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Terry A. Davis
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February 10, 2010

Mr. John Slemkewicz
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

10 FEB 11 PM 2:45
ECONOMIC REGULATION

FLORIDA PUBLIC SERVICE
COMMISSION

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of December, 2009.

Sincerely,

A handwritten signature in cursive script that reads "Terry A. Davis".

mr

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

GULF POWER COMPANY
Earnings Surveillance Report Summary
December, 2009

	(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	149,089,483	(56,805,967)	92,283,516	0	92,283,516
Average Rate Base	2,158,584,405	(777,923,104)	1,380,661,301	0	1,380,661,301
Average Rate of Return	6.91%		6.68%		6.68%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	149,071,640	(57,175,452)	91,896,188	0	91,896,188
Year End Rate Base	2,300,911,433	(893,535,463)	1,407,375,970	0	1,407,375,970
Year End Rate of Return	6.48%		6.53%		6.53%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.58%
Midpoint	7.09%
High	7.40%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.56 x (System per Books Basis)
B. Tie Without AFUDC	3.87 x (System per Books Basis)
C. AFUDC To Net Income	26.64% (System per Books Basis)
D. Internally Generated Funds	12.21% (System per Books Basis)
E. LTD To Total Investor Funds	47.96% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.06% (FPSC Adjusted Basis)
G. Return on Common Equity	11.01% (FPSC Adjusted Basis)
H. Return on Common Equity	11.01% (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
Richard J. McMillan Corporate Planning Manager		<u>2-10-10</u>

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 December, 2009

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	PLANT IN SERVICE	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	2,898,770,039	1,179,718,579	1,719,051,460	2,747,893	495,120,437	0	2,216,919,790	202,744,371	2,419,664,161	
JURISDICTIONAL PER BOOKS	2,597,789,830	1,053,735,136	1,544,054,694	2,661,913	426,177,890	0	1,972,894,497	185,689,908	2,158,584,405	
FPSC ADJUSTMENTS:										
ENVIRONMENTAL RECOVERY CLAUSE	(322,150,644)	(25,264,840)	(296,885,804)	(4,207,543)	(387,687,935)	(301,093,347)	(18,448,362)	(319,541,709)		
INT BEARING CWIP							0	(387,687,935)		
ENERGY CONSERVATION CLAUSE	(10,195,701)	244,828	(10,440,529)	(0)		(10,440,529)	(2,059,508)	(12,500,037)		
LOANS TO EMPLOYEES / RETIREES							(50,541)	(50,541)		
INTEREST AND DIVIDENDS RECEIVABLE							(291,676)	(291,676)		
FUNDED PROP RES & OTHER INVESTMENTS							(6,304,715)	(6,304,715)		
IVAN STORM RECOVERY							0	0		
FUEL RELATED DEFERRED DEBITS							(51,861,094)	(51,861,094)		
FLAME RESISTANT CLOTHING							(2,478)	(2,478)		
ACCRUED PROVISION FOR REFUND							200,175	200,175		
SALE OF RAILCARS							116,906	116,906		
TOTAL FPSC ADJUSTMENTS	(332,346,345)	(25,020,012)	(307,326,333)	0	(391,895,478)	0	(699,221,811)	(78,701,293)	(777,923,104)	
FPSC ADJUSTED	2,265,443,485	1,028,715,124	1,236,728,361	2,661,913	34,282,412	0	1,273,672,686	106,988,615	1,380,661,301	
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	2,265,443,485	1,028,715,124	1,236,728,361	2,661,913	34,282,412	0	1,273,672,686	106,988,615	1,380,661,301	

