

Robert L. McGee, Jr.
Regulatory & Pricing Manager

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October 14, 2015

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 August, 2015.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." with a stylized flourish at the end.

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

August 2015

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
August, 2015

Schedule 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
Net Operating Income	(a) 183,101,183	(b) (71,671,271)	111,429,912	0	111,429,912
Average Rate Base	3,372,075,334	(1,388,648,475)	1,983,426,859	0	1,983,426,859
Average Rate of Return	5.43%		5.62%		5.62%

II. Year End Rate of Return (Jurisdictional)					
Net Operating Income	(a) 183,115,908	(b) (71,825,310)	111,290,598	0	111,290,598
Year End Rate Base	3,441,569,535	(1,449,905,140)	1,991,664,396	0	1,991,664,396
Year End Rate of Return	5.32%		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	5.25%
Midpoint	5.62%
High	5.98%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.86 x (System per Books Basis)
B. Tie Without AFUDC	4.52 x (System per Books Basis)
C. AFUDC To Net Income	13.22% (System per Books Basis)
D. Internally Generated Funds	33.18% (System per Books Basis)
E. LTD To Total Investor Funds	46.71% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.91% (FPSC Adjusted Basis)
G. Return on Common Equity	10.25% (FPSC Adjusted Basis)
H. Return on Common Equity	10.25% (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
10/13/15

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
August, 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	4,557,547,321	1,548,474,346	3,009,072,975	15,115,764	436,932,876	0	3,461,121,615	249,401,354	3,710,522,969
JURISDICTIONAL PER BOOKS	4,058,377,118	1,399,801,625	2,658,575,493	14,673,554	423,974,497	0	3,097,223,545	274,851,789	3,372,075,334
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,019,720,181)	(179,587,311)	(840,132,870)		(17,972,665)		(858,105,535)	(6,428,205)	(864,533,740)
INT BEARING CWIP					(370,350,475)		(370,350,475)	0	(370,350,475)
ENERGY CONSERVATION CLAUSE	(12,507,673)	6,996,416	(19,504,089)		(5,769)		(19,509,858)	(1,317,407)	(20,827,265)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(68,003,611)		(68,003,611)				(68,003,611)	0	(68,003,611)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(672,628)	(672,628)
LOANS TO EMPLOYEES / RETIREES								(41,800)	(41,800)
INTEREST AND DIVIDENDS RECEIVABLE								(44,876)	(44,876)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,636,004)			(12,636,004)	(4,383,937)	(17,019,941)
FUEL RELATED DEFERRED DEBITS								(43,491,242)	(43,491,242)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,662,897)	(3,662,897)
TOTAL FPSC ADJUSTMENTS	(1,100,231,465)	(172,590,895)	(927,640,570)	(12,636,004)	(388,328,909)	0	(1,328,605,484)	(60,042,992)	(1,388,648,475)
FPSC ADJUSTED	2,958,145,653	1,227,210,730	1,730,934,923	2,037,550	35,645,588	0	1,768,618,061	214,808,798	1,983,426,859
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	2,958,145,653	1,227,210,730	1,730,934,923	2,037,550	35,645,588	0	1,768,618,061	214,808,798	1,983,426,859

