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March 15, 2010

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

RECEIVED  
PUBLIC SERVICE  
COMMISSION  
10 MAR 16 AM 10:55  
ECONOMIC REGULATION

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of January, 2010. The January results improved over December primarily due to colder than normal weather. These results are in line with the information included in our 2010 calendar year Forecasted Earnings Surveillance Report.

Sincerely,

*Terry A. Davis (tw)*

mr

enclosure

cc/enc.: Office of the Public Counsel  
c/o Florida Legislature  
111 W. Madison, Rm. 801  
Tallahassee FL 32399-1400

**GULF POWER COMPANY**  
**Earnings Surveillance Report Summary**  
**January, 2009**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	152,775,919	(57,710,636)	95,065,282	0	95,065,282
Average Rate Base	2,185,382,997	(790,875,841)	1,394,507,156	0	1,394,507,156
Average Rate of Return	6.99%		6.82%		6.82%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	152,775,099	(57,888,450)	94,886,648	0	94,886,648
Year End Rate Base	2,317,709,493	(866,092,802)	1,451,616,691	0	1,451,616,691
Year End Rate of Return	6.59%		6.54%		6.54%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.55%
Midpoint	7.07%
High	7.38%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.71 x (System per Books Basis)
B. Tie Without AFUDC	4.04 x (System per Books Basis)
C. AFUDC To Net Income	24.53% (System per Books Basis)
D. Internally Generated Funds	18.30% (System per Books Basis)
E. LTD To Total Investor Funds	48.05% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.06% (FPSC Adjusted Basis)
G. Return on Common Equity	11.39% (FPSC Adjusted Basis)
H. Return on Common Equity	11.39% (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



3/15/10

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
January, 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
<b>SYSTEM PER BOOKS</b>	2,950,061,807	1,183,861,297	1,766,200,510	2,972,290	476,647,163	0	2,245,819,963	205,237,886	2,451,057,849
<b>JURISDICTIONAL PER BOOKS</b>	2,643,593,968	1,057,587,710	1,586,026,258	2,879,289	408,586,231	0	1,997,491,778	187,891,219	2,185,382,997
<b>EPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(360,470,765)	(24,883,510)	(385,354,275)		(3,816,455)		(339,403,710)	(19,094,585)	(358,498,295)
INT BEARING CWIP					(368,187,755)		(368,187,755)	0	(368,187,755)
ENERGY CONSERVATION CLAUSE	(10,230,512)	266,814	(10,497,326)		(0)		(10,497,326)	(2,010,173)	(12,507,499)
LOANS TO EMPLOYEES / RETIREES								(51,036)	(51,036)
INTEREST AND DIVIDENDS RECEIVABLE								(293,221)	(293,221)
FUNDED PROP RES & OTHER INVESTMENTS								(6,777,177)	(6,777,177)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(44,869,533)	(44,869,533)
FLAME RESISTANT CLOTHING								(2,583)	(2,583)
ACCRUED PROVISION FOR REFUND								200,021	200,021
SALE OF RAILCARS								111,237	111,237
<b>TOTAL FPSC ADJUSTMENTS</b>	(370,701,277)	(24,616,696)	(346,084,581)	0	(372,004,210)	0	(718,088,791)	(72,787,050)	(790,875,841)
<b>FPSC ADJUSTED</b>	2,272,892,691	1,032,951,014	1,239,941,677	2,879,289	36,582,021	0	1,279,402,987	115,104,169	1,394,507,156
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	0	0	0	0	0	0	0	0	0
<b>PRO FORMA ADJUSTED</b>	2,272,892,691	1,032,951,014	1,239,941,677	2,879,289	36,582,021	0	1,279,402,987	115,104,169	1,394,507,156

