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February 14, 2011

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

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DIVISION OF ECONOMIC REGULATION
11 FEB 15 11:10:00
TALLAHASSEE, FL

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, 2010.

Sincerely,

vm

enclosure

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

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Mr. John Slemkewicz
Division of Economic Regulation
Florida Public Service Commission
February 14, 2011
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bc/enc.: J. Mason
W. Buck
C. Erickson
R. Livingston
R. McMillan
S. Teel
S. Ritenour
B. Terry

GULF POWER COMPANY
Earnings Surveillance Report Summary
December, 2010

	(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	162,911,636	(72,717,910)	90,193,726	0	90,193,726
Average Rate Base	2,399,453,448	(887,247,222)	1,512,206,226	0	1,512,206,226
Average Rate of Return	6.79%		5.96%		5.96%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	162,927,325	(72,607,700)	90,319,625	0	90,319,625
Year End Rate Base	2,404,827,580	(902,581,284)	1,502,246,296	0	1,502,246,296
Year End Rate of Return	6.78%		6.01%		6.01%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.44%
Midpoint	6.93%
High	7.23%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.64 x (System per Books Basis)
B. Tie Without AFUDC	4.45 x (System per Books Basis)
C. AFUDC To Net Income	7.39% (System per Books Basis)
D. Internally Generated Funds	54.38% (System per Books Basis)
E. LTD To Total Investor Funds	49.46% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.49% (FPSC Adjusted Basis)
G. Return on Common Equity	9.52% (FPSC Adjusted Basis)
H. Return on Common Equity	9.52% (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		2-14-11

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
December, 2010

	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	3,521,249,142	1,230,243,404	2,291,005,738	5,440,387	193,523,407	0	2,489,969,532	218,090,416	2,708,059,948
JURISDICTIONAL PER BOOKS	3,177,887,002	1,108,712,608	2,069,174,394	5,270,160	103,396,107	0	2,177,840,661	221,612,766	2,399,453,448
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(818,822,701)	(36,711,804)	(782,110,897)		(1,520,633)		(783,631,530)	(14,597,261)	(798,228,791)
INT BEARING CWIP					(53,690,706)		(53,690,706)	0	(53,690,706)
ENERGY CONSERVATION CLAUSE	(10,447,106)	675,327	(11,122,433)		(10,069)		(11,132,502)	(1,888,528)	(13,021,031)
LOANS TO EMPLOYEES / RETIREES								(56,718)	(56,718)
INTEREST AND DIVIDENDS RECEIVABLE								(303,941)	(303,941)
FUNDED PROP RES & OTHER INVESTMENTS								(10,535,138)	(10,535,138)
FUEL RELATED DEFERRED DEBITS								(11,594,660)	(11,594,660)
FLAME RESISTANT CLOTHING								(998)	(998)
ACCRUED PROVISION FOR REFUND								139,520	139,520
SALE OF RAILCARS								45,241	45,241
TOTAL FPSC ADJUSTMENTS	(829,269,807)	(36,036,477)	(793,233,330)	0	(55,221,408)	0	(848,454,738)	(38,792,483)	(887,247,222)
FPSC ADJUSTED	2,348,617,195	1,072,676,131	1,275,941,064	5,270,160	48,174,699	0	1,329,385,923	182,820,303	1,512,206,226
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	2,348,617,195	1,072,676,131	1,275,941,064	5,270,160	48,174,699	0	1,329,385,923	182,820,303	1,512,206,226

