

Susan D. Ritenour
Corporate Secretary, Treasurer &
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DIVISION OF
ACCOUNTING & FINANCE



June 13, 2014

Mr. Bart Fletcher
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Monthly Rate of Return Report

Dear Mr. Fletcher:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of April 2014.

Sincerely,

Susan D. Ritenour

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

April 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
April, 2014

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return					
(Jurisdictional)					
<hr/>					
	(a)	(b)			
Net Operating Income	174,935,380	(64,696,197)	110,239,182	0	110,239,182
Average Rate Base	3,064,379,671	(1,175,631,764)	1,888,747,907	0	1,888,747,907
Average Rate of Return	5.71%		5.84%		5.84%
II. Year End Rate of Return					
(Jurisdictional)					
<hr/>					
	(a)	(b)			
Net Operating Income	174,932,127	(65,014,261)	109,917,865	0	109,917,865
Year End Rate Base	3,163,974,779	(1,250,847,427)	1,913,127,352	0	1,913,127,352
Year End Rate of Return	5.53%		5.75%		5.75%

(a) Includes AFUDC Earnings
(b) Includes Reversal of AFUDC Earnings

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

Low	5.41%
Midpoint	5.78%
High	6.15%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.05	x (System per Books Basis)
B. Tie Without AFUDC	4.84	x (System per Books Basis)
C. AFUDC To Net Income	7.50%	(System per Books Basis)
D. Internally Generated Funds	79.39%	(System per Books Basis)
E. LTD To Total Investor Funds	45.97%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.91%	(FPSC Adjusted Basis)
G. Return on Common Equity	10.41%	(FPSC Adjusted Basis)
H. Return on Common Equity	10.41%	(Proforma Basis)

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Name and Title
Susan D. Ritenour
Corporate Planning Manager, Corporate Treasurer & Secretary

Signature

Susan D. Ritenour

Date

6/13/14

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
April, 2014

SCHEDULE 2
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	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	4,317,922,195	1,426,589,542	2,891,332,653	17,749,314	260,906,086	0	3,169,988,053	231,770,818	3,401,758,871
JURISDICTIONAL PER BOOKS	3,850,972,215	1,288,593,145	2,562,379,070	17,230,060	246,316,766	0	2,825,925,896	238,453,775	3,064,379,671
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,458,600)	(128,875,620)	(886,582,980)		(3,823,619)		(890,406,599)	(7,712,391)	(898,118,990)
INT BEARING CWIP					(199,437,857)		(199,437,857)	0	(199,437,857)
ENERGY CONSERVATION CLAUSE	(11,168,122)	5,659,954	(16,828,076)		(4,594)		(16,832,670)	(2,168,556)	(19,001,226)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES / RETIREES								(27,016)	(27,016)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,607,997)			(12,607,997)	(4,569,467)	(17,177,464)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(37,601,698)	(37,601,698)
ACCRUED PROVISION FOR REFUND								125,582	125,582
UNAMORTIZED RATE CASE EXPENSES								(4,393,095)	(4,393,095)
TOTAL FPSC ADJUSTMENTS	(1,026,626,722)	(123,215,666)	(903,411,056)	(12,607,997)	(203,266,070)	0	(1,119,285,123)	(56,346,641)	(1,175,631,764)
FPSC ADJUSTED	2,824,345,493	1,165,377,479	1,658,968,014	4,622,063	43,050,696	0	1,706,640,773	182,107,134	1,888,747,907
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	2,824,345,493	1,165,377,479	1,658,968,014	4,622,063	43,050,696	0	1,706,640,773	182,107,134	1,888,747,907

