

Terry A. Davis
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Assistant Treasurer

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April 12, 2012

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

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of February 2012.

Sincerely,

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

wb

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

12-1-2012

GULF POWER COMPANY
Earnings Surveillance Report Summary
February, 2012

	(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	144,520,833	(74,947,444)	69,573,389	0	69,573,389
Average Rate Base	2,611,378,477	(999,459,117)	1,611,919,360	0	1,611,919,360
Average Rate of Return	5.53%		4.32%		4.32%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	144,515,018	(74,621,655)	69,893,363	0	69,893,363
Year End Rate Base	2,714,178,144	(1,050,564,483)	1,663,613,661	0	1,663,613,661
Year End Rate of Return	5.32%		4.20%		4.20%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.43%
Midpoint	6.91%
High	7.20%

IV. Financial Integrity Indicators

A. Tie With AFUDC	3.82 x (System per Books Basis)
B. Tie Without AFUDC	3.63 x (System per Books Basis)
C. AFUDC To Net Income	9.92% (System per Books Basis)
D. Internally Generated Funds	71.04% (System per Books Basis)
E. LTD To Total Investor Funds	48.74% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.09% (FPSC Adjusted Basis)
G. Return on Common Equity	5.18% (FPSC Adjusted Basis)
H. Return on Common Equity	5.18% (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
Richard J. McMillan
Corporate Planning Manager

Signature


Date
4/9/12

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
February, 2012

	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	3,782,884,347	1,316,270,703	2,466,613,644	5,538,433	248,268,008	0	2,720,420,085	229,937,560	2,950,357,645
JURISDICTIONAL PER BOOKS	3,330,844,484	1,188,041,711	2,142,802,773	5,365,138	231,194,155	0	2,379,362,066	232,016,411	2,611,378,477
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(836,554,881)	(69,660,620)	(766,894,261)		(4,084,083)		(770,978,344)	(10,398,618)	(781,376,962)
INT BEARING CWIP					(172,661,975)		(172,661,975)	0	(172,661,975)
ENERGY CONSERVATION CLAUSE	(10,233,835)	1,616,452	(11,850,287)		(0)		(11,850,287)	(1,899,018)	(13,749,305)
LOANS TO EMPLOYEES / RETIREES								(46,950)	(46,950)
INTEREST AND DIVIDENDS RECEIVABLE								(287,857)	(287,857)
FUNDED PROP RES & OTHER INVESTMENTS								(19,802,883)	(19,802,883)
FUEL RELATED DEFERRED DEBITS								(11,821,408)	(11,821,408)
FLAME RESISTANT CLOTHING								(16)	(16)
ACCRUED PROVISION FOR REFUND								288,239	288,239
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(846,788,716)	(68,044,168)	(778,744,548)	0	(176,746,058)	0	(955,490,606)	(43,968,511)	(999,459,117)
FPSC ADJUSTED	2,484,055,768	1,119,997,543	1,364,058,225	5,365,138	54,448,097	0	1,423,871,460	188,047,900	1,611,919,360
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	2,484,055,768	1,119,997,543	1,364,058,225	5,365,138	54,448,097	0	1,423,871,460	188,047,900	1,611,919,360