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
December, 2009

	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	1,302,433,325	640,982,678	284,865,464	95,000,854	94,505,864	71,983,071	(16,541,199)	(1,602,984)	0	1,169,213,548	133,219,777 (a)
JURISDICTIONAL PER BOOKS	1,176,688,240	557,672,549	273,097,291	88,057,246	92,920,405	63,878,036	(14,529,532)	(1,239,598)	0	1,059,856,398	116,831,843 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(69,788,678)		(25,540,226)	(9,363,118)	(496,390)	(13,265,535)				(48,665,269)	(21,123,409)
GROSS RECEIPTS TAX REVENUE	(30,064,930)		(63,376)			(11,597,547)				(11,597,547)	(18,467,383)
MARKETING SUPPORT ACTIVITIES						24,447				(36,929)	38,929
GAIN/LOSS ON DISPOSITION										0	0
IVAN STORM RECOVERY	(10,764,021)		(10,746,278)			(2,987)				(10,749,265)	(4,756)
FRANCHISE FEE REVENUES	(37,325,938)					(14,398,481)				(14,398,481)	(22,927,457)
RETAIL FUEL REVENUES	(528,695,438)					(203,944,265)				(203,944,265)	(324,751,173)
ECCR and PPCC REVENUES	(41,800,999)					(16,124,735)				(16,124,735)	(25,676,264)
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(814,381)			314,147				(500,234)	500,234
ECON DEV EXPENSE ALLOWED			773,662			(298,440)				475,222	(475,222)
LIAISON EXPENSES			(213,689)		(11,196)	86,749				(136,136)	136,136
CORPORATE ADVERTISING			(66,267)			25,562				(40,705)	40,705
INDUSTRY ASSOCIATION DUES			(476)			184				(292)	292
RETAIL FUEL EXPENSES		(528,246,977)				203,771,272				(324,475,705)	324,475,705
ECCR AND PPCC EXPENSES		(29,425,572)	(9,304,006)	(281,976)		15,165,130				(24,148,234)	24,148,234
FRANCHISE FEE						14,024,024				(22,331,190)	22,331,190
GRT, FPSC FEES ON CLAUSES & FEES						(56,355,214)				(893,817)	893,817
GROSS RECEIPTS TAX ADJUST						(1,438,856)				(18,381,514)	18,381,514
INTEREST SYNCHRONIZATION						11,543,621				2,061,419	(2,061,419)
TOTAL FPSC ADJUSTMENTS	(718,430,004)	(557,672,549)	(45,975,037)	(9,645,094)	(68,528,601)	(12,060,396)	0	0	0	(693,881,678)	(24,548,327)
FPSC ADJUSTED	458,258,236	0	227,122,254	78,412,152	24,391,804	51,817,640	(14,529,532)	(1,239,598)	0	365,974,720	92,283,516
PRO FORMA REVENUE ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	458,258,236	0	227,122,254	78,412,152	24,391,804	51,817,640	(14,529,532)	(1,239,598)	0	365,974,720	92,283,516
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				33,297,618	AND THE JURISDICTIONAL NOI BY	32,257,640					
CURRENT MO. SYSTEM PER BOOKS	110,345,306	55,410,666	26,196,166	8,019,086	6,750,327	18,577,635	(14,766,246)	(133,582)	0	100,054,052	10,291,254
CURRENT MO. JURIS PER BOOKS	97,808,906	45,479,674	26,117,204	7,422,910	6,815,509	14,693,732	(11,379,732)	(103,320)	0	89,045,978	8,762,928

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2009

SCHEDULE 2
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(37,325,938)	(14,398,481)
INVESTMENT	(233,819,020)	IIC FUEL REVENUES	(29,458,186)	(11,363,495)
ACCUMULATED DEPRECIATION	98,439,007	FUEL REVENUES	(581,145,810)	(224,176,996)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(982,078)	(378,836)
INVESTMENT	(10,195,701)	ECCR, PPCC, AND ECRC REVENUES	(111,118,955)	(42,864,137)
ACCUMULATED DEPRECIATION	(244,828)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(40,818,951)	(15,745,910)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	56,859	21,933
INVESTMENT	(333,455,438)	CORPORATE ADVERTISING	(67,696)	26,114
ACCUMULATED DEPRECIATION	26,162,193	INDUSTRY ASSOCIATION DUES	(487)	188
PROPERTY HELD FOR FUTURE USE	0	FUEL EXPENSES	(640,922,420)	247,235,824
INTEREST BEARING CWIP	(400,186,896)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(55,188,912)	ECON DEVELOP EXPENSE- TOTAL	(814,381)	314,147
ECRC CWIP	(4,356,961)	ECON DEV EXPENSE - ALLOWED	773,662	(298,440)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,304,006)	3,589,020
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(178,331)	68,791
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(19,092,621)	IVAN STORM RECOVERY EXPENSE	(10,746,278)	4,145,377
LOANS TO EMPLOYEES AND RETIREES	(52,644)	MARKETING SUPPORT ACTIVITIES	(63,376)	24,447
FAS 133 ASSOCIATED AMOUNTS (NET)	(3,863)	FRANCHISE FEE	(36,355,214)	14,024,024
CONSERVATION/AEM INVENTORY	(2,059,508)	GROSS RECEIPTS TAX EXPENSE	(29,925,135)	11,543,621
INTEREST & DIVIDENDS RECEIVABLE	(303,815)	LIAISON EXPENSE	(229,812)	88,650
PLANT SCHERER	(8,820,108)	ECRC/ECCR EXPENSES	(37,000,897)	14,273,096
TEMPORARY CASH INVESTMENTS	(1,158,388)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(5,192,609)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,438,856)	555,039
FUEL RELATED DEFERRED DEBITS	(51,861,094)	INTEREST SYNCHRONIZATION	2,546,966	2,546,966
FLAME RESISTANT CLOTHING	(3,056)			
SALE OF RAIL CARS	144,176			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	246,870			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
December, 2009