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
April, 2014

SCHEDULE 2
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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	1,520,256,207	675,065,940	310,283,015	146,257,905	101,855,988	20,428,143	89,780,743	(1,325,568)	0	1,322,348,167	197,910,041 (a)
JURISDICTIONAL PER BOOKS	1,275,867,930	512,388,892	293,196,238	135,521,278	100,238,857	21,731,204	50,802,136	(976,443)	0	1,112,702,161	163,165,769 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(467,312,952)	(467,005,679)				(118,530)				(467,124,209)	(188,743)
PURCHASED POWER CAPACITY REVENUES & EXPENSE:	(45,062,162)	(45,218,456)				60,290				(45,158,166)	96,004
ENERGY CONSERVATION COST REVENUES & EXPENSE:	(24,110,381)		(21,773,373)	(313,844)	(399,699)	(626,252)				(23,113,189)	(997,213)
ENVIRONMENTAL COST RECOVERY CLAUSE	(144,976,875)		(28,113,718)	(39,507,852)	(1,761,877)	(29,160,165)				(98,543,612)	(46,433,263)
FRANCHISE FEE REVENUE & EXPENSE	(39,110,605)				(38,116,856)	(383,339)				(38,500,195)	(610,410)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,019,112)				(28,689,014)	(127,335)				(28,816,349)	(202,762)
MARKETING SUPPORT ACTIVITIES			(186,098)			71,787				(114,311)	114,311
WHOLESALE EXPENSES		(164,757)				63,555				(101,202)	101,202
INSTITUTIONAL ADVERTISING EXPENSE			(113,720)			43,867				(69,853)	69,853
ECONOMIC DEVELOPMENT EXPENSE			(53,500)			20,638				(32,862)	32,862
MGMT FINANCIAL PLANNING SERVICES			(31,827)			12,277				(19,550)	19,550
DIRECTORS' & OFFICERS' INSURANCE			(46,325)			17,670				(28,455)	28,455
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(281,151)		(11,790)	113,002				(179,939)	179,939
DEPRECIATION CREDIT ADJUSTMENT				0						0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,364,750)	526,452				(838,298)	838,298
(GAIN) / LOSS ON DISPOSITION						44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						6,045,153				6,045,153	(6,045,153)
TOTAL FPSC ADJUSTMENTS	(749,592,087)	(512,388,892)	(50,599,783)	(39,821,696)	(70,343,987)	(23,396,463)	0	0	(114,680)	(696,665,500)	(52,926,586)
FPSC ADJUSTED	526,275,843	0	242,596,455	95,699,582	29,894,870	(1,665,259)	50,602,136	(976,443)	(114,680)	416,036,661	110,239,182
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	526,275,843	0	242,596,455	95,699,582	29,894,870	(1,665,259)	50,602,136	(976,443)	(114,680)	416,036,661	110,239,182
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,049,545	AND THE JURISDICTIONAL NOI BY	11,769,611					
CURRENT MONTH SYSTEM PER BOOKS	105,296,736	41,433,081	27,557,757	12,816,966	7,923,328	1,625,246	2,361,496	(105,992)	0	93,611,882	11,674,854
CURRENT MONTH JURISDICTIONAL PER BOOKS	91,663,374	33,861,083	25,451,103	11,907,587	7,786,147	2,580,185	478,168	(76,983)	0	81,987,290	9,676,084

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
April, 2014

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,045,227,554)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(632,045,506)	(243,811,553)
ACCUMULATED DEPRECIATION	132,668,161	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,794,573)	(57,397,507)
CWIP	(3,939,537)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,282,258)	(17,467,630)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,168,122)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(24,110,381)	(9,300,579)
ACCUMULATED DEPRECIATION	(5,659,954)	FUEL EXPENSE	(628,188,302)	242,323,638
CWIP	(4,594)	PURCHASED POWER CAPACITY COST EXPENSE	(46,796,538)	18,051,765
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(22,087,217)	8,520,144
FAS 143 NET PLANT	(14,841,399)	CONSERVATION EXPENSES - OTHER TAXES	(399,699)	154,184
INTEREST BEARING CWIP	(204,181,389)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,365,888)	27,529,391
PHFU - NORTH ESCAMBIA	(12,987,958)	FRANCHISE FEE REVENUES	(39,110,805)	(15,086,916)
		FRANCHISE FEE	(38,116,856)	14,703,577
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(29,019,112)	(11,194,122)
ECRC WORKING CAPITAL	(7,937,886)	GROSS RECEIPTS TAX EXPENSE	(28,689,014)	11,066,787
CONSERVATION/AEM INVENTORY	(2,168,556)	MARKETING SUPPORT ACTIVITIES	(186,098)	71,787
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	WHOLESALE EXPENSE	(169,779)	65,492
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(115,960)	44,732
LOANS TO EMPLOYEES AND RETIREES	(28,195)	ECONOMIC DEVELOPMENT EXPENSE	(53,500)	20,638
INTEREST & DIVIDENDS RECEIVABLE	0	MGMT FINANCIAL PLANNING SERVICES	(32,529)	12,548
NORTH ESCAMBIA SITE	(4,769,124)	DIRECTORS' & OFFICERS' INSURANCE	(47,347)	18,264
UNAMORTIZED RATE CASE EXPENSE	(4,585,045)	INDUSTRY ASSOCIATION DUES	(72)	28
DEPRECIATION CREDIT ADJUSTMENT	0	TALLAHASSEE LIAISON EXPENSE	(299,411)	115,498
FUEL RELATED DEFERRED DEBITS	(37,601,698)	DEPRECIATION CREDIT ADJUSTMENT	0	0
UNREALIZED LOSS ON FWD CONTRACT	(313)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,364,750)	526,452
ACCUM. PROV. FOR RATE REFUNDS	131,069	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	62,331	24,044
FAS 143 WORKING CAPITAL	25,779,171	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY ASSETS	(115,422,006)	INTEREST SYNCHRONIZATION	6,440,825	6,440,825
FAS 158 REGULATORY LIABILITIES	115,422,006			
PPA REGULATORY ASSETS	(178,729,361)			
PPA REGULATORY LIABILITIES	178,729,361			
FAS 133 REGULATORY ASSETS	(28,707,102)			
FAS 133 REGULATORY LIABILITIES	28,707,102			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
April, 2014