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

	O & M OPERATING REVENUES	FUEL & NET INTERCHANGE	O & M OTHER	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	1,336,780,686	662,293,071	286,754,755	96,644,501	95,758,515	71,457,188	(13,097,668)	(1,602,984)	0	1,198,147,377	138,633,309	(a)
JURISDICTIONAL PER BOOKS	1,203,550,382	573,477,578	273,809,500	89,562,380	94,146,749	63,282,895	(11,517,023)	(1,239,625)	0	1,081,522,455	122,027,928	(a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(80,232,461)		(29,651,355)	(10,708,240)	(505,094)	(15,185,732)				(56,051,421)	(24,181,040)	
GROSS RECEIPTS TAX REVENUE	(30,621,169)		(63,025)			(11,812,116)				(11,812,116)	(18,809,053)	
MARKETING SUPPORT ACTIVITIES						24,312				(38,713)	38,713	
GAIN/LOSS ON DISPOSITION						(2,448)				0	0	
IVAN STORM RECOVERY	(8,819,802)		(8,813,452)			(2,448)				(8,815,901)	(3,901)	
FRANCHISE FEE REVENUES	(37,850,396)					(14,600,790)				(14,600,790)	(23,249,606)	
RETAIL FUEL REVENUES	(543,058,847)					(208,484,950)				(209,484,950)	(333,573,897)	
ECCR and PPCC REVENUES	(41,741,506)					(16,101,786)				(16,101,786)	(25,639,720)	
INT ON TAX ASSESSMENT						318,454				(507,091)	507,091	
ECON DEV EXPENSE TOTAL			(825,545)			(302,531)				481,737	(481,737)	
ECON DEV EXPENSE ALLOWED			784,268			83,655				(133,207)	133,207	
LIAISON EXPENSES			(206,218)		(10,644)	25,562				(40,705)	40,705	
CORPORATE ADVERTISING			(66,267)			243				(386)	386	
INDUSTRY ASSOCIATION DUES			(629)			209,310,919				(333,296,777)	333,296,777	
RETAIL FUEL EXPENSES			(542,607,696)		(283,672)	15,667,241				(24,947,771)	24,947,771	
ECCR AND PPCC EXPENSES			(30,869,882)			14,221,262				(22,645,263)	22,645,263	
FRANCHISE FEE						(36,866,525)				(894,640)	894,640	
GRT, FPSC FEES ON CLAUSES & FEES						(1,456,476)				(18,717,558)	18,717,558	
GROSS RECEIPTS TAX ADJUST						(30,472,215)				2,245,803	(2,245,803)	
INTEREST SYNCHRONIZATION						11,754,657						
TOTAL FPSC ADJUSTMENTS	(742,324,181)	(573,477,578)	(48,000,664)	(10,992,912)	(69,613,971)	(13,276,410)	0	0	0	(715,361,536)	(26,962,645)	
FPSC ADJUSTED	461,226,201	0	225,808,836	78,569,468	24,532,778	50,006,485	(1,239,625)	(1,239,625)	0	366,160,919	95,065,282	
PRO FORMA REVENUE ANNUALIZATION 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	461,226,201	0	225,808,836	78,569,468	24,532,778	50,006,485	(11,517,023)	(1,239,625)	0	366,160,919	95,065,282	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				31,739,299		30,747,991						
CURRENT MO. SYSTEM PER BOOKS	135,088,075	69,041,619	27,019,091	9,424,164	8,900,515	5,726,258	462,461	(133,582)	0	120,440,525	14,847,551	
CURRENT MO. JURIS PER BOOKS	117,425,532	56,437,958	25,014,800	8,774,557	8,718,372	5,161,222	404,203	(103,341)	0	104,407,770	13,017,762	

