

February 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
February, 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	172,592,758	(64,535,065)	108,057,693	0	108,057,693
Average Rate Base	3,038,555,266	(1,148,440,109)	1,890,115,157	0	1,890,115,157
Average Rate of Return	5.68%		5.72%		5.72%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	172,591,069	(64,762,149)	107,828,920	0	107,828,920
Year End Rate Base	3,131,090,554	(1,203,218,928)	1,927,871,626	0	1,927,871,626
Year End Rate of Return	5.51%		5.59%		5.59%

(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	4.95 x (System per Books Basis)
B. Tie Without AFUDC	4.76 x (System per Books Basis)
C. AFUDC To Net Income	7.00% (System per Books Basis)
D. Internally Generated Funds	80.35% (System per Books Basis)
E. LTD To Total Investor Funds	46.04% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.45% (FPSC Adjusted Basis)
G. Return on Common Equity	10.11% (FPSC Adjusted Basis)
H. Return on Common Equity	10.11% (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
February, 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								
4,296,384,534	1,413,416,769	2,882,967,765	18,207,671	235,180,564	0	3,136,356,000	240,925,388	3,377,281,388
JURISDICTIONAL PER BOOKS								
3,830,700,802	1,276,716,965	2,553,983,837	17,675,009	220,743,960	0	2,792,402,805	246,152,460	3,038,555,266
(1,015,229,505)	(122,659,778)	(892,569,727)		(2,503,272)		(895,072,999)	(7,849,330)	(902,922,329)
(11,028,183)	5,430,046	(16,458,229)		(175,990,402)		(175,990,402)	0	(175,990,402)
				(4,594)		(16,462,823)	(2,363,044)	(18,825,867)
							0	0
							0	0
			(12,617,282)			(12,617,282)	(26,722)	(26,722)
							(4,621,083)	(17,238,365)
							(29,812,959)	(29,812,959)
							371,884	371,884
							(3,995,350)	(3,995,350)
(1,026,257,688)	(117,229,732)	(909,027,956)	(12,617,282)	(178,498,268)	0	(1,100,143,505)	(48,296,603)	(1,148,440,109)
FPSC ADJUSTED								
2,804,443,114	1,159,487,233	1,644,955,881	5,057,727	42,245,692	0	1,692,259,300	197,855,857	1,890,115,157
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,804,443,114	1,159,487,233	1,644,955,881	5,057,727	42,245,692	0	1,692,259,300	197,855,857	1,890,115,157
PRO FORMA ADJUSTED								

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

	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,508,870,345	665,951,327	310,920,417	147,198,603	100,977,020	13,304,073	75,541,772	(1,338,984)	0	1,312,554,227	196,316,118 (a)
JURISDICTIONAL PER BOOKS	1,274,821,212	512,759,803	294,429,901	136,478,275	99,289,279	16,890,830	54,238,056	(989,458)	0	1,113,096,686	161,724,527 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(467,711,409)	(467,407,476)				(117,242)				(467,524,718)	(186,690)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(45,099,646)	(45,200,762)				39,006				(45,161,756)	62,110
ENERGY CONSERVATION COST REVENUES & EXPENSES	(26,028,727)					(625,635)				(25,032,496)	(996,232)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,676,763)		(23,695,230)	(310,176)	(401,454)	(29,582,628)				(98,570,790)	(47,105,973)
FRANCHISE FEE REVENUE & EXPENSE	(38,775,978)		(27,750,888)	(39,541,768)	(1,695,506)	(368,161)				(38,189,736)	(586,242)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,734,712)				(28,407,673)	(126,155)				(28,533,828)	(200,883)
MARKETING SUPPORT ACTIVITIES			(178,835)			68,985				(109,850)	109,850
WHOLESALE EXPENSES		(151,564)				58,466				(93,098)	93,098
INSTITUTIONAL ADVERTISING EXPENSE			(174,218)			67,205				(107,013)	107,013
ECONOMIC DEVELOPMENT EXPENSE			(65,500)			21,409				(34,091)	34,091
MGMT FINANCIAL PLANNING SERVICES			(38,847)			14,985				(23,862)	23,862
DIRECTORS' & OFFICERS' INSURANCE			(45,250)			17,455				(27,795)	27,795
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(173,058)		(7,097)	69,495				(110,660)	110,660
GRT, FPSC FEES ON CLAUSES & FEES					(1,351,011)	521,152				(829,859)	829,859
(GAIN)/LOSS ON DISPOSITION						44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						6,059,639				6,059,639	(6,059,639)
TOTAL FPSC ADJUSTMENTS	(752,027,235)	(512,759,803)	(52,111,897)	(39,851,944)	(69,884,317)	(23,837,761)	0	0	(114,680)	(698,360,402)	(53,666,834)
FPSC ADJUSTED	522,793,977	0	242,318,004	96,626,331	29,604,962	(6,946,931)	54,238,056	(989,458)	(114,680)	414,736,284	108,057,693
PRO FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	522,793,977	0	242,318,004	96,626,331	29,604,962	(6,946,931)	54,238,056	(989,458)	(114,680)	414,736,284	108,057,693
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			11,126,727			10,868,231					
CURRENT MONTH SYSTEM PER BOOKS	118,751,345	53,484,867	27,673,228	9,744,905	9,143,599	(2,337,900)	7,927,831	(105,992)	0	105,530,537	13,220,807
CURRENT MONTH JURISDICTIONAL PER BOOKS	97,458,101	38,705,388	25,338,444	8,829,619	9,008,052	(80,403)	4,648,222	(76,967)	0	86,372,355	11,085,746