	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	3,419,375,848	1,201,055,042	2,218,320,806	2,747,893	167,982,275	0	2,389,050,974	202,744,371	2,591,795,345
JURISDICTIONAL PER BOOKS	3,089,765,137	1,072,701,839	2,017,063,298	2,661,913	94,273,215	0	2,113,998,426	186,913,007	2,300,911,433
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(788,502,641)	(28,766,188)	(754,736,453)		(2,608,265)		(757,344,718)	(18,448,362)	(775,793,080)
INT BEARING CWIP					(46,583,059)		(46,583,059)	0	(46,583,059)
ENERGY CONSERVATION CLAUSE	(10,525,928)	380,465	(10,906,393)		(10,906,393)		(10,906,393)	(2,059,508)	(12,965,901)
LOANS TO EMPLOYEES AND RETIREES							(50,541)	(50,541)	(50,541)
INTEREST AND DIVIDENDS RECEIVABLE							(291,676)	(291,676)	(291,676)
NOTES RECEIVABLE							0	0	0
FUNDED PROP RES & OTHER INVESTMENTS								(6,304,715)	(6,304,715)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(51,861,094)	(51,861,094)
FLAME RESISTANT CLOTHING								(2,478)	(2,478)
ACCRUED PROVISION FOR REFUND								200,175	200,175
SALE OF RAILCARS								116,906	116,906
TOTAL FPSC ADJUSTMENTS	(794,028,569)	(28,385,723)	(765,642,846)	0	(49,191,324)	0	(814,834,170)	(78,701,293)	(893,535,463)
FPSC ADJUSTED	2,295,736,568	1,044,316,116	1,251,420,452	2,661,913	45,081,891	0	1,299,164,256	108,211,714	1,407,375,970
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	2,295,736,568	1,044,316,116	1,251,420,452	2,661,913	45,081,891	0	1,299,164,256	108,211,714	1,407,375,970

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
December, 2009

	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	1,302,433,325	640,982,678	284,885,464	95,000,854	94,505,664	71,983,071	(16,541,199)	(1,602,984)	0	1,169,213,548	133,219,777 (a)
JURISDICTIONAL PER BOOKS	1,176,688,240	557,672,549	273,097,291	88,057,246	92,920,405	63,903,238	(14,536,891)	(1,239,598)	0	1,059,874,241	116,814,000 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(69,788,678)				(496,390)	(13,265,535)				(48,665,269)	(21,123,409)
GROSS RECEIPTS TAX REVENUE	(30,064,930)		(25,540,226)	(9,363,118)		(11,597,547)				(11,597,547)	(18,467,383)
MARKETING SUPPORT ACTIVITIES			(63,376)			24,447				(38,929)	36,929
GAINLOSS ON DISPOSITION						(2,987)					0
IVAN STORM RECOVERY	(10,754,021)		(10,746,278)			(14,398,481)				(10,749,265)	(4,756)
FRANCHISE FEE REVENUES	(37,325,938)					(203,944,265)				(14,398,481)	(22,927,457)
RETAIL FUEL REVENUES	(528,695,438)					(16,124,735)				(203,944,265)	(324,751,173)
ECCR & PPCC REVENUES	(41,800,999)									(16,124,735)	(25,676,264)
INIT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(814,381)			314,147				(500,234)	500,234
ECON DEV EXPENSE ALLOWED			773,662		(11,196)	(298,440)				475,222	(475,222)
LIAISON EXPENSES			(213,689)			86,749				(138,136)	138,136
CORPORATE ADVERTISING			(66,267)			25,562				(40,705)	40,705
INDUSTRY ASSOCIATION DUES			(476)			184				(292)	292
RETAIL FUEL EXPENSES		(528,246,977)				203,771,272				(324,475,705)	324,475,705
ECCR AND PPCC EXPENSES		(29,425,572)	(9,304,006)	(281,976)	(301,810)	15,165,130				(24,148,234)	24,148,234
FRANCHISE FEE					(36,355,214)	14,024,024				(22,331,190)	22,331,190
GRT, FPSC FEES ON CLAUSES & FFEES					(1,438,856)	555,039				(883,817)	883,817
GROSS RECEIPTS TAX ADJUST					(29,925,135)	11,543,621				(18,381,514)	18,381,514
INTEREST SYNCHRONIZATION						2,430,904				2,430,904	(2,430,904)
TOTAL FPSC ADJUSTMENTS	(718,430,004)	(557,672,549)	(45,975,037)	(9,645,094)	(68,528,601)	(11,690,911)	0	0	0	(693,512,193)	(24,917,812)
FPSC ADJUSTED	458,258,236	0	227,122,254	78,412,152	24,391,804	52,212,327	(14,536,891)	(1,239,598)	0	366,362,048	91,896,188
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	458,258,236	0	227,122,254	78,412,152	24,391,804	52,212,327	(14,536,891)	(1,239,598)	0	366,362,048	91,896,188
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				33,297,618						32,257,640	