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
February, 2012

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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	1,504,067,715	726,602,848	314,029,068	132,017,774	99,955,989	(31,729,802)	97,802,372	(1,349,178)	0	1,337,328,072	166,739,643 (a)
JURISDICTIONAL PER BOOKS	1,246,039,381	543,389,721	299,822,204	121,279,175	98,271,823	486,111	50,887,752	(992,432)	0	1,113,144,353	132,895,028 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(145,550,118)		(22,624,017)	(33,344,109)	(900,318)	(34,208,956)				(91,077,400)	(54,472,718)
GROSS RECEIPTS TAX REVENUE	(30,324,602)					(11,697,715)				(11,697,715)	(18,626,887)
MARKETING SUPPORT ACTIVITIES			(163,942)			63,241				(100,701)	100,701
GAIN/LOSS ON DISPOSITION						3,762			(9,753)	(5,991)	5,991
MGMT FINANCIAL PLANNING SERVICES			(97,510)			37,614				(59,896)	59,896
FRANCHISE FEE REVENUES	(39,715,378)					(15,320,207)				(15,320,207)	(24,395,171)
RETAIL FUEL REVENUES	(504,890,659)					(194,761,572)				(194,761,572)	(310,129,087)
ECCR and PPCC REVENUES	(57,794,143)					(22,294,091)				(22,294,091)	(35,500,052)
INT ON TAX ASSESSMENT			1,601			(618)				983	(983)
ECON DEV EXPENSE TOTAL			(987,753)			381,026				(606,727)	606,727
ECON DEV EXPENSE ALLOWED			938,365			(361,974)				576,391	(576,391)
LIAISON EXPENSES			(281,840)		(12,805)	113,659				(180,986)	180,986
CORP ADV & WHOLESALE EXPENSES		21,712	(21,149)			(217)				346	(346)
INDUSTRY ASSOCIATION DUES			(424)			164				(260)	260
RETAIL FUEL EXPENSES		(504,496,331)				194,609,460				(309,886,871)	309,886,871
ECCR AND PPCC EXPENSES		(38,915,101)	(14,561,968)	(289,751)	(331,592)	20,868,462				(33,229,950)	33,229,950
FRANCHISE FEE					(38,732,537)	14,941,076				(23,791,461)	23,791,461
GRT, FPSC FEES ON CLAUSES & FEES					(1,454,502)	561,074				(893,428)	893,428
GROSS RECEIPTS TAX ADJUST					(30,086,121)	11,605,721				(18,480,400)	18,480,400
INTEREST SYNCHRONIZATION						6,856,676				6,856,676	(6,856,676)
TOTAL FPSC ADJUSTMENTS	(778,274,899)	(543,389,721)	(37,798,637)	(33,633,860)	(71,517,876)	(28,603,415)	0	0	(9,753)	(714,953,260)	(63,321,639)
FPSC ADJUSTED	467,764,482	0	262,023,567	87,645,316	26,753,947	(28,117,304)	50,887,752	(992,432)	(9,753)	398,191,093	69,573,389
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,764,482	0	262,023,567	87,645,316	26,753,947	(28,117,304)	50,887,752	(992,432)	(9,753)	398,191,093	69,573,389
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,000,618	AND THE JURISDICTIONAL NOI BY	11,625,805					
CURRENT MO. SYSTEM PER BOOKS	101,092,663	41,746,085	24,911,877	11,209,409	7,791,237	(6,800,294)	10,618,456	(116,721)	0	89,360,050	11,732,613
CURRENT MO. JURIS PER BOOKS	81,949,383	28,994,869	24,797,172	10,284,642	6,720,387	8,633,902	(6,228,358)	(86,910)	0	73,115,704	8,833,679