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	4,383,841,802	1,474,622,078	2,909,219,723	15,476,655	345,701,608	0	3,270,397,987	231,770,818	3,502,168,805
JURISDICTIONAL PER BOOKS	3,911,030,699	1,332,623,200	2,578,407,499	15,023,888	331,172,665	0	2,924,604,052	239,370,727	3,163,974,779
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,015,563,363)	(148,067,938)	(867,495,425)		(9,071,527)		(876,566,952)	(7,712,391)	(884,279,343)
ENERGY CONSERVATION CLAUSE	(11,711,714)	6,088,498	(17,800,212)		(287,553,478)		(287,553,478)	0	(287,553,478)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.							(17,800,212)	(2,168,556)	(19,968,768)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(27,016)	(27,016)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,580,144)			(12,580,144)	(4,569,467)	(17,149,611)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(37,601,698)	(37,601,698)
ACCRUED PROVISION FOR REFUND								125,582	125,582
								(4,393,095)	(4,393,095)
TOTAL FPSC ADJUSTMENTS	(1,027,275,077)	(141,979,440)	(885,295,637)	(12,580,144)	(296,625,005)	0	(1,194,500,786)	(56,346,641)	(1,250,847,427)
FPSC ADJUSTED	2,883,755,622	1,190,643,760	1,693,111,862	2,443,744	34,547,660	0	1,730,103,266	183,024,086	1,913,127,352
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	2,883,755,622	1,190,643,760	1,693,111,862	2,443,744	34,547,660	0	1,730,103,266	183,024,086	1,913,127,352

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
April, 2014

SCHEDULE 3
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	O & M					DEFERRED INVESTMENT TAX			TOTAL	NET	
OPERATING REVENUES	FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	INCOME TAXES (NET)	CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	OPERATING EXPENSES	OPERATING INCOME	
SYSTEM PER BOOKS	1,520,256,207	675,065,940	310,283,015	146,257,905	101,855,988	20,428,143	69,780,743	(1,325,568)	0	1,322,346,167	197,910,041 (a)
JURISDICTIONAL PER BOOKS	1,275,867,930	512,388,892	293,196,238	135,521,278	100,238,857	21,730,619	50,805,974	(976,443)	0	1,112,705,414	163,162,516 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(467,312,952)	(467,005,679)				(118,530)			(467,124,209)	(188,743)	
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(45,062,162)	(45,218,456)				60,290			(45,158,166)	96,004	
ENERGY CONSERVATION COST REVENUES & EXPENSES	(24,110,381)		(21,773,373)	(313,844)	(399,699)	(626,252)			(23,113,168)	(997,213)	
ENVIRONMENTAL COST RECOVERY CLAUSE	(144,976,875)		(28,113,718)	(39,507,852)	(1,761,877)	(29,160,165)			(98,543,612)	(46,433,263)	
FRANCHISE FEE REVENUE & EXPENSE	(39,110,805)				(38,116,856)	(383,339)			(38,500,195)	(610,410)	
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,019,112)				(28,689,014)	(127,335)			(28,816,349)	(202,762)	
MARKETING SUPPORT ACTIVITIES			(186,098)			71,787			(114,311)	114,311	
WHOLESALE EXPENSES		(164,757)				63,555			(101,202)	101,202	
INSTITUTIONAL ADVERTISING EXPENSE			(113,720)			43,867			(69,853)	69,853	
ECONOMIC DEVELOPMENT EXPENSE			(53,500)			20,638			(32,862)	32,862	
MGMT FINANCIAL PLANNING SERVICES			(31,827)			12,277			(19,550)	19,550	
DIRECTORS' & OFFICERS' INSURANCE			(46,325)			17,870			(28,455)	28,455	
INDUSTRY ASSOCIATION DUES			(71)			27			(44)	44	
TALLAHASSEE LIAISON EXPENSES			(281,151)		(11,790)	113,002			(179,939)	179,939	
DEPRECIATION CREDIT ADJUSTMENT				0					0	0	
GRT, FPSC FEES ON CLAUSES & FEES					(1,364,750)	526,452			(838,298)	838,298	
(GAIN) / LOSS ON DISPOSITION						44,238		(114,680)	(70,442)	70,442	
INTEREST SYNCHRONIZATION						6,363,217			6,363,217	(6,363,217)	
TOTAL FPSC ADJUSTMENTS	(749,592,087)	(512,388,892)	(50,599,783)	(39,821,896)	(70,343,987)	(23,078,399)	0	0	(114,680)	(696,347,436)	(53,244,650)
FPSC ADJUSTED	526,275,843	0	242,596,455	95,699,582	29,894,870	(1,347,780)	50,605,974	(976,443)	(114,680)	416,357,978	109,917,865
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	526,275,843	0	242,596,455	95,699,582	29,894,870	(1,347,780)	50,605,974	(976,443)	(114,680)	416,357,978	109,917,865