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

<u>BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER INVESTMENT	(237,604,148)	FRANCHISE FEE REVENUES	(37,850,396)	(14,600,790)
ACCUMULATED DEPRECIATION	98,643,156	IIC FUEL REVENUES	(33,761,541)	(13,023,515)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(10,230,512)	FUEL REVENUES	(596,591,345)	(230,135,111)
ACCUMULATED DEPRECIATION	(266,814)	ECONOMY PROFITS	(1,054,781)	(406,882)
ENVIRONMENTAL RECOVERY CLAUSE INVESTMENT	(373,294,396)	ECCR, PPCC, AND ECRC REVENUES	(122,327,939)	(47,188,003)
ACCUMULATED DEPRECIATION	25,777,136	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(39,440,971)	(15,214,354)
PROPERTY HELD FOR FUTURE USE	0	COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(716,070)	(276,224)
INTEREST BEARING CWIP	(380,058,035)	CORPORATE ADVERTISING	(67,696)	26,114
SCHERER CWIP	(54,874,062)	INDUSTRY ASSOCIATION DUES	(643)	248
ECRC CWIP	(3,953,651)	FUEL AND PPCC EXPENSES	(662,940,569)	255,729,324
ECCR CWIP	(0)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	ECON DEVELOP EXPENSE- TOTAL	(825,545)	318,454
ACCUM. DEPRECIATION	357	ECON DEV EXPENSE - ALLOWED	784,268	(302,531)
WORKING CAPITAL:		INTEREST ON TAX ADJUSTMENT	0	0
ECRC WORKING CAPITAL	(19,771,689)	CONSERVATION EXPENSES - O & M	(9,158,441)	3,532,869
LOANS TO EMPLOYEES AND RETIREES	(53,160)	CONSERVATION EXPENSES - OTHER TAXES	(180,258)	69,535
FAS 133 ASSOCIATED AMOUNTS (NET)	(4,275)	TALLAHASSEE OFFICE DEPRECIATION	0	0
CONSERVATION/AEM INVENTORY	(2,010,173)	IVAN STORM RECOVERY EXPENSE	(8,813,452)	3,399,789
INTEREST & DIVIDENDS RECEIVABLE	(305,424)	MARKETING SUPPORT ACTIVITIES	(63,025)	24,312
PLANT SCHERER	(9,181,476)	FRANCHISE FEE	(36,866,525)	14,221,262
TEMPORARY CASH INVESTMENTS	(1,158,388)	GROSS RECEIPTS TAX EXPENSE	(30,472,215)	11,754,657
FUNDED PROP RES & OTHER INVESTMENTS	(5,665,071)	LIAISON EXPENSE	(221,612)	85,487
FUEL RELATED DEFERRED DEBITS	(44,869,533)	ECRC/ECCR EXPENSES	(42,676,592)	16,462,495
FLAME RESISTANT CLOTHING	(3,186)	COMPETITIVE SALES EXPENSES	0	0
SALE OF RAIL CARS	137,185	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,456,476)	561,836
IVAN STORM RECOVERY	0	INTEREST SYNCHRONIZATION	2,776,603	2,776,603
ACCUM. PROV. FOR RATE REFUNDS	246,680			

GULF POWER COMPANIES  
YEAR END RATE OF RETURN  
RATE BASE  
January, 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	3,451,639,148	1,207,544,329	2,244,094,819	5,665,049	155,019,652	0	2,404,779,520	205,237,886	2,610,017,406
JURISDICTIONAL PER BOOKS	3,120,353,079	1,078,703,225	2,041,649,854	5,487,792	80,740,394	0	2,127,878,040	189,831,453	2,317,709,493
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(776,276,471)	(24,234,220)	(752,042,251)		(1,451,603)		(753,493,854)	(19,094,585)	(772,588,439)
INT BEARING CWIP					(28,839,111)		(28,839,111)	0	(28,839,111)
ENERGY CONSERVATION CLAUSE	(10,560,012)	412,773	(10,972,785)		(2)		(10,972,787)	(2,010,173)	(12,982,960)
LOANS TO EMPLOYEES AND RETIREES							(51,036)	(51,036)	(51,036)
INTEREST AND DIVIDENDS RECEIVABLE							(293,221)	(293,221)	(293,221)
NOTES RECEIVABLE							0	0	0
FUNDED PROP RES & OTHER INVESTMENTS							(6,777,177)	(6,777,177)	(6,777,177)
IVAN STORM RECOVERY							0	0	0
FUEL RELATED DEFERRED DEBITS							(44,869,533)	(44,869,533)	(44,869,533)
FLAME RESISTANT CLOTHING							(2,583)	(2,583)	(2,583)
ACCRUED PROVISION FOR REFUND							200,021	200,021	200,021
SALE OF RAILCARS							111,237	111,237	111,237
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(786,836,483)</b>	<b>(23,821,447)</b>	<b>(763,015,036)</b>	<b>0</b>	<b>(30,290,716)</b>	<b>0</b>	<b>(793,305,752)</b>	<b>(72,787,050)</b>	<b>(866,092,802)</b>
<b>FPSC ADJUSTED</b>	<b>2,333,516,596</b>	<b>1,054,881,778</b>	<b>1,278,634,818</b>	<b>5,487,792</b>	<b>50,449,678</b>	<b>0</b>	<b>1,334,572,288</b>	<b>117,044,403</b>	<b>1,451,616,691</b>
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PRO FORMA ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,333,516,596</b>	<b>1,054,881,778</b>	<b>1,278,634,818</b>	<b>5,487,792</b>	<b>50,449,678</b>	<b>0</b>	<b>1,334,572,288</b>	<b>117,044,403</b>	<b>1,451,616,691</b>