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2012

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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	(39,715,378)	(15,320,207)
INVESTMENT	(359,174,051)	IIC FUEL REVENUES	(124,202,385)	(47,911,070)
ACCUMULATED DEPRECIATION	108,026,806	FUEL REVENUES	(560,399,438)	(216,174,083)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(463,461)	(178,780)
INVESTMENT	(10,233,835)	ECCR, PPCC, AND ECRC REVENUES	(203,521,988)	(78,508,607)
ACCUMULATED DEPRECIATION	(1,616,452)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,324,602)	(11,697,715)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/ ON SALE OF GAS	(2,524)	(974)
INVESTMENT	(864,641,735)	CORP ADVERTISING & WHOLESALE EXPENSES	887	(342)
ACCUMULATED DEPRECIATION	72,015,467	INDUSTRY ASSOCIATION DUES	(433)	167
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(726,605,093)	280,287,915
INTEREST BEARING CWIP	(178,228,553)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(10,000)	3,858
SCHERER CWIP	(9,615,179)	ECON DEVELOP EXPENSE- TOTAL	(987,753)	381,026
ECRC CWIP	(4,220,786)	ECON DEV EXPENSE - ALLOWED	938,365	(361,974)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	1,636	(631)
FAS 143 NET PLANT	(14,696,754)	CONSERVATION EXPENSES - O & M	(14,561,968)	5,617,279
		CONSERVATION EXPENSES - OTHER TAXES	(214,895)	82,896
		MARKETING SUPPORT ACTIVITIES	(163,942)	63,241
		MGMT FINANCIAL PLANNING SERVICES	(99,631)	38,433
WORKING CAPITAL:		FRANCHISE FEE	(38,732,537)	14,941,076
ECRC WORKING CAPITAL	(10,745,966)	GROSS RECEIPTS TAX EXPENSE	(30,086,121)	11,605,721
LOANS TO EMPLOYEES AND RETIREES	(48,904)	LIAISON EXPENSE	(301,093)	116,147
UNREALIZED LOSS ON FWD CONTRACT	(1,010)	ECRC/ECCR EXPENSES	(59,153,650)	22,818,520
CONSERVATION/AEM INVENTORY	(1,899,018)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(299,837)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,454,502)	561,074
PLANT SCHERER	(8,992,679)	INTEREST SYNCHRONIZATION	7,263,448	7,263,448
TEMPORARY CASH INVESTMENTS	(266,223)			
FUNDED PROP RES & OTHER INVESTMENTS	(19,547,297)			
FUEL RELATED DEFERRED DEBITS	(11,821,408)			
FLAME RESISTANT CLOTHING	(20)			
ACCUM. PROV. FOR RATE REFUNDS	355,477			
FAS 143 WORKING CAPITAL	19,202,736			
FAS 158 REGULATORY ASSETS	(89,737,419)			
FAS 158 REGULATORY LIABILITIES	89,737,419			
PPA REGULATORY ASSETS	(86,755,054)			
PPA REGULATORY LIABILITIES	86,755,054			
FAS 133 REGULATORY ASSETS	(22,795,449)			
FAS 133 REGULATORY LIABILITIES	22,795,449			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
February, 2012

	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	3,859,599,762	1,345,281,593	2,514,318,169	5,434,546	310,462,192	0	2,830,214,907	229,937,560	3,060,152,467
JURISDICTIONAL PER BOOKS	3,395,089,834	1,213,278,682	2,181,811,152	5,264,501	298,688,804	0	2,485,764,457	228,413,687	2,714,178,144
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(827,999,575)	(83,169,027)	(744,830,548)		(9,071,898)		(753,902,446)	(10,398,618)	(764,301,064)
INT BEARING CWIP					(240,034,722)		(240,034,722)	0	(240,034,722)
ENERGY CONSERVATION CLAUSE	(10,363,250)	2,295,554	(12,658,804)				(12,658,804)	(1,899,018)	(14,557,822)
LOANS TO EMPLOYEES AND RETIREES								(46,950)	(46,950)
INTEREST AND DIVIDENDS RECEIVABLE								(287,857)	(287,857)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(19,802,883)	(19,802,883)
FUEL RELATED DEFERRED DEBITS								(11,821,408)	(11,821,408)
FLAME RESISTANT CLOTHING								(16)	(16)
ACCRUED PROVISION FOR REFUND								288,239	288,239
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(838,362,825)	(80,873,473)	(757,489,352)	0	(249,106,620)	0	(1,006,595,972)	(43,968,511)	(1,050,564,483)
FPSC ADJUSTED	2,556,727,009	1,132,405,209	1,424,321,800	5,264,501	49,582,184	0	1,479,168,485	184,445,176	1,663,613,661
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	2,556,727,009	1,132,405,209	1,424,321,800	5,264,501	49,582,184	0	1,479,168,485	184,445,176	1,663,613,661