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 12,049,545 AND THE JURISDICTIONAL NOI BY 11,769,611

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
April, 2014

SCHEDULE 3
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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,045,809,559)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(632,045,508)	(243,811,553)
ACCUMULATED DEPRECIATION	152,477,798	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,794,573)	(57,397,507)
CWIP	(9,341,702)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,282,258)	(17,467,830)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,711,714)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(24,110,381)	(9,300,579)
ACCUMULATED DEPRECIATION	(6,088,498)	FUEL EXPENSE	(828,188,302)	242,323,638
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(48,796,538)	18,051,785
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(22,087,217)	8,520,144
FAS 143 NET PLANT	(15,240,049)	CONSERVATION EXPENSES - OTHER TAXES	(399,899)	154,184
INTEREST BEARING CWIP	(294,392,798)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,365,888)	27,529,391
PHFU - NORTH ESCAMBIA	(12,959,265)	FRANCHISE FEE REVENUES	(39,110,605)	(15,086,918)
WORKING CAPITAL:		FRANCHISE FEE	(38,116,858)	14,703,577
ECRC WORKING CAPITAL	(7,937,886)	GROSS RECEIPTS TAX REVENUES	(28,019,112)	(11,194,122)
CONSERVATION/AEM INVENTORY	(2,168,558)	GROSS RECEIPTS TAX EXPENSE	(28,689,014)	11,086,787
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(188,098)	71,787
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(188,779)	65,492
LOANS TO EMPLOYEES AND RETIREES	(28,195)	INSTITUTIONAL ADVERTISING EXPENSE	(115,960)	44,732
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(53,500)	20,838
NORTH ESCAMBIA SITE	(4,769,124)	MGMT FINANCIAL PLANNING SERVICES	(32,529)	12,548
UNAMORTIZED RATE CASE EXPENSE	(4,585,045)	DIRECTORS' & OFFICERS' INSURANCE	(47,347)	18,284
DEPRECIATION CREDIT ADJUSTMENT	0	INDUSTRY ASSOCIATION DUES	(72)	28
FUEL RELATED DEFERRED DEBITS	(37,601,698)	TALLAHASSEE LIAISON EXPENSE	(299,411)	115,498
UNREALIZED LOSS ON FWD CONTRACT	(313)	DEPRECIATION CREDIT ADJUSTMENT	0	0
ACCUM. PROV. FOR RATE REFUNDS	131,089	GRT/PPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,384,750)	526,452
FAS 143 WORKING CAPITAL	25,779,171	COMP SALES/TRANS REV/L SALE GAS/PROV RT REFN. ESC REV	62,331	24,044
FAS 158 REGULATORY ASSETS	(115,422,006)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY LIABILITIES	115,422,006	INTEREST SYNCHRONIZATION	6,798,506	6,798,506
PPA REGULATORY ASSETS	(178,729,361)			
PPA REGULATORY LIABILITIES	178,729,361			
FAS 133 REGULATORY ASSETS	(28,707,102)			
FAS 133 REGULATORY LIABILITIES	28,707,102			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
April, 2014