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 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	(1,045,229,191)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(622,668,351)	(240,194,317)
ACCUMULATED DEPRECIATION	126,297,800	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,440,197)	(57,646,556)
CWIP	(2,580,133)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,250,081)	(17,455,219)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,028,183)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(26,028,727)	(10,040,582)
ACCUMULATED DEPRECIATION	(5,430,046)	FUEL EXPENSE	(619,063,721)	238,803,830
CWIP	(4,594)	PURCHASED POWER CAPACITY COST EXPENSE	(46,787,417)	18,048,246
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(24,005,406)	9,260,085
FAS 143 NET PLANT	(14,700,653)	CONSERVATION EXPENSES - OTHER TAXES	(401,454)	154,861
INTEREST BEARING CWIP	(180,176,248)	ENVIRONMENTAL COST RECOVERY EXPENSE	(70,963,451)	27,374,151
PHFU - NORTH ESCAMBIA	(12,997,522)	FRANCHISE FEE REVENUES	(38,775,978)	(14,957,834)
WORKING CAPITAL:		FRANCHISE FEE	(37,821,575)	14,589,673
ECRC WORKING CAPITAL	(8,080,622)	GROSS RECEIPTS TAX REVENUES	(28,734,712)	(11,084,415)
CONSERVATION/AEM INVENTORY	(2,363,044)	GROSS RECEIPTS TAX EXPENSE	(28,407,673)	10,958,260
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(178,835)	68,985
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(156,184)	60,248
LOANS TO EMPLOYEES AND RETIREES	(27,889)	INSTITUTIONAL ADVERTISING EXPENSE	(177,650)	68,528
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(55,500)	21,409
NORTH ESCAMBIA SITE	(4,822,995)	MGMT FINANCIAL PLANNING SERVICES	(39,704)	15,316
UNAMORTIZED RATE CASE EXPENSE	(4,169,921)	DIRECTORS' & OFFICERS' INSURANCE	(46,249)	17,841
FUEL RELATED DEFERRED DEBITS	(29,812,959)	INDUSTRY ASSOCIATION DUES	(72)	28
UNREALIZED LOSS ON FWD CONTRACT	0	TALLAHASSEE LIAISON EXPENSE	(184,135)	71,030
ACCUM. PROV. FOR RATE REFUNDS	388,133	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,351,011)	521,152
FAS 143 WORKING CAPITAL	25,520,319	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	81,411	31,404
FAS 158 REGULATORY ASSETS	(124,650,340)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY LIABILITIES	124,650,340	INTEREST SYNCHRONIZATION	6,442,108	6,442,108
PPA REGULATORY ASSETS	(171,887,730)			
PPA REGULATORY LIABILITIES	171,887,730			
FAS 133 REGULATORY ASSETS	(28,880,133)			
FAS 133 REGULATORY LIABILITIES	28,880,133			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
February, 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	4,372,415,168	1,457,876,821	2,914,538,347	15,476,655	298,509,875	0	3,228,524,878	240,925,388	3,469,450,266
JURISDICTIONAL PER BOOKS	3,899,142,847	1,317,415,233	2,581,727,614	15,023,888	285,668,520	0	2,882,420,022	248,670,532	3,131,090,554
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,014,927,787)	(141,947,176)	(872,980,611)		(8,512,422)		(881,493,033)	(7,849,330)	(889,342,363)
INT BEARING CWIP	(11,487,170)	6,016,906	(17,504,076)		(243,345,071)		(243,345,071)	0	(243,345,071)
ENERGY CONSERVATION CLAUSE							(17,504,076)	(2,363,044)	(19,867,120)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSMS PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES				(12,580,144)			(12,580,144)	(26,722)	(26,722)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.								(4,621,083)	(17,201,227)
FUEL RELATED DEFERRED DEBITS								(29,812,959)	(29,812,959)
ACCRUED PROVISION FOR REFUND								371,884	371,884
								(3,995,350)	(3,995,350)
TOTAL FPSC ADJUSTMENTS	(1,026,414,957)	(135,930,270)	(890,484,687)	(12,580,144)	(251,857,493)	0	(1,154,922,324)	(48,296,604)	(1,203,218,928)
FPSC ADJUSTED	2,872,727,890	1,181,484,963	1,691,242,927	2,443,744	33,811,027	0	1,727,497,698	200,373,928	1,927,871,626
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	2,872,727,890	1,181,484,963	1,691,242,927	2,443,744	33,811,027	0	1,727,497,698	200,373,928	1,927,871,626