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
February, 2012

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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	1,504,067,715	726,602,848	314,028,068	132,017,774	99,955,989	(31,729,802)	97,802,372	(1,349,178)	0	1,337,328,072	166,739,643 (a)
JURISDICTIONAL PER BOOKS	1,246,039,381	543,389,721	299,822,204	121,279,175	98,271,823	473,331	50,906,347	(992,432)	0	1,113,150,168	132,889,213 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(145,550,118)		(22,624,017)	(33,344,109)	(900,318)	(34,208,956)				(91,077,400)	(54,472,718)
GROSS RECEIPTS TAX REVENUE	(30,324,602)					(11,697,715)				(11,697,715)	(18,626,887)
MARKETING SUPPORT ACTIVITIES			(163,942)			63,241				(100,701)	100,701
GAIN/LOSS ON DISPOSITION						3,762			(9,753)	(5,991)	5,991
MGMT FINANCIAL PLANNING SERVICES			(97,510)			37,614				(59,896)	59,896
FRANCHISE FEE REVENUES	(39,715,378)					(15,320,207)				(15,320,207)	(24,395,171)
RETAIL FUEL REVENUES	(504,890,659)					(194,761,572)				(194,761,572)	(310,129,087)
ECCR & PPCC REVENUES	(57,794,143)					(22,294,091)				(22,294,091)	(35,500,052)
INT ON TAX ASSESSMENT			1,601			(618)				983	(983)
ECON DEV EXPENSE TOTAL			(987,753)			381,026				(606,727)	606,727
ECON DEV EXPENSE ALLOWED			938,365			(361,974)				576,391	(576,391)
LIAISON EXPENSES			(281,840)		(12,805)	113,659				(180,986)	180,986
CORP ADV & WHOLESALE EXPENSES		21,712	(21,149)			(217)				346	(346)
INDUSTRY ASSOCIATION DUES			(424)			164				(260)	260
RETAIL FUEL EXPENSES		(504,496,331)				194,609,460				(309,886,871)	309,886,871
ECCR AND PPCC EXPENSES		(38,915,101)	(14,561,968)	(289,751)	(331,592)	20,868,462				(33,229,950)	33,229,950
FRANCHISE FEE					(38,732,537)	14,941,076				(23,791,461)	23,791,461
GRT, FPSC FEES ON CLAUSES & FFEES					(1,454,502)	561,074				(893,428)	893,428
GROSS RECEIPTS TAX ADJUST					(30,086,121)	11,605,721				(18,480,400)	18,480,400
INTEREST SYNCHRONIZATION						6,530,887				6,530,887	(6,530,887)
TOTAL FPSC ADJUSTMENTS	(778,274,899)	(543,389,721)	(37,798,637)	(33,633,860)	(71,517,876)	(28,929,204)	0	0	(9,753)	(715,279,049)	(62,995,850)
FPSC ADJUSTED	467,764,482	0	262,023,567	87,645,316	26,753,947	(28,455,873)	50,906,347	(992,432)	(9,753)	397,871,119	69,893,363
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,764,482	0	262,023,567	87,645,316	26,753,947	(28,455,873)	50,906,347	(992,432)	(9,753)	397,871,119	69,893,363
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,000,618							11,625,805
											AND THE JURISDICTIONAL NOI BY