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
August, 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	1,537,225,551	647,272,542	358,889,809	135,092,498	117,641,748	(320)	87,285,951	0	0	1,345,290,299	191,935,252 (a)
JURISDICTIONAL PER BOOKS	1,341,406,340	529,230,538	338,510,631	123,876,505	115,584,490	5,658,240	66,741,177	(891,928)	0	1,179,037,908	162,368,432 (a)
LESS FPSC ADJUSTMENTS	(443,063,654)	(442,710,336)				(136,293)				(442,846,629)	(217,026)
RETAIL FUEL REVENUES & EXPENSES	(86,118,270)	(86,346,791)				88,152				(86,258,639)	140,370
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(10,861,306)					(673,181)				(17,789,363)	(1,071,943)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(141,587,799)		(16,410,827)	(354,259)	(3,066,448)	(27,724,811)				(97,420,125)	(44,147,674)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,754,184)		(26,853,596)	(39,775,270)	(42,628,765)	(434,131)				(43,062,896)	(691,289)
FRANCHISE FEE REVENUE & EXPENSE	(32,952,712)				(32,545,775)	(156,975)				(32,702,750)	(249,962)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(203,594)			78,536				(125,058)	125,058
MARKETING SUPPORT ACTIVITIES		(173,411)				66,893				(106,518)	106,518
WHOLESALE EXPENSES			(225,945)			87,158				(138,787)	138,787
INSTITUTIONAL ADVERTISING EXPENSE			(61,405)			23,687				(37,718)	37,718
ECONOMIC DEVELOPMENT EXPENSE			(27,899)			10,762				(17,137)	17,137
MGMT FINANCIAL PLANNING SERVICES			(47,627)			18,449				(29,378)	29,378
DIRECTORS' & OFFICERS' INSURANCE			(1,223)			472				(751)	751
INDUSTRY ASSOCIATION DUES			(429,506)		(20,959)	173,361				(276,084)	276,084
TALLAHASSEE LIAISON EXPENSES				310,000	(1,545,299)	(119,583)				(949,200)	949,200
DEPRECIATION CREDIT ADJUSTMENT (1)						596,099				2,162	(2,162)
GRT, FPSC FEES ON CLAUSES & FEES						(1,357)		3,519		6,189,047	(6,189,047)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						6,189,047					
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(766,317,925)	(529,230,538)	(44,260,822)	(39,819,529)	(80,158,341)	(21,913,694)	0	0	0	(715,379,405)	(50,938,520)
FPSC ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,255,454)	66,741,177	(563,733)	3,519	463,658,503	111,429,912
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,255,454)	66,741,177	(563,733)	3,519	463,658,503	111,429,912
PRO FORMA ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,255,454)	66,741,177	(563,733)	3,519	463,658,503	111,429,912
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				21,225,869	AND THE JURISDICTIONAL NOI BY		20,732,751				
CURRENT MONTH SYSTEM PER BOOKS	145,395,411	58,256,456	30,477,376	12,411,035	11,878,628	9,817,049	955,284	(58,495)	0	123,737,333	21,658,078
CURRENT MONTH JURISDICTIONAL PER BOOKS	130,786,760	50,254,273	28,326,554	11,463,402	11,707,661	8,871,656	791,455	(43,287)	0	111,371,715	19,415,045

TOTALS MAY NOT ADD DUE TO ROUNDING.

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(1,050,365,709)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(562,203,010)	(216,869,811)
ACCUMULATED DEPRECIATION	184,984,427	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(145,839,187)	(56,257,467)
CWIP	(18,512,795)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,406,265)	(33,331,217)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,507,673)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,861,305)	(7,275,749)
ACCUMULATED DEPRECIATION	(6,996,416)	FUEL EXPENSE	(558,424,912)	215,412,410
CWIP	(5,769)	PURCHASED POWER CAPACITY COST EXPENSE	(88,951,780)	34,313,149
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(68,003,611)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(16,765,086)	6,467,132
FAS 143 NET PLANT	(31,762,357)	CONSERVATION EXPENSES - OTHER TAXES	(351,096)	135,435
INTEREST BEARING CWIP	(379,159,081)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,728,513)	27,669,274
PHFU - NORTH ESCAMBIA	(13,016,809)	FRANCHISE FEE REVENUES	(43,754,184)	(16,878,177)
		FRANCHISE FEE	(42,628,765)	16,444,046
		GROSS RECEIPTS TAX REVENUES	(32,952,712)	(12,711,508)
		GROSS RECEIPTS TAX EXPENSE	(32,545,775)	12,554,533
		MARKETING SUPPORT ACTIVITIES	(203,594)	78,536
WORKING CAPITAL:		WHOLESALE EXPENSE	(178,697)	68,932
ECRC WORKING CAPITAL	(6,621,391)	INSTITUTIONAL ADVERTISING EXPENSE	(230,397)	88,876
CONSERVATION/AEM INVENTORY	(1,317,407)	ECONOMIC DEVELOPMENT EXPENSE	(61,405)	23,687
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(672,628)	MGMT FINANCIAL PLANNING SERVICES	(28,515)	11,000
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(48,883)	18,857
LOANS TO EMPLOYEES AND RETIREES	(43,625)	INDUSTRY ASSOCIATION DUES	(1,247)	481
INTEREST & DIVIDENDS RECEIVABLE	(46,835)	TALLAHASSEE LIAISON EXPENSE	(459,394)	177,211
NORTH ESCAMBIA SITE	(4,575,487)	DEPRECIATION CREDIT ADJUSTMENT (1)	310,000	(119,583)
UNAMORTIZED RATE CASE EXPENSE	(3,822,942)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,545,299)	596,099
FUEL RELATED DEFERRED DEBITS	(43,491,242)	COMP SALES/TRANS REV/L SALE GAS/PROV RT REPN. ESC REV	(111,364)	(42,959)
UNREALIZED LOSS ON FWD CONTRACT	1,387	GAIN/LOSS ON DISPOSITION OF PROPERTY	3,699	(1,427)
ACCUM. PROV. FOR RATE REFUNDS	0	INTEREST SYNCHRONIZATION	6,571,110	6,571,110
FAS 143 WORKING CAPITAL	43,304,479			
FAS 158 REGULATORY ASSETS	(123,557,261)			
FAS 158 REGULATORY LIABILITIES	123,557,261			
PPA REGULATORY ASSETS	(181,400,676)			
PPA REGULATORY LIABILITIES	181,400,676			
FAS 133 REGULATORY ASSETS	(65,602,592)			
FAS 133 REGULATORY LIABILITIES	65,602,592			

