(26,947,404)	(39,511,412)	(2,327,790)	(28,369,729)				(97,156,335)	(45,174,611)
FRANCHISE FEE REVENUE & EXPENSE	(41,801,627)				(40,726,323)	(414,799)				(41,141,122)	(660,505)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,393,748)				(30,988,539)	(156,309)				(31,144,848)	(248,900)
MARKETING SUPPORT ACTIVITIES			(200,801)			77,459				(123,342)	123,342
WHOLESALE EXPENSES		(188,506)				72,716				(115,790)	115,790
INSTITUTIONAL ADVERTISING EXPENSE			(387,956)			149,654				(238,302)	238,302
ECONOMIC DEVELOPMENT EXPENSE			(62,932)			24,276				(38,656)	38,656
MGMT FINANCIAL PLANNING SERVICES			(30,147)			11,629				(18,518)	18,518
DIRECTORS' & OFFICERS' INSURANCE			(48,034)			18,529				(29,505)	29,505
INDUSTRY ASSOCIATION DUES			(845)			326				(519)	519
TALLHASSEE LIAISON EXPENSES			(410,792)		(18,976)	165,783				(263,985)	263,985
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				11,672		(4,503)				7,169	(7,169)
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,466,410)	565,668				(900,742)	900,742
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						141,381			(366,510)	(225,129)	225,129
INTEREST SYNCRONIZATION						5,889,707				5,889,707	(5,889,707)
TOTAL FPSC ADJUSTMENTS	(770,371,583)	(538,042,354)	(42,756,562)	(39,836,132)	(75,909,944)	(22,447,519)	0	0	(366,510)	(719,359,021)	(51,012,562)
FPSC ADJUSTED	548,086,574	0	274,863,474	81,622,146	33,509,332	(8,149,850)	57,794,134	(877,128)	(366,510)	438,395,598	109,690,976
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	548,086,574	0	274,863,474	81,622,146	33,509,332	(8,149,850)	57,794,134	(877,128)	(366,510)	438,395,598	109,690,976
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				18,230,568	AND THE JURISDICTIONAL NOI BY	17,807,036					
CURRENT MONTH SYSTEM PER BOOKS	126,604,231	53,040,329	29,041,094	(2,159,379)	9,574,597	(28,267,395)	40,743,111	(58,495)	0	101,913,862	24,690,369
CURRENT MONTH JURISDICTIONAL PER BOOKS	108,679,765	42,160,932	26,245,576	(3,091,171)	9,411,236	(24,282,594)	35,717,151	(30,360)	0	86,130,771	22,548,995

TOTALS MAY NOT ADD DUE TO ROUNDING.