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2012

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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	(39,715,378)	(15,320,207)
INVESTMENT	(369,390,443)	IIC FUEL REVENUES	(124,202,385)	(47,911,070)
ACCUMULATED DEPRECIATION	111,292,115	FUEL REVENUES	(560,399,438)	(216,174,083)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(463,461)	(178,780)
INVESTMENT	(10,363,250)	ECCR, PPCC, AND ECRC REVENUES	(203,521,988)	(78,508,607)
ACCUMULATED DEPRECIATION	(2,295,554)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,324,602)	(11,697,715)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,524)	(974)
INVESTMENT	(856,956,768)	CORP ADVERTISING & WHOLESALE EXPENSES	887	(342)
ACCUMULATED DEPRECIATION	86,086,017	INDUSTRY ASSOCIATION DUES	(433)	167
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(726,605,093)	280,287,915
INTEREST BEARING CWIP	(247,773,381)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(10,000)	3,858
SCHERER CWIP	(2,119,271)	ECON DEVELOP EXPENSE- TOTAL	(987,753)	381,026
ECRC CWIP	(9,388,840)	ECON DEV EXPENSE - ALLOWED	938,365	(361,974)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	1,636	(631)
FAS 143 NET PLANT	(14,663,258)	CONSERVATION EXPENSES - O & M	(14,561,968)	5,617,279
		CONSERVATION EXPENSES - OTHER TAXES	(214,895)	82,896
		MARKETING SUPPORT ACTIVITIES	(163,942)	63,241
		MGMT FINANCIAL PLANNING SERVICES	(99,631)	38,433
WORKING CAPITAL:		FRANCHISE FEE	(38,732,537)	14,941,076
ECRC WORKING CAPITAL	(10,745,966)	GROSS RECEIPTS TAX EXPENSE	(30,086,121)	11,605,721
LOANS TO EMPLOYEES AND RETIREES	(48,904)	LIAISON EXPENSE	(301,093)	116,147
UNREALIZED LOSS ON FWD CONTRACT	(1,010)	ECRC/ECCR EXPENSES	(59,153,650)	22,818,520
CONSERVATION/AEM INVENTORY	(1,899,018)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(299,837)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,454,502)	561,074
PLANT SCHERER	(12,055,201)	INTEREST SYNCHRONIZATION	6,924,719	6,924,719
TEMPORARY CASH INVESTMENTS	(266,223)			
FUNDED PROP RES & OTHER INVESTMENTS	(19,547,297)			
FUEL RELATED DEFERRED DEBITS	(11,821,408)			
FLAME RESISTANT CLOTHING	(20)			
ACCUM. PROV. FOR RATE REFUNDS	355,477			
FAS 143 WORKING CAPITAL	19,202,736			
FAS 158 REGULATORY ASSETS	(89,737,419)			
FAS 158 REGULATORY LIABILITIES	89,737,419			
PPA REGULATORY ASSETS	(86,755,054)			
PPA REGULATORY LIABILITIES	86,755,054			
FAS 133 REGULATORY ASSETS	(22,795,449)			
FAS 133 REGULATORY LIABILITIES	22,795,449			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
February, 2012

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)		
LONG TERM DEBT	1,213,184,117	1,069,933,409	(409,498,167)	0	660,435,242	40.97	4.95	2.03	4.95	2.03	4.95	2.03	4.95	2.03	
SHORT TERM DEBT	65,107,771	45,875,114	(17,557,892)	0	28,317,222	1.76	0.41	0.01	0.41	0.01	0.41	0.01	0.41	0.01	
PREFERRED STOCK	97,998,345	86,425,623	(33,077,885)	0	53,347,738	3.31	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,906,521	36,049,424	(13,797,282)	0	22,252,142	1.38	6.16	0.09	6.16	0.09	6.16	0.09	6.16	0.09	
COMMON EQUITY	1,120,323,873	993,162,314	(380,115,383)	0	613,046,931	38.03	10.75	4.09	12.00	4.56	12.75	4.85	12.75	4.85	
DEFERRED INCOME TAXES	444,086,950	410,570,664	(157,138,690)	0	253,431,974	15.72									
FASB 109 DEFERRED TAXES	(39,379,825)	(36,407,737)	13,934,420	0	(22,473,317)	(1.39)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,209,829	5,769,666	(2,208,238)	0	3,561,428	0.22	7.68	0.02	8.26	0.02	8.61	0.02	8.61	0.02	
TOTAL	2,944,437,581	2,611,378,477	(999,459,117)	0	1,611,919,360	100.00 %		6.43 %		6.91 %		7.20 %		7.20 %	