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 RATE BASE
 August, 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	4,754,674,758	1,585,230,352	3,169,444,406	14,756,744	398,170,829	0	3,582,371,979	249,401,354	3,831,773,333
JURISDICTIONAL PER BOOKS	4,194,907,549	1,432,639,650	2,762,267,899	14,325,038	387,313,874	0	3,163,906,811	277,662,724	3,441,569,535
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,022,319,997)	(199,103,314)	(823,216,683)		(19,453,501)		(842,670,184)	(6,428,205)	(849,098,389)
INT BEARING CWIP					(334,901,612)		(334,901,612)	0	(334,901,612)
ENERGY CONSERVATION CLAUSE	(13,080,662)	7,298,578	(20,379,240)				(20,379,240)	(1,317,407)	(21,696,647)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(176,898,164)		(176,898,164)				(176,898,164)	0	(176,898,164)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(3,024,245)	(3,024,245)
LOANS TO EMPLOYEES AND RETIREES							(41,800)	(41,800)	(41,800)
INTEREST AND DIVIDENDS RECEIVABLE								(44,876)	(44,876)
FUNDED PROP RES. N. ESCAMBIA SITE. & OTHER INV.				(12,661,331)			(12,661,331)	(4,383,937)	(17,045,268)
FUEL RELATED DEFERRED DEBITS								(43,491,242)	(43,491,242)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,662,897)	(3,662,897)
TOTAL FPSC ADJUSTMENTS	(1,212,298,823)	(191,804,736)	(1,020,494,087)	(12,661,331)	(354,355,113)	0	(1,387,510,531)	(62,394,609)	(1,449,905,140)
FPSC ADJUSTED	2,982,608,726	1,240,834,914	1,741,773,812	1,663,707	32,958,761	0	1,776,396,280	215,268,116	1,991,664,396
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	2,982,608,726	1,240,834,914	1,741,773,812	1,663,707	32,958,761	0	1,776,396,280	215,268,116	1,991,664,396

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
August, 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	1,537,225,551	647,272,542	358,889,809	135,092,498	117,541,748	(320)	87,285,951	(891,928)	0	1,345,290,299	191,935,252 (a)
JURISDICTIONAL PER BOOKS	1,341,406,340	529,230,538	338,510,691	123,876,505	115,584,490	5,665,701	66,718,991	(563,733)	0	1,179,023,183	162,383,157 (a)
LESS FPSC ADJUSTMENTS:	(443,063,654)	(442,710,336)				(136,293)				(442,846,629)	(217,026)
RETAIL FUEL REVENUES & EXPENSES	(86,118,270)	(86,346,791)				88,152				(86,258,639)	140,370
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(18,861,306)		(16,410,827)	(354,259)	(351,096)	(673,181)				(17,789,363)	(1,071,943)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(141,567,799)		(26,853,596)	(39,775,270)	(3,066,448)	(27,724,811)				(97,420,125)	(44,147,674)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,754,184)				(42,628,765)	(434,131)				(43,062,896)	(691,289)
FRANCHISE FEE REVENUE & EXPENSE	(32,952,712)		(203,594)		(32,545,775)	(156,975)				(32,702,750)	(249,962)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT						78,536				(125,058)	125,058
MARKETING SUPPORT ACTIVITIES						66,893				(106,518)	106,518
WHOLESALE EXPENSES		(173,411)				67,158				(138,787)	138,787
INSTITUTIONAL ADVERTISING EXPENSE			(225,945)			87,158				(138,787)	138,787
ECONOMIC DEVELOPMENT EXPENSE			(61,405)			23,687				(37,718)	37,718
MGMT FINANCIAL PLANNING SERVICES			(27,698)			10,762				(17,137)	17,137
DIRECTORS' & OFFICERS' INSURANCE			(47,827)			18,449				(29,378)	29,378
INDUSTRY ASSOCIATION DUES			(1,223)			472				(751)	751
TALLAHASSEE LIAISON EXPENSES			(428,506)			173,381				(276,084)	276,084
DEPRECIATION CREDIT ADJUSTMENT (1)				310,000		(119,583)				190,417	(190,417)
GRT, FPSC FEES ON CLAUSES & FEES					(1,545,299)	596,099				(949,200)	949,200
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						(1,357)			3,519	2,162	(2,162)
INTEREST SYNCHRONIZATION						6,343,086				6,343,086	(6,343,086)
TOTAL FPSC ADJUSTMENTS	(766,317,925)	(529,230,538)	(44,260,822)	(39,819,529)	(80,158,341)	(21,759,655)	0	0	3,519	(715,225,366)	(51,092,559)
FPSC ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,093,954)	66,718,991	(563,733)	3,519	463,797,817	111,290,598
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,093,954)	66,718,991	(563,733)	3,519	463,797,817	111,290,598
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				21,225,869			20,732,751				