GULF POWER COMPAN  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
January, 2009

	O & M OPERATING REVENUES	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	1,336,780,686	662,233,071	286,754,755	96,644,501	95,758,515	71,457,188	(13,097,668)	(1,602,984)	0	1,198,147,377	138,633,309 (a)
JURISDICTIONAL PER BOOKS	1,203,550,382	573,477,578	273,808,500	89,562,380	94,146,749	63,283,975	(11,517,283)	(1,239,625)	0	1,081,523,275	122,027,108 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(80,232,461)			(10,709,240)	(505,094)	(15,185,732)				(56,051,421)	(24,181,040)
GROSS RECEIPTS TAX REVENUE	(30,621,169)		(29,651,355)			(11,812,116)				(11,812,116)	(18,809,053)
MARKETING SUPPORT ACTIVITIES			(63,025)			24,312				(38,713)	38,713
GAIN/LOSS ON DISPOSITION										0	0
IVAN STORM RECOVERY	(8,818,802)		(8,813,452)			(2,449)				(8,815,901)	(3,901)
FRANCHISE FEE REVENUES	(37,860,396)					(14,600,790)				(14,600,790)	(23,249,606)
RETAIL FUEL REVENUES	(543,058,847)					(209,484,950)				(209,484,950)	(333,573,897)
ECCR & PPCC REVENUES	(41,741,506)					(16,101,786)				(16,101,786)	(25,639,720)
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL		(542,607,696)				209,310,919				(333,296,777)	333,296,777
ECON DEV EXPENSE ALLOWED		(30,869,882)				15,667,241				(14,947,711)	24,947,711
LIAISON EXPENSES					(10,644)	83,655				(40,705)	40,705
CORPORATE ADVERTISING						25,562				(386)	386
INDUSTRY ASSOCIATION DUES						243					
RETAIL FUEL EXPENSES											
ECCR AND PPCC EXPENSES											
FRANCHISE FEE											
GRT, FPSC FEES ON CLAUSES & FEES											
GROSS RECEIPTS TAX ADJUST											
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(742,324,181)	(573,477,578)	(48,000,664)	(10,992,912)	(69,613,971)	(13,098,596)	0	0	0	(715,183,722)	(27,140,459)
FPSC ADJUSTED	461,226,201	0	225,808,836	78,569,468	24,532,778	50,185,379	(11,517,283)	(1,239,625)	0	366,339,553	94,886,648
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	461,226,201	0	225,808,836	78,569,468	24,532,778	50,185,379	(11,517,283)	(1,239,625)	0	366,339,553	94,886,648

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 31,739,299 AND THE JURISDICTIONAL NOI BY 30,747,991