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
December, 2010

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	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	1,590,368,687	820,772,413	299,520,106	123,042,280	101,777,748	(12,252,955)	85,052,087	(1,543,800)	(5,957)	1,416,361,923	174,006,764 (a)
JURISDICTIONAL PER BOOKS	1,375,520,256	663,169,928	282,065,621	114,693,295	99,875,138	(4,128,758)	67,892,746	(1,181,205)	(5,809)	1,222,380,956	153,139,300 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(157,106,510)		(33,069,472)	(32,668,765)	(591,796)	(35,017,026)				(101,347,059)	(55,759,451)
GROSS RECEIPTS TAX REVENUE	(92,323,646)					(12,468,846)	38,412			(12,468,846)	(19,854,800)
MARKETING SUPPORT ACTIVITIES			(99,578)							(61,166)	61,166
GAIN/LOSS ON DISPOSITION	(40,480,783)					(15,607,747)				(15,607,747)	(24,853,036)
FRANCHISE FEE REVENUES	(619,458,572)					(238,956,144)				(238,956,144)	(380,502,428)
RETAIL FUEL REVENUES	(56,429,401)					(21,767,641)				(21,767,641)	(34,661,760)
ECCR and PPCC REVENUES										0	0
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(961,613)			370,942				(590,671)	590,671
ECON DEV EXPENSE ALLOWED			913,532			(352,395)				561,137	(561,137)
LIASON EXPENSES			(290,626)		(14,906)	117,859				(187,673)	187,673
CORP ADV & WHOLESALER EXPENSES		(152,442)	(28,023)			69,614				(110,851)	110,851
INDUSTRY ASSOCIATION DUES			(832)			321				(511)	511
RETAIL FUEL EXPENSES	(619,023,296)					238,788,236				(380,235,060)	380,235,060
ECCR AND PPCC EXPENSES	(43,994,190)		(8,562,195)	(297,091)	(293,954)	20,501,621				(32,645,809)	32,645,809
FRANCHISE FEE					(39,474,052)	15,227,116				(24,246,936)	24,246,936
GRT, FPSC FEES ON CLAUSES & FEES					(1,519,325)	586,080				(933,245)	933,245
GROSS RECEIPTS TAX ADJUST					(32,207,655)	12,424,103				(19,783,552)	19,783,552
INTEREST SYNCHRONIZATION						5,548,437				5,548,437	(5,548,437)
TOTAL FPSC ADJUSTMENTS	(905,776,911)	(663,169,928)	(42,098,807)	(32,965,856)	(74,101,688)	(30,497,058)	0	0	0	(842,833,337)	(62,945,574)
FPSC ADJUSTED	469,741,345	0	239,966,814	81,727,439	25,773,450	(34,825,816)	67,892,746	(1,181,205)	(5,809)	379,547,619	90,193,726
PRO FORMA REVENUE ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	469,741,345	0	239,966,814	81,727,439	25,773,450	(34,825,816)	67,892,746	(1,181,205)	(5,809)	379,547,619	90,193,726
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,087,394	AND THE JURISDICTIONAL NOI BY	9,772,336					
CURRENT MO. SYSTEM PER BOOKS	134,845,573	65,292,716	32,316,228	10,362,193	8,578,442	(21,030,521)	26,143,807	(128,650)	0	121,534,214	13,311,359
CURRENT MO. JURIS PER BOOKS	116,783,487	53,369,880	29,746,405	9,651,594	8,419,122	(13,555,756)	17,874,213	(98,458)	0	105,407,000	11,376,487