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

SCHEDULE 2
PAGE 3 OF 3

<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	(1,047,382,477)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(629,412,763)	(242,795,974)
ACCUMULATED DEPRECIATION	162,309,874	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(146,596,588)	(56,549,634)
CWIP	(13,700,635)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(67,066,073)	(25,870,738)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,869,630)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,032,234)	(6,570,184)
ACCUMULATED DEPRECIATION	(6,491,908)	FUEL EXPENSE	(625,266,723)	241,196,638
CWIP	(10,363)	PURCHASED POWER CAPACITY COST EXPENSE	(69,041,189)	26,632,639
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(7,833)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,004,044)	5,787,810
FAS 143 NET PLANT	(15,189,535)	CONSERVATION EXPENSES - OTHER TAXES	(381,907)	147,321
INTEREST BEARING CWIP	(331,526,969)	ENVIRONMENTAL COST RECOVERY EXPENSE	(70,792,550)	27,308,226
PHFU - NORTH ESCAMBIA	(12,965,165)	FRANCHISE FEE REVENUES	(41,801,627)	(16,124,978)
WORKING CAPITAL:		FRANCHISE FEE	(40,726,323)	15,710,179
ECRC WORKING CAPITAL	(7,231,740)	GROSS RECEIPTS TAX REVENUES	(31,393,748)	(12,110,138)
CONSERVATION/AEM INVENTORY	(1,188,348)	GROSS RECEIPTS TAX EXPENSE	(30,988,539)	11,953,829
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(2,754)	MARKETING SUPPORT ACTIVITIES	(200,801)	77,459
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(194,252)	74,933
LOANS TO EMPLOYEES AND RETIREES	(37,373)	INSTITUTIONAL ADVERTISING EXPENSE	(395,599)	152,602
INTEREST & DIVIDENDS RECEIVABLE	(26,643)	ECONOMIC DEVELOPMENT EXPENSE	(62,933)	24,276
NORTH ESCAMBIA SITE	(4,666,737)	MGMT FINANCIAL PLANNING SERVICES	(30,813)	11,886
UNAMORTIZED RATE CASE EXPENSE	(4,773,203)	DIRECTORS' & OFFICERS' INSURANCE	(49,095)	18,938
FUEL RELATED DEFERRED DEBITS	(55,417,550)	INDUSTRY ASSOCIATION DUES	(861)	332
UNREALIZED LOSS ON FWD CONTRACT	1,697	TALLAHASSEE LIAISON EXPENSE	(439,262)	169,445
ACCUM. PROV. FOR RATE REFUNDS	0	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	11,672	(4,503)
FAS 143 WORKING CAPITAL	26,429,496	DEPRECIATION CREDIT ADJUSTMENT	0	0
FAS 158 REGULATORY ASSETS	(85,070,637)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,466,410)	565,668
FAS 158 REGULATORY LIABILITIES	85,070,637	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	11,366	4,385
PPA REGULATORY ASSETS	(191,173,077)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(385,256)	148,613
PPA REGULATORY LIABILITIES	191,173,077	INTEREST SYNCHRONIZATION	6,312,989	6,312,989
FAS 133 REGULATORY ASSETS	(35,306,587)			
FAS 133 REGULATORY LIABILITIES	35,306,587			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
January, 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	4,479,880,872	1,547,173,267	2,932,707,605	15,560,289	487,872,764	0	3,436,140,658	228,182,850	3,664,323,508
JURISDICTIONAL PER BOOKS	3,998,790,831	1,398,710,575	2,600,080,256	15,105,075	474,141,282	0	3,089,326,613	237,298,807	3,326,625,420
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,019,182,719)	(175,863,098)	(843,319,621)		(16,460,064)		(859,779,685)	(7,020,619)	(866,800,304)
INT BEARING CWIP					(427,783,610)		(427,783,610)	0	(427,783,610)
ENERGY CONSERVATION CLAUSE	(12,554,259)	6,920,379	(19,474,638)				(19,474,638)	(1,188,348)	(20,662,986)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SET	(101,833)		(101,833)				(101,833)	0	(101,833)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(11,184)	(11,184)
LOANS TO EMPLOYEES AND RETIREES								(35,810)	(35,810)
INTEREST AND DIVIDENDS RECEIVABLE								(25,529)	(25,529)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,471,367)	(17,132,698)
FUEL RELATED DEFERRED DEBITS								(55,417,550)	(55,417,550)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,573,376)	(4,573,376)
TOTAL FPSC ADJUSTMENTS	(1,031,838,811)	(168,942,719)	(862,896,092)	(12,661,331)	(444,243,674)	0	(1,319,801,097)	(72,743,783)	(1,392,544,879)
FPSC ADJUSTED	2,966,952,020	1,229,767,856	1,737,184,164	2,443,744	29,897,608	0	1,769,525,516	164,555,024	1,934,080,540
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	2,966,952,020	1,229,767,856	1,737,184,164	2,443,744	29,897,608	0	1,769,525,516	164,555,024	1,934,080,540

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

	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
	(a)										(a)
SYSTEM PER BOOKS	1,554,357,349	694,298,424	336,416,441	132,116,231	111,272,660	11,157,429	77,423,701	(1,224,407)	0	1,361,460,479	192,896,870
JURISDICTIONAL PER BOOKS	1,318,458,157	538,042,354	317,620,036	121,458,277	109,419,276	14,299,461	57,786,757	(877,128)	0	1,157,749,034	160,709,124
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(471,163,544)	(470,834,557)				(126,906)				(470,961,463)	(202,080)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(66,649,484)	(67,019,290)				142,653				(66,876,637)	227,153
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,032,234)		(14,667,652)	(336,392)	(381,907)	(635,054)				(16,021,005)	(1,011,229)
ENVIRONMENTAL COST RECOVERY CLAUSE	(142,330,946)		(26,947,404)	(39,511,412)	(2,327,790)	(28,369,729)				(97,156,335)	(45,174,611)
FRANCHISE FEE REVENUE & EXPENSE	(41,801,627)				(40,726,323)	(414,799)				(41,141,122)	(660,505)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,393,748)				(30,988,539)	(156,309)				(31,144,848)	(248,900)
MARKETING SUPPORT ACTIVITIES			(200,801)			77,459				(123,342)	123,342
WHOLESALE EXPENSES		(188,506)				72,716				(115,790)	115,790
INSTITUTIONAL ADVERTISING EXPENSE			(387,956)			149,654				(238,302)	238,302
ECONOMIC DEVELOPMENT EXPENSE			(62,932)			24,276				(38,656)	38,656
MGMT FINANCIAL PLANNING SERVICES			(30,147)			11,629				(18,518)	18,518
DIRECTORS' & OFFICERS' INSURANCE			(48,034)			18,529				(29,505)	29,505
INDUSTRY ASSOCIATION DUES			(845)			326				(519)	519
TALLAHASSEE LIAISON EXPENSES			(410,792)		(18,976)	165,783				(263,985)	263,985
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				11,672		(4,503)				7,169	(7,169)
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,466,410)	565,668				(900,742)	900,742
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						141,381			(366,510)	(225,129)	225,129
INTEREST SYNCRONIZATION						5,791,158				5,791,158	(5,791,158)
TOTAL FPSC ADJUSTMENTS	(770,371,583)	(538,042,354)	(42,756,562)	(39,836,132)	(75,909,944)	(22,546,068)	0	0	(366,510)	(719,457,570)	(50,914,013)
FPSC ADJUSTED	548,086,574	0	274,863,474	81,622,146	33,509,332	(8,246,607)	57,786,757	(877,128)	(366,510)	438,291,464	109,795,110
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	548,086,574	0	274,863,474	81,622,146	33,509,332	(8,246,607)	57,786,757	(877,128)	(366,510)	438,291,464	109,795,110
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				18,230,568	AND THE JURISDICTIONAL NOI BY	17,807,036					