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

	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,508,870,345	665,951,327	310,920,417	147,198,603	100,977,020	13,304,073	75,541,772	(1,338,984)	0	1,312,554,227	196,316,118 (a)
JURISDICTIONAL PER BOOKS	1,274,821,212	512,759,803	294,429,901	136,478,275	99,289,279	16,890,297	54,240,278	(989,458)	0	1,113,098,375	161,722,838 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(467,711,409)	(467,407,476)				(117,242)				(467,524,718)	(186,690)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(45,099,646)	(45,200,762)				39,006				(45,161,756)	62,110
ENERGY CONSERVATION COST REVENUES & EXPENSES	(26,028,727)		(23,695,230)	(310,176)	(401,454)	(625,635)				(25,032,495)	(996,232)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,676,763)		(27,750,888)	(39,541,768)	(1,695,506)	(29,582,628)				(98,570,790)	(47,105,973)
FRANCHISE FEE REVENUE & EXPENSE	(38,775,978)				(37,821,575)	(368,161)				(38,189,736)	(586,242)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,734,712)				(28,407,673)	(126,155)				(28,533,828)	(200,883)
MARKETING SUPPORT ACTIVITIES			(178,835)			68,985				(109,850)	109,850
WHOLESALE EXPENSES		(151,564)				58,466				(93,098)	93,098
INSTITUTIONAL ADVERTISING EXPENSE			(174,218)			67,205				(107,013)	107,013
ECONOMIC DEVELOPMENT EXPENSE			(55,500)			21,409				(34,091)	34,091
MGMT FINANCIAL PLANNING SERVICES			(38,847)			14,985				(23,862)	23,862
DIRECTORS' & OFFICERS' INSURANCE			(45,250)			17,455				(27,795)	27,795
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(173,058)		(7,097)	69,495				(110,660)	110,660
GRT, FPSC FEES ON CLAUSES & FEES					(1,351,011)	521,152				(829,859)	829,859
(GAIN)/LOSS ON DISPOSITION						44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						6,286,723				6,286,723	(6,286,723)
TOTAL FPSC ADJUSTMENTS	(752,027,235)	(512,759,803)	(52,111,897)	(39,851,944)	(69,684,317)	(23,610,677)	0	0	(114,680)	(698,133,318)	(53,893,918)
FPSC ADJUSTED	522,793,977	0	242,318,004	96,626,331	29,604,962	(6,720,380)	54,240,278	(989,458)	(114,680)	414,965,057	107,828,920
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	522,793,977	0	242,318,004	96,626,331	29,604,962	(6,720,380)	54,240,278	(989,458)	(114,680)	414,965,057	107,828,920
PRO FORMA ADJUSTED	522,793,977	0	242,318,004	96,626,331	29,604,962	(6,720,380)	54,240,278	(989,458)	(114,680)	414,965,057	107,828,920
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,126,727	AND THE JURISDICTIONAL NOI BY	10,868,231					