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2009

<u>TE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(37,325,938)	(14,398,481)
INVESTMENT	(244,072,982)	IIC FUEL REVENUES	(29,458,186)	(11,363,495)
ACCUMULATED DEPRECIATION	100,238,594	FUEL REVENUES	(581,145,810)	(224,176,996)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(982,078)	(378,836)
INVESTMENT	(10,525,928)	ECCR, PPCC, AND ECRC REVENUES	(111,118,955)	(42,864,137)
ACCUMULATED DEPRECIATION	(380,465)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(40,818,951)	(15,745,910)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REVTRANS REV/G/L ON SALE OF GAS	56,859	21,933
INVESTMENT	(812,437,079)	CORPORATE ADVERTISING	(67,696)	26,114
ACCUMULATED DEPRECIATION	29,829,602	INDUSTRY ASSOCIATION DUES	(487)	188
PROPERTY HELD FOR FUTURE USE	0	FUEL EXPENSES	(640,922,420)	247,235,824
INTEREST BEARING CWIP	(48,084,885)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(70,657,497)	ECON DEVELOP EXPENSE- TOTAL	(814,381)	314,147
ECRC CWIP	(2,704,572)	ECON DEV EXPENSE - ALLOWED	773,662	(298,440)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,304,006)	3,589,020
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(178,331)	68,791
WORKING CAPITAL:		TALLHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(19,092,621)	IVAN STORM RECOVERY EXPENSE	(10,746,278)	4,145,377
LOANS TO EMPLOYEES AND RETIREES	(52,644)	MARKETING SUPPORT ACTIVITIES	(63,376)	24,447
FAS 133 ASSOCIATED AMOUNTS (NET)	(3,863)	FRANCHISE FEE	(36,355,214)	14,024,024
CONSERVATION/AEM INVENTORY	(2,059,508)	GROSS RECEIPTS TAX EXPENSE	(29,925,135)	11,543,621
INTEREST & DIVIDENDS RECEIVABLE	(303,815)	LIAISON EXPENSE	(229,812)	88,650
PLANT SCHERER	(5,801,848)	ECRC/ECCR EXPENSES	(37,000,897)	14,273,096
TEMPORARY CASH INVESTMENTS	(1,158,388)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(5,192,609)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,438,856)	555,039
FUEL RELATED DEFERRED DEBITS	(51,861,094)	INTEREST SYNCHRONIZATION	3,089,168	3,089,168
FLAME RESISTANT CLOTHING	(3,056)			
SALE OF RAIL CARS	144,176			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	246,870			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December, 2009