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2010

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<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	(40,460,783)	(15,607,747)
INVESTMENT	(252,097,386)	IIC FUEL REVENUES	(101,878,835)	(39,299,761)
ACCUMULATED DEPRECIATION	102,433,626	FUEL REVENUES	(673,221,865)	(259,695,334)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(809,780)	(312,372)
INVESTMENT	(10,447,106)	ECCR, PPCC, AND ECRC REVENUES	(214,082,254)	(82,582,229)
ACCUMULATED DEPRECIATION	(675,327)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(32,323,646)	(12,468,846)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(965,656)	(372,502)
INVESTMENT	(847,357,632)	CORP ADVERTISING & WHOLESALE EXPENSES	(186,546)	71,960
ACCUMULATED DEPRECIATION	38,004,200	INDUSTRY ASSOCIATION DUES	(850)	328
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(821,723,777)	316,979,947
INTEREST BEARING CWIP	(55,421,681)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(86,790,317)	ECON DEVELOP EXPENSE- TOTAL	(961,613)	370,942
ECRC CWIP	(1,573,501)	ECON DEV EXPENSE - ALLOWED	913,532	(352,395)
ECCR CWIP	(10,069)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,562,195)	3,302,867
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(182,010)	70,210
FAS 143 NET PLANT	(14,803,751)	TALLAHASSEE OFFICE DEPRECIATION	0	0
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(99,578)	38,412
ECRC WORKING CAPITAL	(15,104,366)	FRANCHISE FEE	(39,474,052)	15,227,116
LOANS TO EMPLOYEES AND RETIREES	(59,078)	GROSS RECEIPTS TAX EXPENSE	(32,207,655)	12,424,103
UNREALIZED LOSS ON FWD CONTRACT	(5,140)	LIAISON EXPENSE	(312,225)	120,441
CONSERVATION/AEM INVENTORY	(1,888,528)	ECRC/ECCR EXPENSES	(69,009,380)	26,620,368
INTEREST & DIVIDENDS RECEIVABLE	(316,590)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(7,286,860)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,519,325)	586,080
TEMPORARY CASH INVESTMENTS	0	INTEREST SYNCHRONIZATION	6,267,421	6,267,421
FUNDED PROP RES & OTHER INVESTMENTS	(10,535,138)			
FUEL RELATED DEFERRED DEBITS	(11,594,660)			
FLAME RESISTANT CLOTHING	(1,231)			
SALE OF RAIL CARS	55,794			
ACCUM. PROV. FOR RATE REFUNDS	172,066			
FAS 143 WORKING CAPITAL	18,441,392			
FAS 158 REGULATORY ASSETS	(97,166,650)			
FAS 158 REGULATORY LIABILITIES	97,166,650			
PPA REGULATORY ASSETS	(36,981,859)			
PPA REGULATORY LIABILITIES	36,981,859			
FAS 133 REGULATORY ASSETS	(16,342,430)			
FAS 133 REGULATORY LIABILITIES	16,342,430			

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 RATE BASE
 December, 2010

	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	3,628,365,877	1,273,413,908	2,354,951,969	5,664,735	207,265,271	0	2,567,881,976	218,090,416	2,785,972,392
JURISDICTIONAL PER BOOKS	3,197,011,333	1,149,243,025	2,047,768,308	5,487,489	130,783,382	0	2,184,039,179	220,788,401	2,404,827,580
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(825,744,449)	(53,496,900)	(772,247,549)		(2,513,337)		(774,760,886)	(14,597,261)	(789,358,147)
INT BEARING CWIP					(77,837,133)		(77,837,133)	0	(77,837,133)
ENERGY CONSERVATION CLAUSE	(10,204,604)	986,178	(11,190,782)				(11,190,782)	(1,888,528)	(13,079,310)
LOANS TO EMPLOYEES AND RETIREES								(56,718)	(56,718)
INTEREST AND DIVIDENDS RECEIVABLE								(303,941)	(303,941)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(10,535,138)	(10,535,138)
FUEL RELATED DEFERRED DEBITS								(11,594,660)	(11,594,660)
FLAME RESISTANT CLOTHING								(998)	(998)
ACCRUED PROVISION FOR REFUND								139,520	139,520
SALE OF RAILCARS								45,241	45,241
TOTAL FPSC ADJUSTMENTS	(835,949,053)	(52,510,722)	(783,438,331)	0	(80,350,470)	0	(863,788,801)	(38,792,483)	(902,581,284)
FPSC ADJUSTED	2,361,062,280	1,096,732,303	1,264,329,977	5,487,489	50,432,912	0	1,320,250,378	181,995,918	1,502,246,296
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	2,361,062,280	1,096,732,303	1,264,329,977	5,487,489	50,432,912	0	1,320,250,378	181,995,918	1,502,246,296