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,220,690,221	1,107,846,110	(425,018,835)	0	682,827,275	36.15	4.71	1.70	4.71	1.70	4.71	1.70
SHORT TERM DEBT	91,951,374	46,113,727	(17,691,268)	0	28,422,459	1.50	0.36	0.01	0.36	0.01	0.36	0.01
PREFERENCE STOCK	139,055,081	126,215,636	(48,421,908)	0	77,793,728	4.12	6.16	0.25	6.16	0.25	6.16	0.25
CUSTOMER DEPOSITS	34,748,042	35,165,645	(13,491,099)	0	21,674,546	1.15	2.40	0.03	2.40	0.03	2.40	0.03
COMMON EQUITY	1,237,221,091	1,129,572,883	(433,354,187)	0	696,218,696	36.86	9.25	3.41	10.25	3.78	11.25	4.15
DEFERRED INCOME TAXES	709,306,334	655,575,144	(251,507,661)	0	404,067,483	21.39						
FASB 109 DEFERRED TAXES	(43,032,936)	(39,773,118)	15,258,730	0	(24,514,388)	(1.30)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	4,285,854	3,663,644	(1,405,536)	0	2,258,108	0.12	6.96	0.01	7.44	0.01	7.91	0.01
TOTAL	3,394,225,061	3,064,379,671	(1,175,631,764)	0	1,888,747,907	100.00 %		5.41 %		5.78 %		6.15 %

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,236,154,395	1,130,058,794	(446,758,029)	0	683,300,765	35.72	4.60	1.64	4.60	1.64	4.60	1.64
SHORT TERM DEBT	79,787,882	35,449,556	(14,014,646)	0	21,434,910	1.12	0.19	0.00	0.19	0.00	0.19	0.00
PREFERENCE STOCK	146,503,864	133,929,857	(52,947,899)	0	80,981,958	4.23	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,701,594	35,274,631	(13,945,491)	0	21,329,140	1.11	2.32	0.03	2.32	0.03	2.32	0.03
COMMON EQUITY	1,267,732,813	1,175,455,202	(464,705,068)	0	710,750,134	37.15	9.25	3.44	10.25	3.81	11.25	4.18
DEFERRED INCOME TAXES	744,185,763	692,249,813	(273,674,399)	0	418,575,414	21.89						
FASB 109 DEFERRED TAXES	(44,758,036)	(41,634,419)	16,459,773	0	(25,174,646)	(1.32)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,631,326	3,191,345	(1,261,668)	0	1,929,677	0.10	6.93	0.01	7.41	0.01	7.89	0.01
TOTAL	3,467,939,601	3,163,974,779	(1,250,847,427)	0	1,913,127,352	100.00 %		5.37 %		5.75 %		6.12 %

GULF POWER COMPANY
Financial Integrity Indicators
April, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	203,550,475
AFUDC - Debt	4,001,667
Income Taxes	<u>89,276,649</u>
Total	296,828,792
Interest Charges (Before Deducting AFUDC - Debt)	<u>58,797,710</u>
T.I.E. With AFUDC	<u>5.05 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	203,550,475
AFUDC - Other	(8,047,878)
Income Taxes	<u>89,276,649</u>
Total	284,779,246
Interest Charges (Before Deducting AFUDC - Debt)	<u>58,797,710</u>
T.I.E. Without AFUDC	<u>4.84 x</u>

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	4,001,667
X (1 - Income Tax Rate)	0.61425
Subtotal	2,458,024
AFUDC - Other	<u>8,047,878</u>
Total	<u>10,505,902</u>
Net Income Available for Common Stockholders	<u>140,117,488</u>
Percent AFUDC to Available Net Income	<u>7.50%</u>

D. Percent Internally Generated Funds

Net Income	148,754,432
Preference Dividends	(8,636,944)
Common Dividends	(119,300,000)
AFUDC (Debt & Other)	(12,049,545)
Depreciation & Amortization	154,887,129
Deferred Income Taxes	69,759,869
Investment Tax Credits	0
Other	<u>15,921,155</u>
Total	249,336,096
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>314,064,276</u>
Percent Internally Generated Funds	<u>79.39%</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	682,827,275
Short Term Debt	28,422,459
Preference Stock	77,793,728
Common Equity	<u>696,218,696</u>
Total	<u>1,485,262,158</u>
% Long Term Debt To Total	<u>45.97%</u>
% Short Term Debt To Total	<u>1.91%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.84%	5.84%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.70)	(1.70)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.25)	(0.25)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.01)</u>	<u>(0.01)</u>
Subtotal	<u>(2.00)</u>	<u>(2.00)</u>
Total	3.84	3.84
Divided by Common Equity Ratio	<u>36.86</u>	<u>36.86</u>
Jurisdictional Return on Common Equity	<u>10.41%</u>	<u>10.41%</u>