SCHEDULE 4

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	
LONG TERM DEBT	995,251,080	891,967,376	(321,452,360)	0	570,515,026	41.32	4.27	1.77	4.27	1.77	4.27	1.77	4.27	1.77	4.27	1.77	4.27	1.77	
SHORT TERM DEBT	52,986,590	1,120,386	(403,771)	0	716,615	0.05	1.97	0.00	1.97	0.00	1.97	0.00	1.97	0.00	1.97	0.00	1.97	0.00	
PREFERRED STOCK	92,291,706	77,215,068	(27,827,212)	0	49,387,856	3.58	7.37	0.26	7.37	0.26	7.37	0.26	7.37	0.26	7.37	0.26	7.37	0.26	
CUSTOMER DEPOSITS	30,493,960	30,355,513	(10,939,695)	0	19,415,818	1.41	6.09	0.09	6.09	0.09	6.09	0.09	6.09	0.09	6.09	0.09	6.09	0.09	
COMMON EQUITY	958,128,865	889,594,522	(320,597,207)	0	568,997,315	41.21	10.75	4.43	10.75	4.43	12.00	4.95	12.75	4.95	12.75	5.25	12.75	5.25	
DEFERRED INCOME TAXES	299,198,257	277,936,534	(100,164,372)	0	177,772,162	12.88													
FASB 109 DEFERRED TAXES	(19,370,305)	(17,993,805)	6,484,711	0	(11,509,094)	(0.83)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	10,453,908	8,388,811	(3,023,208)	0	5,365,603	0.39	7.50	0.03	8.10	0.03	8.10	0.03	8.46	0.03	8.46	0.03	8.46	0.03	
TOTAL	2,419,434,071	2,158,584,405	(777,923,104)	0	1,380,661,301	100.00	6.58	6.58	7.09	7.09	7.09	7.09	7.40	7.09	7.40	7.40	7.40	7.40	

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	
LONG TERM DEBT	1,090,602,797	975,707,048	(378,905,870)	0	596,801,178	42.41	3.91	1.66	3.91	1.66	3.91	1.66	3.91	1.66	3.91	1.66	3.91	1.66	
SHORT TERM DEBT	90,330,771	38,319,318	(14,880,916)	0	23,438,402	1.67	0.26	0.00	0.26	0.00	0.26	0.00	0.26	0.00	0.26	0.00	0.26	0.00	
PREFERRED STOCK	92,396,731	75,616,663	(29,364,959)	0	46,251,704	3.29	7.39	0.24	7.39	0.24	7.39	0.24	7.39	0.24	7.39	0.24	7.39	0.24	
CUSTOMER DEPOSITS	32,360,644	32,234,162	(12,517,808)	0	19,716,354	1.40	6.00	0.08	6.00	0.08	6.00	0.08	6.00	0.08	6.00	0.08	6.00	0.08	
COMMON EQUITY	1,010,676,668	921,132,853	(357,712,539)	0	563,420,314	40.03	10.75	4.30	12.00	4.80	12.00	4.80	12.75	4.80	12.75	5.10	12.75	5.10	
DEFERRED INCOME TAXES	297,157,152	275,760,105	(107,088,621)	0	168,671,484	11.97													
FASB 109 DEFERRED TAXES	(27,606,834)	(25,618,982)	9,948,870	0	(15,670,112)	(1.11)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	9,652,416	7,760,266	(3,013,620)	0	4,746,646	0.34	7.24	0.02	7.82	0.02	7.82	0.02	8.17	0.02	8.17	0.02	8.17	0.02	
TOTAL	2,595,570,345	2,300,911,433	(893,535,463)	0	1,407,375,970	100.00	6.32	6.32	6.82	6.82	6.82	6.82	7.12	6.82	7.12	7.12	7.12	7.12	

GULF POWER COMPANY
Financial Integrity Indicators
December, 2009

Times Interest Earned with AFUDC

Earnings Before Interest	155,794,025
AFUDC - Debt	9,488,832
Income Taxes	<u>53,025,003</u>
Total	218,307,860
Interest Charges (Before Deducting AFUDC - Debt)	<u>47,847,250</u>
T.I.E. With AFUDC	<u>4.56 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	155,794,025
AFUDC - Other	(23,808,786)
Income Taxes	<u>53,025,003</u>
Total	185,010,242
Interest Charges (Before Deducting AFUDC - Debt)	<u>47,847,250</u>
T.I.E. Without AFUDC	<u>3.87 x</u>

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

AFUDC - Debt	9,488,832
X (1 - Income Tax Rate)	0.6143
Subtotal	5,828,515
AFUDC - Other	<u>23,808,786</u>
Total	<u>29,637,301</u>
Net Income Available for Common Stockholders	<u>111,233,107</u>
Percent AFUDC to Available Net Income	<u>26.64%</u>