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 December, 2010

	O & M OPERATING REVENUES	FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & TAXES OTHER AMORTIZATION 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	1,590,368,667	820,772,413	299,520,106	123,042,280	101,777,748	(12,252,955)	(1,543,800)	(5,957)	1,416,361,923	174,006,764
JURISDICTIONAL PER BOOKS	1,375,520,256	663,169,928	282,065,621	114,693,295	99,875,138	(4,106,019)	(1,181,205)	(5,809)	1,222,365,267	153,154,989
LESS FPSC ADJUSTMENTS:										
ENVIRONMENTAL RECOVERY CLAUSE	(157,106,510)		(33,069,472)	(32,668,765)	(591,796)	(85,017,026)		(101,347,059)	(101,347,059)	(55,759,451)
GROSS RECEIPTS TAX REVENUE	(32,323,646)					(12,468,846)		(12,468,846)	(12,468,846)	(19,854,800)
MARKETING SUPPORT ACTIVITIES			(99,578)			38,412		(61,166)	(61,166)	61,166
GAIN/LOSS ON DISPOSITION								0	0	0
FRANCHISE FEE REVENUES	(40,460,783)				(15,607,747)	(238,956,144)		(15,607,747)	(238,956,144)	(24,853,036)
RETAIL FUEL REVENUES	(619,458,572)				(21,767,641)			(238,956,144)	(238,956,144)	(380,502,428)
ECCR & PPCC REVENUES	(56,429,401)							(21,767,641)	(21,767,641)	(34,661,760)
INT ON TAX ASSESSMENT								0	0	0
ECON DEV EXPENSE TOTAL			(961,613)		370,942			(590,671)	(590,671)	590,671
ECON DEV EXPENSE ALLOWED			913,532		(352,395)			561,137	561,137	(561,137)
LIAISON EXPENSES			(290,626)	(14,906)	117,859			(187,673)	(187,673)	187,673
CORP ADV & WHOLESALE EXPENSES		(152,442)	(28,023)		69,614			(110,851)	(110,851)	110,851
INDUSTRY ASSOCIATION DUES			(832)		321			(511)	(511)	511
RETAIL FUEL EXPENSES	(619,023,296)		(8,562,195)	(297,091)	238,788,236			(380,235,060)	(380,235,060)	380,235,060
ECCR AND PPCC EXPENSES	(43,994,190)				20,501,621			(32,645,809)	(32,645,809)	32,645,809
FRANCHISE FEE					(39,474,052)			(24,246,936)	(24,246,936)	24,246,936
GRT, FPSC FEES ON CLAUSES & FEES					(1,519,325)			(933,245)	(933,245)	933,245
GROSS RECEIPTS TAX ADJUST					(32,207,655)			(19,783,552)	(19,783,552)	19,783,552
INTEREST SYNCHRONIZATION					5,438,227			5,438,227	5,438,227	(5,438,227)
TOTAL FPSC ADJUSTMENTS	(905,778,911)	(663,169,928)	(42,098,807)	(32,965,856)	(74,101,688)	(30,607,268)	0	0	(842,943,547)	(62,635,364)
FPSC ADJUSTED	469,741,345	0	239,966,814	81,727,439	25,773,450	(34,713,287)	(1,181,205)	(5,809)	379,421,720	90,319,625
PRO FORMA REVENUE ADJUSTMENTS										
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	469,741,345	0	239,966,814	81,727,439	25,773,450	(34,713,287)	(1,181,205)	(5,809)	379,421,720	90,319,625

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 10,087,394 AND THE JURISDICTIONAL NOI BY 9,772,336