Note:
(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(1,052,935,606)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(562,203,010)	(216,869,811)
ACCUMULATED DEPRECIATION	205,065,898	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(145,839,187)	(56,257,467)
CWIP	(20,036,079)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,406,265)	(33,331,217)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,080,662)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,861,306)	(7,275,749)
ACCUMULATED DEPRECIATION	(7,298,578)	FUEL EXPENSE	(558,424,912)	215,412,410
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,951,780)	34,313,149
TRANSMISSION PURSUANT TO STIP & SETT. INVESTMENT	(176,898,164)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(16,765,086)	6,467,132
FAS 143 NET PLANT	(86,706,391)	CONSERVATION EXPENSES - OTHER TAXES	(351,096)	135,435
INTEREST BEARING CWIP	(342,867,084)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,728,513)	27,669,274
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,754,184)	(16,878,177)
		FRANCHISE FEE	(42,628,765)	16,444,046
		GROSS RECEIPTS TAX REVENUES	(32,952,712)	(12,711,508)
		GROSS RECEIPTS TAX EXPENSE	(32,545,775)	12,554,533
		MARKETING SUPPORT ACTIVITIES	(203,594)	78,536
WORKING CAPITAL:		WHOLESALE EXPENSE	(178,697)	68,932
ECRC WORKING CAPITAL	(6,621,391)	INSTITUTIONAL ADVERTISING EXPENSE	(230,397)	88,876
CONSERVATION/AEM INVENTORY	(1,317,407)	ECONOMIC DEVELOPMENT EXPENSE	(61,405)	23,687
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP & SETT.	(672,628)	MGMT FINANCIAL PLANNING SERVICES	(28,515)	11,000
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(48,883)	18,857
LOANS TO EMPLOYEES AND RETIREES	(43,625)	INDUSTRY ASSOCIATION DUES	(1,247)	481
INTEREST & DIVIDENDS RECEIVABLE	(46,835)	TALLAHASSEE LIAISON EXPENSE	(459,394)	177,211
NORTH ESCAMBIA SITE	(4,575,487)	DEPRECIATION CREDIT ADJUSTMENT (1)	310,000	(119,583)
UNAMORTIZED RATE CASE EXPENSE	(3,822,942)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,545,299)	596,090
FUEL RELATED DEFERRED DEBITS	(43,491,242)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(11,364)	(42,959)
UNREALIZED LOSS ON FWD CONTRACT	1,387	GAIN/LOSS ON DISPOSITION OF PROPERTY	3,699	(1,427)
ACCUM. PROV. FOR RATE REFUNDS	0	INTEREST SYNCHRONIZATION	6,668,663	6,668,663
FAS 143 WORKING CAPITAL	43,304,479			
FAS 158 REGULATORY ASSETS	(123,557,261)			
FAS 158 REGULATORY LIABILITIES	123,557,261			
PPA REGULATORY ASSETS	(181,400,676)			
PPA REGULATORY LIABILITIES	181,400,676			
FAS 133 REGULATORY ASSETS	(65,602,592)			
FAS 133 REGULATORY LIABILITIES	65,602,592			

Note:
(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-El, issued December 19, 2013.