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)		
LONG TERM DEBT	1,208,800,396	1,082,564,549	(419,023,294)	0	663,541,255	39.89	5.09	2.03	5.09	2.03	5.09	2.03	5.09	2.03	
SHORT TERM DEBT	67,465,631	48,786,810	(18,883,687)	0	29,903,123	1.80	0.36	0.01	0.36	0.01	0.36	0.01	0.36	0.01	
PREFERRED STOCK	97,998,345	87,764,311	(33,970,529)	0	53,793,782	3.23	6.33	0.20	6.33	0.20	6.33	0.20	6.33	0.20	
CUSTOMER DEPOSITS	35,813,065	36,184,595	(14,005,805)	0	22,178,790	1.33	5.13	0.07	5.13	0.07	5.13	0.07	5.13	0.07	
COMMON EQUITY	1,150,807,597	1,044,670,143	(404,355,680)	0	640,314,463	38.49	10.75	4.14	12.00	4.62	12.75	4.91	12.75	4.91	
DEFERRED INCOME TAXES	496,021,991	442,759,803	(171,377,006)	0	271,382,797	16.31									
FASB 109 DEFERRED TAXES	(37,927,530)	(33,854,923)	13,104,070	0	(20,750,853)	(1.25)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	6,534,684	5,302,856	(2,052,552)	0	3,250,304	0.20	7.81	0.02	8.40	0.02	8.75	0.02	8.75	0.02	
TOTAL	3,025,514,179	2,714,178,144	(1,050,564,483)	0	1,563,613,661	100.00 %		6.46 %		6.94 %		7.23 %		7.23 %	

GULF POWER COMPANY
Financial Integrity Indicators
February, 2012

A. Times Interest Earned with AFUDC

Earnings Before Interest	173,537,450
AFUDC - Debt	3,419,685
Income Taxes	63,832,232
	<hr/>
Total	240,789,367
Interest Charges (Before Deducting AFUDC - Debt)	63,067,305
	<hr/>
T.I.E. With AFUDC	3.82 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	173,537,450
AFUDC - Other	(8,580,933)
Income Taxes	63,832,232
	<hr/>
Total	228,788,750
Interest Charges (Before Deducting AFUDC - Debt)	63,067,305
	<hr/>
T.I.E. Without AFUDC	3.63 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,419,685
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,100,541
AFUDC - Other	8,580,933
	<hr/>
Total	10,681,474
	<hr/>
Net Income Available for Common Stockholders	107,687,330
Percent AFUDC to Available Net Income	9.92%

D. Percent Internally Generated Funds

Net Income	113,889,830
Preferred Dividends	(6,202,500)
Common Dividends	(111,450,000)
AFUDC (Debt & Other)	(12,000,618)
Depreciation & Amortization	140,421,488
Deferred Income Taxes	97,792,996
Investment Tax Credits	0
Other	6,493,490
	<hr/>
Total	228,944,687
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	322,273,861
	<hr/>
Percent Internally Generated Funds	71.04%

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	660,435,242
Short Term Debt	28,317,222
Preferred Stock	53,347,738
Common Equity	613,046,931
	<hr/>
Total	1,355,147,133
	<hr/>
% Long Term Debt To Total	48.74%
	<hr/>
% Short Term Debt To Total	2.09%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.32%	4.32%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.03)	(2.03)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.35)	(2.35)
	<hr/>	<hr/>
Total	1.97	1.97
Divided by Common Equity Ratio	38.03	38.03
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	5.18%	5.18%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
February, 2012

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
March	2011	291,667
April	2011	291,667
May	2011	291,667
June	2011	291,667
July	2011	291,667
August	2011	291,667
September	2011	291,667
October	2011	291,667
November	2011	291,667
December	2011	291,663
January	2012	291,667
February	2012	291,667
12 - M-T-D		<u>3,500,000</u>