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

SCHEDULE 3
PAGE 3 OF 3

<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	(1,050,050,704)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(629,412,763)	(242,795,974)
ACCUMULATED DEPRECIATION	181,189,464	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(146,596,588)	(56,549,634)
CWIP	(16,958,590)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(67,066,073)	(25,870,738)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,554,259)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,032,234)	(6,570,184)
ACCUMULATED DEPRECIATION	(6,920,379)	FUEL EXPENSE	(625,266,723)	241,196,638
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(69,041,189)	26,632,639
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(101,833)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,004,044)	5,787,810
FAS 143 NET PLANT	(15,113,167)	CONSERVATION EXPENSES - OTHER TAXES	(381,907)	147,321
INTEREST BEARING CWIP	(437,958,235)	ENVIRONMENTAL COST RECOVERY EXPENSE	(70,792,550)	27,308,226
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(41,801,627)	(16,124,978)
		FRANCHISE FEE	(40,726,323)	15,710,179
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,393,748)	(12,110,138)
ECRC WORKING CAPITAL	(7,231,740)	GROSS RECEIPTS TAX EXPENSE	(30,988,539)	11,953,829
CONSERVATION/AEM INVENTORY	(1,188,348)	MARKETING SUPPORT ACTIVITIES	(200,801)	77,459
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(2,754)	WHOLESALE EXPENSE	(194,252)	74,933
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(395,599)	152,602
LOANS TO EMPLOYEES AND RETIREES	(37,373)	ECONOMIC DEVELOPMENT EXPENSE	(62,933)	24,276
INTEREST & DIVIDENDS RECEIVABLE	(26,643)	MGMT FINANCIAL PLANNING SERVICES	(30,813)	11,886
NORTH ESCAMBIA SITE	(4,666,737)	DIRECTORS' & OFFICERS' INSURANCE	(49,095)	18,938
UNAMORTIZED RATE CASE EXPENSE	(4,773,203)	INDUSTRY ASSOCIATION DUES	(861)	332
FUEL RELATED DEFERRED DEBITS	(55,417,550)	TALLAHASSEE LIAISON EXPENSE	(439,262)	169,445
UNREALIZED LOSS ON FWD CONTRACT	1,697	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	11,672	(4,503)
ACCUM. PROV. FOR RATE REFUNDS	0	DEPRECIATION CREDIT ADJUSTMENT	0	0
FAS 143 WORKING CAPITAL	26,429,496	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,466,410)	565,668
FAS 158 REGULATORY ASSETS	(85,070,637)	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	11,366	4,385
FAS 158 REGULATORY LIABILITIES	85,070,637	GAIN\LOSS ON DISPOSITION OF PROPERTY	(385,256)	148,613
PPA REGULATORY ASSETS	(191,173,077)	INTEREST SYNCHRONIZATION	6,133,259	6,133,259
PPA REGULATORY LIABILITIES	191,173,077			
FAS 133 REGULATORY ASSETS	(35,306,587)			
FAS 133 REGULATORY LIABILITIES	35,306,587			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
January, 2015