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 2010

SCHEDULE 3
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	(40,460,783)	(15,607,747)
INVESTMENT	(337,598,593)	IIC FUEL REVENUES	(101,878,835)	(39,299,761)
ACCUMULATED DEPRECIATION	104,488,921	FUEL REVENUES	(673,221,865)	(259,695,334)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(809,780)	(312,372)
INVESTMENT	(10,204,604)	ECCR, PPCC, AND ECRC REVENUES	(214,082,254)	(82,582,229)
ACCUMULATED DEPRECIATION	(986,178)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(32,323,646)	(12,468,846)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	(965,656)	(372,502)
INVESTMENT	(857,336,112)	CORP ADVERTISING & WHOLESALE EXPENSES	(186,546)	71,960
ACCUMULATED DEPRECIATION	55,537,379	INDUSTRY ASSOCIATION DUES	(850)	328
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(821,723,777)	316,979,947
INTEREST BEARING CWIP	(80,346,583)	GAINLOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(72,250,251)	ECON DEVELOP EXPENSE- TOTAL	(961,613)	370,942
ECRC CWIP	(2,609,581)	ECON DEV EXPENSE - ALLOWED	913,532	(352,395)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,562,195)	3,302,867
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(182,010)	70,210
FAS 143 NET PLANT	(14,717,790)	TALLAHASSEE OFFICE DEPRECIATION	0	0
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(99,578)	38,412
ECRC WORKING CAPITAL	(15,104,366)	FRANCHISE FEE	(39,474,052)	15,227,116
LOANS TO EMPLOYEES AND RETIREES	(59,078)	GROSS RECEIPTS TAX EXPENSE	(32,207,655)	12,424,103
UNREALIZED LOSS ON FWD CONTRACT	(5,140)	LIAISON EXPENSE	(312,225)	120,441
CONSERVATION/AEM INVENTORY	(1,888,528)	ECRC/ECCR EXPENSES	(69,009,380)	26,620,368
INTEREST & DIVIDENDS RECEIVABLE	(316,590)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(9,345,189)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,519,325)	586,080
TEMPORARY CASH INVESTMENTS	0	INTEREST SYNCHRONIZATION	5,569,977	5,569,977
FUNDED PROP RES & OTHER INVESTMENTS	(10,535,138)			
FUEL RELATED DEFERRED DEBITS	(11,594,660)			
FLAME RESISTANT CLOTHING	(1,231)			
SALE OF RAIL CARS	55,794			
ACCUM. PROV. FOR RATE REFUNDS	172,066			
FAS 143 WORKING CAPITAL	18,441,392			
FAS 158 REGULATORY ASSETS	(97,166,650)			
FAS 158 REGULATORY LIABILITIES	97,166,650			
PPA REGULATORY ASSETS	(36,981,859)			
PPA REGULATORY LIABILITIES	36,981,859			
FAS 133 REGULATORY ASSETS	(16,342,430)			
FAS 133 REGULATORY LIABILITIES	16,342,430			

GULF POWER COMPANY
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 December, 2010

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	
LONG TERM DEBT	1,166,323,469	1,032,588,282	(381,820,737)	0	650,767,545	43.03	4.41	1.90	4.41	1.90	4.41	1.90	4.41	1.90	4.41	1.90	4.41	1.90	
SHORT TERM DEBT	47,864,029	31,054,785	(11,483,145)	0	19,571,640	1.29	0.32	0.00	0.32	0.00	0.32	0.00	0.32	0.00	0.32	0.00	0.32	0.00	
PREFERRED STOCK	97,998,345	86,761,472	(32,081,837)	0	54,679,635	3.62	6.33	0.23	6.33	0.23	6.33	0.23	6.33	0.23	6.33	0.23	6.33	0.23	
CUSTOMER DEPOSITS	34,387,514	34,508,121	(12,760,087)	0	21,748,034	1.44	6.24	0.09	6.24	0.09	6.24	0.09	6.24	0.09	6.24	0.09	6.24	0.09	
COMMON EQUITY	1,056,154,853	937,288,934	(346,581,845)	0	590,707,089	39.06	10.75	4.20	12.00	4.69	12.75	4.69	12.75	4.69	12.75	4.69	12.75	4.69	
DEFERRED INCOME TAXES	323,478,112	297,417,469	(109,976,221)	0	187,441,248	12.40													
FASB 109 DEFERRED TAXES	(29,573,121)	(27,190,595)	10,054,281	0	(17,136,314)	(1.13)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	8,880,137	7,024,980	(2,597,631)	0	4,427,349	0.29	7.38	0.02	7.95	0.02	8.29	0.02	8.29	0.02	8.29	0.02	8.29	0.02	
TOTAL	2,705,533,338	2,399,453,448	(887,247,222)	0	1,512,206,226	100.00		6.44		6.93		6.44		6.93		6.44		6.93	