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
August, 2015

AVERAGE	SYSTEM			ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,341,211,307	1,229,489,303	(506,313,850)	723,175,453	36.46	4.48	4.48	1.63	4.48	1.63	4.48	1.63	4.48	1.63	
SHORT TERM DEBT	102,054,566	50,330,090	(20,726,347)	29,603,743	1.49	0.33	0.33	0.00	0.33	0.00	0.33	0.00	0.33	0.00	
PREFERENCE STOCK	146,503,864	134,295,990	(55,304,198)	78,991,792	3.98	6.14	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	35,399,391	35,873,295	(14,772,919)	21,100,376	1.06	2.37	2.37	0.03	2.37	0.03	2.37	0.03	2.37	0.03	
COMMON EQUITY	1,319,232,082	1,218,058,451	(501,606,531)	716,451,920	36.12	9.25	10.25	3.34	10.25	3.70	11.25	3.70	11.25	4.06	
DEFERRED INCOME TAXES	806,887,418	750,820,163	(309,193,945)	441,626,218	22.27										
FASB 109 DEFERRED TAXES	(53,008,171)	(49,324,855)	20,312,363	(29,012,472)	(1.46)										
TAX CREDITS - ZERO COST	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	2,702,936	2,532,897	(1,043,068)	1,489,829	0.08	6.82	7.29	0.01	7.29	0.01	7.76	0.01	7.76	0.01	
TOTAL	3,700,983,393	3,372,075,334	(1,388,648,475)	1,983,426,859	100.00 %			5.25 %		5.62 %		5.98 %			

YEAR-END	SYSTEM			ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,346,001,515	1,224,741,887	(515,973,755)	708,768,132	35.59	4.51	4.51	1.61	4.51	1.61	4.51	1.61	4.51	1.61	
SHORT TERM DEBT	129,972,766	75,390,560	(31,761,427)	43,629,133	2.19	0.42	0.42	0.01	0.42	0.01	0.42	0.01	0.42	0.01	
PREFERENCE STOCK	146,503,864	133,305,510	(56,160,523)	77,144,987	3.87	6.14	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	35,800,388	35,929,365	(15,136,748)	20,792,617	1.04	2.30	2.30	0.02	2.30	0.02	2.30	0.02	2.30	0.02	
COMMON EQUITY	1,343,716,176	1,240,829,640	(522,751,394)	718,078,246	36.05	9.25	10.25	3.33	10.25	3.70	11.25	3.70	11.25	4.06	
DEFERRED INCOME TAXES	843,477,076	779,353,516	(328,335,272)	451,018,244	22.65										
FASB 109 DEFERRED TAXES	(54,395,530)	(50,260,226)	21,174,223	(29,086,003)	(1.46)										
TAX CREDITS - ZERO COST	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	2,315,430	2,279,284	(960,244)	1,319,040	0.07	6.86	7.34	0.00	7.34	0.01	7.81	0.01	7.81	0.01	
TOTAL	3,793,391,686	3,441,569,535	(1,449,905,140)	1,991,664,396	100.00 %			5.22 %		5.58 %		5.94 %			

GULF POWER COMPANY
Financial Integrity Indicators
August, 2015

A. Times Interest Earned with AFUDC

Earnings Before Interest	205,462,341
AFUDC - Debt	6,556,665
Income Taxes	87,494,258
	<hr/>
Total	299,513,264
Interest Charges (Before Deducting AFUDC - Debt)	61,635,404
T.I.E. With AFUDC	<hr/> 4.86 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	205,462,341
AFUDC - Other	(14,669,204)
Income Taxes	87,494,258
	<hr/>
Total	278,287,395
Interest Charges (Before Deducting AFUDC - Debt)	61,635,404
T.I.E. Without AFUDC	<hr/> 4.52 x

**C. Percent AFUDC To Net Income Available
for Common Stockholders**

AFUDC - Debt	6,556,665
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	4,027,431
AFUDC - Other	14,669,204
	<hr/>
Total	18,696,636
	<hr/>
Net Income Available for Common Stockholders	141,381,102
Percent AFUDC to Available Net Income	<hr/> 13.22%

D. Percent Internally Generated Funds

Net Income	150,383,602
Preference Dividends	(9,002,500)
Common Dividends	(128,420,000)
AFUDC (Debt & Other)	(21,225,869)
Depreciation & Amortization	144,045,837
Deferred Income Taxes	87,256,584
Investment Tax Credits	0
Other	(125,925,967)
	<hr/>
Total	97,111,686
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	292,701,890
	<hr/>
Percent Internally Generated Funds	<hr/> 33.18%

**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	723,175,453
Short Term Debt	29,603,743
Preference Stock	78,991,792
Common Equity	716,451,920
	<hr/>
Total	1,548,222,908
	<hr/>
% Long Term Debt To Total	46.71%
	<hr/>
% Short Term Debt To Total	1.91%

**G. FPSC Adjusted Average Jurisdictional Return
On Common Equity**

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.62%	5.62%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.63)	(1.63)
Short Term Debt	(0.00)	(0.00)
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	(1.91)	(1.91)
	<hr/>	<hr/>
Total	3.70	3.70
Divided by Common Equity Ratio	36.12	36.12
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.25%	10.25%