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	
LONG TERM DEBT	1,271,063,980	1,165,985,741	(471,418,394)	0	694,567,347	36.26	4.54	1.65	4.54	1.65	4.54	1.65	4.54	1.65	4.54	1.65	4.54	1.65	
SHORT TERM DEBT	83,801,601	21,537,068	(8,707,628)	0	12,829,440	0.67	0.23	0.00	0.23	0.00	0.23	0.00	0.23	0.00	0.23	0.00	0.23	0.00	
PREFERENCE STOCK	146,503,864	134,374,314	(54,328,729)	0	80,045,585	4.18	6.14	0.26	6.14	0.26	6.14	0.26	6.14	0.26	6.14	0.26	6.14	0.26	
CUSTOMER DEPOSITS	34,883,449	35,492,334	(14,349,866)	0	21,142,468	1.10	2.38	0.03	2.38	0.03	2.38	0.03	2.38	0.03	2.38	0.03	2.38	0.03	
COMMON EQUITY	1,294,246,411	1,195,151,186	(483,210,242)	0	711,940,944	37.17	9.25	3.44	10.25	3.81	11.25	3.81	11.25	3.81	11.25	3.81	11.25	3.81	
DEFERRED INCOME TAXES	755,258,036	703,769,599	(284,540,301)	0	419,229,298	21.89													
FASB 109 DEFERRED TAXES	(46,962,769)	(43,761,161)	17,693,026	0	(26,068,135)	(1.36)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	3,317,004	2,964,236	(1,198,467)	0	1,765,769	0.09	6.88	0.01	7.36	0.01	7.84	0.01	7.84	0.01	7.84	0.01	7.84	0.01	
TOTAL	3,542,111,576	3,215,513,317	(1,300,060,601)	0	1,915,452,716	100.00	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	6.12

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	COST RATE (%)	WEIGHTED COST RATE (%)	
LONG TERM DEBT	1,344,721,289	1,213,021,075	(507,777,725)	0	705,243,350	36.46	4.51	1.64	4.51	1.64	4.51	1.64	4.51	1.64	4.51	1.64	4.51	1.64	
SHORT TERM DEBT	104,969,710	40,504,711	(16,955,509)	0	23,549,202	1.22	0.31	0.00	0.31	0.00	0.31	0.00	0.31	0.00	0.31	0.00	0.31	0.00	
PREFERENCE STOCK	146,503,864	132,155,469	(55,321,053)	0	76,834,416	3.97	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	35,079,191	34,943,773	(14,627,668)	0	20,316,105	1.05	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	
COMMON EQUITY	1,317,208,537	1,206,186,683	(504,916,808)	0	701,269,875	36.26	9.25	3.35	10.25	3.72	11.25	3.72	11.25	3.72	11.25	3.72	11.25	3.72	
DEFERRED INCOME TAXES	816,675,091	747,630,041	(312,962,313)	0	434,667,728	22.48													
FASB 109 DEFERRED TAXES	(54,947,338)	(50,301,865)	21,056,655	0	(29,245,210)	(1.51)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	2,724,895	2,485,532	(1,040,458)	0	1,445,074	0.07	6.84	0.00	7.31	0.01	7.78	0.01	7.78	0.01	7.78	0.01	7.78	0.01	
TOTAL	3,712,935,239	3,326,625,420	(1,392,544,879)	0	1,934,080,540	100.00	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	6.00

GULF POWER COMPANY
Financial Integrity Indicators
January, 2015

A. Times Interest Earned with AFUDC

Earnings Before Interest	203,379,120
AFUDC - Debt	5,588,351
Income Taxes	88,015,379
	<hr/>
Total	296,982,850
Interest Charges (Before Deducting AFUDC - Debt)	58,900,752
	<hr/>
T.I.E. With AFUDC	5.04 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	203,379,120
AFUDC - Other	(12,642,217)
Income Taxes	88,015,379
	<hr/>
Total	278,752,282
Interest Charges (Before Deducting AFUDC - Debt)	58,900,752
	<hr/>
T.I.E. Without AFUDC	4.73 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	5,588,351
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	3,432,645
AFUDC - Other	12,642,217
	<hr/>
Total	16,074,862
	<hr/>
Net Income Available for Common Stockholders	141,064,220
	<hr/>
Percent AFUDC to Available Net Income	11.40%

D. Percent Internally Generated Funds

Net Income	150,066,720
Preference Dividends	(9,002,500)
Common Dividends	(124,940,000)
AFUDC (Debt & Other)	(18,230,568)
Depreciation & Amortization	140,990,536
Deferred Income Taxes	77,403,615
Investment Tax Credits	0
Other	(16,257,939)
	<hr/>
Total	200,029,864
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	347,637,548
	<hr/>
Percent Internally Generated Funds	57.54%

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	694,567,347
Short Term Debt	12,829,440
Preference Stock	80,045,585
Common Equity	711,940,944
	<hr/>
Total	1,499,383,316
	<hr/>
% Long Term Debt To Total	46.32%
	<hr/>
% Short Term Debt To Total	0.86%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.73%	5.73%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.65)	(1.65)
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	(1.94)	(1.94)
	<hr/>	<hr/>
Total	3.79	3.79
Divided by Common Equity Ratio	37.17	37.17
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.19%	10.19%