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 RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	
LONG TERM DEBT	1,194,420,704	1,000,254,072	(375,415,939)	0	624,838,133	41.59	4.63	1.92	4.63	1.92	4.63	1.92	4.63	1.92	4.63	1.92	4.63	1.92	
SHORT TERM DEBT	93,183,453	66,996,979	(25,145,345)	0	41,851,634	2.79	0.28	0.01	0.28	0.01	0.28	0.01	0.28	0.01	0.28	0.01	0.28	0.01	
PREFERRED STOCK	97,998,345	82,067,602	(30,801,660)	0	51,265,942	3.41	6.33	0.22	6.33	0.22	6.33	0.22	6.33	0.22	6.33	0.22	6.33	0.22	
CUSTOMER DEPOSITS	35,599,534	34,750,750	(13,042,672)	0	21,708,078	1.45	6.66	0.10	6.66	0.10	6.66	0.10	6.66	0.10	6.66	0.10	6.66	0.10	
COMMON EQUITY	1,077,762,399	891,276,648	(334,514,469)	0	556,762,179	37.06	10.75	3.98	12.00	4.45	12.75	4.45	12.75	4.45	12.75	4.45	12.75	4.45	
DEFERRED INCOME TAXES	390,792,525	363,021,944	(132,496,401)	0	220,525,543	14.68													
FASB 109 DEFERRED TAXES	(32,990,682)	(29,802,091)	11,185,338	0	(18,616,753)	(1.24)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	8,108,616	6,261,676	(2,350,136)	0	3,911,540	0.26	7.46	0.02	8.03	0.02	8.37	0.02	8.37	0.02	8.37	0.02	8.37	0.02	
TOTAL	2,864,874,895	2,404,827,580	(902,581,284)	0	1,502,246,296	100.00		6.25		6.71		6.25		6.71		6.25		6.71	

GULF POWER COMPANY
Financial Integrity Indicators
December, 2010

A. Times Interest Earned with AFUDC

Earnings Before Interest	179,610,010
AFUDC - Debt	2,874,577
Income Taxes	<u>71,513,599</u>
Total	253,998,186
Interest Charges (Before Deducting AFUDC - Debt)	<u>54,771,094</u>
T.I.E. With AFUDC	<u>4.64 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	179,610,010
AFUDC - Other	(7,212,816)
Income Taxes	<u>71,513,599</u>
Total	243,910,793
Interest Charges (Before Deducting AFUDC - Debt)	<u>54,771,094</u>
T.I.E. Without AFUDC	<u>4.45 x</u>

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	2,874,577
X (1 - Income Tax Rate)	0.6143
Subtotal	1,765,709
AFUDC - Other	<u>7,212,816</u>
Total	<u>8,978,525</u>
Net Income Available for Common Stockholders	<u>121,510,993</u>
Percent AFUDC to Available Net Income	<u>7.39%</u>