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 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	(1,045,569,396)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(622,668,351)	(240,194,317)
ACCUMULATED DEPRECIATION	146,232,693	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,440,197)	(57,646,556)
CWIP	(8,769,420)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,250,081)	(17,455,219)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,487,170)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(26,028,727)	(10,040,582)
ACCUMULATED DEPRECIATION	(6,016,906)	FUEL EXPENSE	(619,063,721)	238,803,830
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(46,787,417)	18,048,246
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(24,005,406)	9,260,085
FAS 143 NET PLANT	(15,257,828)	CONSERVATION EXPENSES - OTHER TAXES	(401,454)	154,861
INTEREST BEARING CWIP	(249,132,915)	ENVIRONMENTAL COST RECOVERY EXPENSE	(70,963,451)	27,374,151
PHFU - NORTH ESCAMBIA	(12,959,265)	FRANCHISE FEE REVENUES	(38,775,978)	(14,957,834)
WORKING CAPITAL:		FRANCHISE FEE	(37,821,575)	14,589,673
ECRC WORKING CAPITAL	(8,080,622)	GROSS RECEIPTS TAX REVENUES	(28,734,712)	(11,084,415)
CONSERVATION/AEM INVENTORY	(2,363,044)	GROSS RECEIPTS TAX EXPENSE	(28,407,673)	10,958,260
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(178,835)	68,985
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(156,184)	60,248
LOANS TO EMPLOYEES AND RETIREES	(27,889)	INSTITUTIONAL ADVERTISING EXPENSE	(177,650)	68,528
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(55,500)	21,409
NORTH ESCAMBIA SITE	(4,822,995)	MGMT FINANCIAL PLANNING SERVICES	(39,704)	15,316
UNAMORTIZED RATE CASE EXPENSE	(4,169,921)	DIRECTORS' & OFFICERS' INSURANCE	(46,249)	17,841
FUEL RELATED DEFERRED DEBITS	(29,812,959)	INDUSTRY ASSOCIATION DUES	(72)	28
UNREALIZED LOSS ON FWD CONTRACT	0	TALLAHASSEE LIAISON EXPENSE	(184,135)	71,030
ACCUM. PROV. FOR RATE REFUNDS	388,133	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,351,011)	521,152
FAS 143 WORKING CAPITAL	25,520,319	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFV. ESC REV	81,411	31,404
FAS 158 REGULATORY ASSETS	(124,650,340)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY LIABILITIES	124,650,340	INTEREST SYNCHRONIZATION	6,700,304	6,700,304
PPA REGULATORY ASSETS	(171,887,730)			
PPA REGULATORY LIABILITIES	171,887,730			
FAS 133 REGULATORY ASSETS	(28,880,133)			
FAS 133 REGULATORY LIABILITIES	28,880,133			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
February, 2014

AVERAGE	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)
LONG TERM DEBT	1,220,276,318	1,103,412,612	(417,041,386)	686,371,226	36.31	4.74	1.72	4.74	1.72	4.74	4.74	1.72
SHORT TERM DEBT	97,570,780	58,696,998	(22,184,881)	36,512,117	1.93	0.38	0.01	0.38	0.01	0.38	0.38	0.01
PREFERENCE STOCK	131,592,693	119,023,837	(44,985,770)	74,038,067	3.92	6.19	0.24	6.19	0.24	6.19	6.19	0.24
CUSTOMER DEPOSITS	34,795,383	35,122,914	(13,274,915)	21,847,999	1.16	2.39	0.03	2.39	0.03	2.39	2.39	0.03
COMMON EQUITY	1,226,695,715	1,115,707,131	(421,688,173)	694,018,958	36.72	9.25	3.40	10.25	3.76	11.25	11.25	4.13
DEFERRED INCOME TAXES	697,008,405	641,907,923	(242,612,933)	399,294,990	21.13							
FASB 109 DEFERRED TAXES	(42,494,858)	(39,135,519)	14,791,503	(24,344,016)	(1.29)							
TAX CREDITS - ZERO COST	0	0	0	0	0.00							
TAX CREDITS - WEIGHTED COST	4,507,642	3,819,370	(1,443,554)	2,375,816	0.13	6.96	0.01	7.44	0.01	7.92	7.92	0.01
TOTAL	3,369,952,078	3,038,555,266	(1,148,440,109)	1,890,115,157	100.00		5.40		5.77		6.14	