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

SCHEDULE 3  
PAGE 3 OF 3

<u>5. BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(37,850,396)	(14,600,790)
INVESTMENT	(243,691,910)	IIC FUEL REVENUES	(33,761,541)	(13,023,515)
ACCUMULATED DEPRECIATION	100,587,498	FUEL REVENUES	(596,591,345)	(230,135,111)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(1,054,781)	(406,882)
INVESTMENT	(10,560,012)	ECCR, PPCC, AND ECRC REVENUES	(122,327,939)	(47,188,003)
ACCUMULATED DEPRECIATION	(412,773)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(39,440,971)	(15,214,354)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(716,070)	(276,224)
INVESTMENT	(806,335,847)	CORPORATE ADVERTISING	(67,696)	26,114
ACCUMULATED DEPRECIATION	25,162,951	INDUSTRY ASSOCIATION DUES	(643)	248
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(662,940,569)	255,729,324
INTEREST BEARING CWIP	(29,768,877)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(71,666,716)	ECON DEVELOP EXPENSE- TOTAL	(825,545)	318,454
ECRC CWIP	(1,507,895)	ECON DEV EXPENSE - ALLOWED	784,268	(302,531)
ECCR CWIP	(2)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,158,441)	3,532,869
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(180,258)	69,535
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(19,771,689)	IVAN STORM RECOVERY EXPENSE	(8,813,452)	3,399,789
LOANS TO EMPLOYEES AND RETIREES	(53,160)	MARKETING SUPPORT ACTIVITIES	(63,025)	24,312
FAS 133 ASSOCIATED AMOUNTS (NET)	(4,275)	FRANCHISE FEE	(36,866,525)	14,221,262
CONSERVATION/AEM INVENTORY	(2,010,173)	GROSS RECEIPTS TAX EXPENSE	(30,472,215)	11,754,657
INTEREST & DIVIDENDS RECEIVABLE	(305,424)	LIAISON EXPENSE	(221,612)	85,487
PLANT SCHERER	(7,060,911)	ECRC/ECCR EXPENSES	(42,676,592)	16,462,495
TEMPORARY CASH INVESTMENTS	(1,158,388)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(5,665,071)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,456,476)	561,836
FUEL RELATED DEFERRED DEBITS	(44,869,533)	INTEREST SYNCHRONIZATION	2,916,111	2,916,111
FLAME RESISTANT CLOTHING	(3,186)			
SALE OF RAIL CARS	137,185			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	246,680			



GULF POWER COMF.  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
January, 2009

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	
LONG TERM DEBT	1,016,153,039	907,359,599	(328,367,516)	0	578,992,083	41.52	4.18	1.74	4.18	1.74	4.18	1.74	4.18	1.74	4.18	1.74	4.18	1.74	
SHORT TERM DEBT	46,024,723	1,145,857	(414,678)	0	731,179	0.05	1.61	0.00	1.61	0.00	1.61	0.00	1.61	0.00	1.61	0.00	1.61	0.00	
PREFERRED STOCK	92,315,116	76,641,737	(27,736,144)	0	48,905,593	3.51	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	30,877,421	30,627,972	(11,084,063)	0	19,543,909	1.40	6.10	0.09	6.10	0.09	6.10	0.09	6.10	0.09	6.10	0.09	6.10	0.09	
COMMON EQUITY	974,530,293	903,281,609	(326,891,718)	0	576,389,891	41.33	10.75	4.44	12.00	4.96	12.00	4.96	12.75	5.27	12.75	5.27	12.75	5.27	
DEFERRED INCOME TAXES	299,237,698	277,200,269	(100,316,968)	0	176,883,301	12.68													
FASB 109 DEFERRED TAXES	(20,648,501)	(19,127,836)	6,922,239	0	(12,205,597)	(0.88)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	10,320,326	8,253,790	(2,986,993)	0	5,266,797	0.38	7.45	0.03	8.05	0.03	8.05	0.03	8.41	0.03	8.41	0.03	8.41	0.03	
TOTAL	2,448,810,115	2,185,382,997	(790,875,841)	0	1,394,507,156	100.00 %		6.55 %		7.07 %		7.07 %		7.38 %		7.38 %		7.38 %	