D. Percent Internally Generated Funds

Net Income	127,713,493
Preferred Dividends	(6,202,500)
Common Dividends	(104,300,000)
AFUDC (Debt & Other)	(10,087,394)
Depreciation & Amortization	130,986,160
Deferred Income Taxes	85,049,105
Investment Tax Credits	0
Other	<u>(37,718,935)</u>
Total	185,439,930
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>340,990,667</u>
Percent Internally Generated Funds	<u>54.38%</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	650,767,545
Short Term Debt	19,571,640
Preferred Stock	54,679,635
Common Equity	<u>590,707,089</u>
Total	<u>1,315,725,909</u>
% Long Term Debt To Total	<u>49.46%</u>
% Short Term Debt To Total	<u>1.49%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.96%	5.96%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.90)	(1.90)
Short Term Debt	(0.00)	(0.00)
Preferred Stock	(0.23)	(0.23)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.02)</u>	<u>(0.02)</u>
Subtotal	<u>(2.25)</u>	<u>(2.25)</u>
Total	3.72	3.72
Divided by Common Equity Ratio	<u>39.06</u>	<u>39.06</u>
Jurisdictional Return on Common Equity	<u>9.52%</u>	<u>9.52%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
December, 2010

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	10	291,667
February	10	291,667
March	10	291,667
April	10	291,667
May	10	291,667
June	10	291,667
July	10	291,667
August	10	291,667
September	10	291,667
October	10	291,667
November	10	291,667
December	10	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-Fifth Quarterly Report

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10 Report Period: Fourth Quarter, 2010

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13 <u>Rate Class</u>	14 <u>Fourth Quarter</u> <u>Total Revenue</u>	15 <u>Fourth Quarter</u> <u>Total KWH Sales</u>	16 <u>Fourth Quarter</u> <u>¢/KWH</u>	17 <u>12-Month</u> <u>Rolling Average</u> <u>¢/KWH</u>
18 RTP	\$16,585,342.47	191,581,061	8.657	8.663
20 PX/PXT	-	-	-	-
21 LP/LPT	\$40,722,061.53	420,230,177	9.690	9.594

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25 Notes to Quarterly
26 Real Time Pricing Report

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

GULF POWER COMPANY
CALCULATION OF AFUDC RATE
 December, 2010

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	650,767,545	43.03%	4.63	1.99
SHORT-TERM DEBT	19,571,640	1.29%	0.32	0.00
PREFERRED STOCK	54,679,635	3.62%	6.33	0.23
CUSTOMER DEPOSITS	21,748,034	1.44%	6.24	0.09
COMMON EQUITY	590,707,089	39.06%	12.00	4.69
ITC	4,427,349	0.29%		
FASB 109 DIT	(17,136,314)	-1.13%		
DEFERRED TAXES	187,441,248	12.40%		
TOTAL	1,512,206,226	100.00%		7.00 %

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

7.65 %

GULF POWER COMPANY
 13 MONTH AVERAGE CAPITAL STRUCTURE
 December, 2010

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	1,166,323,469	-	(110,423,249)	-	(388,106,862)	667,793,358	0.9745044	650,767,545
SHORT-TERM DEBT	47,884,029	-	(4,533,485)	-	(23,266,858)	20,083,686	0.9745044	19,571,640
PREFERRED STOCK	97,998,345	-	(9,278,126)	-	(32,610,019)	56,110,200	0.9745044	54,679,635
CUSTOMER DEPOSITS	34,387,514	-	-	-	(12,639,480)	21,748,034	1.0000000	21,748,034
COMMON EQUITY	1,056,154,853	(13,519,542)	(100,232,097)	16,046,154	(352,287,809)	606,161,559	0.9745044	590,707,089
ITC - ZERO COST	-	-	-	-	-	-	0.9745044	-
ITC - WEIGHTED COST	8,880,137	-	(1,696,561)	-	(2,640,396)	4,543,180	0.9745044	4,427,349
FASB 109 DIT	(29,573,121)	-	1,768,664	-	10,219,811	(17,584,646)	0.9745044	(17,136,314)
DEFERRED TAXES	323,478,112	-	(19,346,083)	-	(111,786,819)	192,345,210	0.9745044	187,441,248
TOTAL	2,705,533,338	(13,519,542)	(243,740,937)	16,046,154	(913,118,432)	1,551,200,581		1,512,206,226