D. Percent Internally Generated Funds

Net Income	117,435,607
Preferred Dividends	(6,202,500)
Common Dividends	(89,300,000)
AFUDC (Debt & Other)	(33,297,618)
Depreciation & Amortization	102,415,171
Deferred Income Taxes	(16,544,553)
Investment Tax Credits	0
Other	<u>(24,018,847)</u>
Total	50,487,259
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>413,449,567</u>
Percent Internally Generated Funds	<u>12.21%</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	570,515,026
Short Term Debt	716,615
Preferred Stock	49,387,856
Common Equity	<u>568,997,315</u>
Total	<u>1,189,616,812</u>
% Long Term Debt To Total	<u>47.96%</u>
% Short Term Debt To Total	<u>0.06%</u>

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

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	6.68%	6.68%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.77)	(1.77)
Short Term Debt	(0.00)	(0.00)
Preferred Stock	(0.26)	(0.26)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.03)</u>	<u>(0.03)</u>
Subtotal	<u>(2.15)</u>	<u>(2.15)</u>
Total	4.54	4.54
Divided by Common Equity Ratio	<u>41.21</u>	<u>41.21</u>
Jurisdictional Return on Common Equity	<u>11.01%</u>	<u>11.01%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
December, 2009

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	09	291,667
February	09	291,667
March	09	291,667
April	09	291,667
May	09	291,667
June	09	291,667
July	09	291,667
August	09	291,667
September	09	291,667
October	09	291,667
November	09	291,667
December	09	291,663
12 - M-T-D		<u><u>3,500,000</u></u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
December, 2009

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	09	291,667
February	09	291,667
March	09	291,667
April	09	291,667
May	09	291,667
June	09	291,667
July	09	291,667
August	09	291,667
September	09	291,667
October	09	291,667
November	09	291,667
December	09	291,663
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 Forty-first Quarterly Report

9 Report Period: Fourth Quarter, 2009

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<u>Rate Class</u>	<u>Fourth Quarter Total Revenue</u>	<u>Fourth Quarter Total KWH Sales</u>	<u>Fourth Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$15,282,340.45	185,065,885	8.258	8.250
PX/PXT	-	-	-	-
LP/LPT	\$39,668,558.17	424,758,227	9.339	9.342

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28 Notes to Quarterly
29 Real Time Pricing Report

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

GULF POWER COMPANY
CALCULATION OF AFUDC RATE
 December, 2009

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	570,515,026	41.32%	3.91	1.62
SHORT-TERM DEBT	716,615	0.05%	1.97	0.00
PREFERRED STOCK	49,387,856	3.58%	7.39	0.26
CUSTOMER DEPOSITS	19,415,818	1.41%	6.09	0.09
COMMON EQUITY	568,997,315	41.21%	12.00	4.95
ITC	5,365,603	0.39%		
FASB 109 DIT	(11,509,094)	-0.83%		
DEFERRED TAXES	177,772,162	12.87%		
TOTAL	1,380,661,301	100.00%		6.92 %

AFUDC Rate Currently Authorized per order: PSC-08-0263-PAA-EI

7.65 %

SCHEDULE B

GULF POWER COMPANY
13 MONTH AVERAGE CAPITAL STRUCTURE
 December, 2009

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	995,251,090	-	(99,215,592)	-	(309,811,748)	586,223,750	0.9732035	570,515,026
SHORT-TERM DEBT	52,986,590	-	-	-	(52,250,244)	736,346	0.9732035	716,615
PREFERRED STOCK	92,291,706	-	(14,724,473)	-	(26,819,518)	50,747,715	0.9732035	49,387,856
CUSTOMER DEPOSITS	30,493,960	-	-	-	(10,543,541)	19,950,419	0.9732035	19,415,818
COMMON EQUITY	958,128,865	(13,493,035)	(64,722,467)	13,738,462	(308,987,574)	584,664,251	0.9732035	568,997,315
ITC - ZERO COST	-	-	-	-	-	-	0.9732035	-
ITC - WEIGHTED COST	10,453,908	-	(2,026,837)	-	(2,913,730)	5,513,341	0.9732035	5,365,603
FASB 109 DIT	(19,370,305)	-	1,294,432	-	6,249,884	(11,825,989)	0.9732035	(11,509,094)
DEFERRED TAXES	299,198,257	-	(19,994,097)	-	(96,537,168)	182,666,992	0.9732035	177,772,162
TOTAL	2,419,434,071	(13,493,035)	(199,389,033)	13,738,462	(801,613,639)	1,418,676,825		1,380,661,301