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	RATEWEIGHTED COST (%)	
LONG TERM DEBT	1,091,196,103	968,754,425	(362,008,801)	0	606,745,624	41.80	3.91	1.63	3.91	1.63	3.91	1.63	3.91	1.63	3.91	1.63	3.91	1.63	
SHORT TERM DEBT	57,735,224	12,736,694	(4,759,509)	0	7,977,185	0.55	0.48	0.00	0.48	0.00	0.48	0.00	0.48	0.00	0.48	0.00	0.48	0.00	
PREFERRED STOCK	92,413,054	74,938,769	(28,003,479)	0	46,935,290	3.23	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	33,002,300	32,671,402	(12,208,806)	0	20,462,596	1.41	5.86	0.08	5.86	0.08	5.86	0.08	5.86	0.08	5.86	0.08	5.86	0.08	
COMMON EQUITY	1,042,516,306	971,822,794	(363,155,404)	0	608,667,390	41.93	10.75	4.51	12.00	5.03	12.00	5.03	12.75	5.35	12.75	5.35	12.75	5.35	
DEFERRED INCOME TAXES	296,733,641	274,989,788	(102,759,503)	0	172,230,285	11.86													
FASB 109 DEFERRED TAXES	(27,852,977)	(25,811,986)	9,645,547	0	(16,166,439)	(1.11)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	9,518,834	7,607,607	(2,842,847)	0	4,764,760	0.33	7.34	0.02	7.94	0.03	7.94	0.03	8.30	0.03	8.30	0.03	8.30	0.03	
TOTAL	2,595,262,485	2,317,709,493	(866,092,802)	0	1,451,616,691	100.00 %		6.49 %		7.02 %		7.02 %		7.33 %		7.33 %		7.33 %	

GULF POWER COMPANY  
Financial Integrity Indicators  
January, 2009

A. Times Interest Earned with AFUDC

Earnings Before Interest	160,123,246
AFUDC - Debt	9,044,762
Income Taxes	55,962,231
	<hr/>
Total	225,130,240
Interest Charges (Before Deducting AFUDC - Debt)	47,817,831
T.I.E. With AFUDC	<u>4.71 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	160,123,246
AFUDC - Other	(22,694,537)
Income Taxes	55,962,231
	<hr/>
Total	193,390,941
Interest Charges (Before Deducting AFUDC - Debt)	47,817,831
T.I.E. Without AFUDC	<u>4.04 x</u>

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	9,044,762
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	5,555,745
AFUDC - Other	22,694,537
	<hr/>
Total	28,250,282
	<hr/>
Net Income Available for Common Stockholders	115,147,678
Percent AFUDC to Available Net Income	<u>24.53%</u>

D. Percent Internally Generated Funds

Net Income	121,350,178
Preferred Dividends	(6,202,500)
Common Dividends	(93,050,000)
AFUDC (Debt & Other)	(31,739,299)
Depreciation & Amortization	104,634,708
Deferred Income Taxes	(13,099,424)
Investment Tax Credits	0
Other	(6,778,177)
	<hr/>
Total	75,115,486
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	410,429,107
	<hr/>
Percent Internally Generated Funds	<u>18.30%</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	578,992,083
Short Term Debt	731,179
Preferred Stock	48,905,593
Common Equity	576,389,891
	<hr/>
Total	1,205,018,746
	<hr/>
% Long Term Debt To Total	48.05%
	<hr/>
% Short Term Debt To Total	0.06%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	6.82%	6.82%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.74)	(1.74)
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)	(0.03)	(0.03)
	<hr/>	<hr/>
Subtotal	(2.11)	(2.11)
	<hr/>	<hr/>
Total	4.71	4.71
Divided by Common Equity Ratio	41.33	41.33
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	11.39%	11.39%

GULF POWER COMPANY

Supplemental 1

Storm Accrual - Twelve Month to Date  
January, 2009

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
<b>January</b>	<b>10</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>