YEAR-END	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)
LONG TERM DEBT	1,207,599,603	1,105,004,706	(424,632,426)	680,372,280	35.29	4.71	1.66	4.71	1.66	4.71	4.71	1.66
SHORT TERM DEBT	51,393,354	17,229,359	(6,620,917)	10,608,442	0.55	0.28	0.00	0.28	0.00	0.28	0.28	0.00
PREFERENCE STOCK	146,503,864	134,057,232	(51,515,661)	82,541,571	4.28	6.14	0.26	6.14	0.26	6.14	6.14	0.26
CUSTOMER DEPOSITS	34,572,512	35,226,383	(13,536,833)	21,689,550	1.13	2.26	0.03	2.26	0.03	2.26	2.26	0.03
COMMON EQUITY	1,283,294,478	1,190,775,818	(457,592,643)	733,183,175	38.03	9.25	3.52	10.25	3.90	11.25	11.25	4.28
DEFERRED INCOME TAXES	736,436,972	686,223,325	(263,702,656)	422,520,669	21.91							
FASB 109 DEFERRED TAXES	(43,766,517)	(40,782,315)	15,671,873	(25,110,442)	(1.30)							
TAX CREDITS - ZERO COST	0	0	0	0	0.00							
TAX CREDITS - WEIGHTED COST	3,843,310	3,356,046	(1,289,665)	2,066,381	0.11	7.01	0.01	7.50	0.01	7.99	7.99	0.01
TOTAL	3,419,877,576	3,131,090,554	(1,203,218,928)	1,927,871,626	100.00		5.48		5.86		6.24	

GULF POWER COMPANY
Financial Integrity Indicators
February, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	201,146,190
AFUDC - Debt	3,856,600
Income Taxes	87,860,958
	<hr/>
Total	292,863,748
Interest Charges (Before Deducting AFUDC - Debt)	59,170,991
	<hr/>
T.I.E. With AFUDC	4.95 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	201,146,190
AFUDC - Other	(7,270,127)
Income Taxes	87,860,958
	<hr/>
Total	281,737,021
Interest Charges (Before Deducting AFUDC - Debt)	59,170,991
	<hr/>
T.I.E. Without AFUDC	4.76 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	3,856,600
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	2,368,917
AFUDC - Other	7,270,127
	<hr/>
Total	9,639,043
	<hr/>
Net Income Available for Common Stockholders	137,661,522
	<hr/>
Percent AFUDC to Available Net Income	7.00%

D. Percent Internally Generated Funds

Net Income	145,831,800
Preference Dividends	(8,170,278)
Common Dividends	(117,350,000)
AFUDC (Debt & Other)	(11,126,727)
Depreciation & Amortization	155,720,292
Deferred Income Taxes	75,519,127
Investment Tax Credits	0
Other	17,169,281
	<hr/>
Total	257,593,495
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	320,586,732
	<hr/>
Percent Internally Generated Funds	80.35%

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	686,371,226
Short Term Debt	36,512,117
Preference Stock	74,038,067
Common Equity	694,018,958
	<hr/>
Total	1,490,940,368
	<hr/>
% Long Term Debt To Total	46.04%
	<hr/>
% Short Term Debt To Total	2.45%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.72%	5.72%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.72)	(1.72)
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)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(2.01)	(2.01)
	<hr/>	<hr/>
Total	3.71	3.71
Divided by Common Equity Ratio	36.72	36.72
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.11%	10.11%