

**Susan D. Ritenour**  
Corporate Secretary, Treasurer &  
Corporate Planning Manager

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April 13, 2015

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 February 2015.

Sincerely,

A handwritten signature in black ink that reads "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

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FLORIDA PUBLIC SERVICE  
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DIVISION OF  
ACCOUNTING & FINANCE

**February 2015**

Earnings Surveillance  
Report  
(Rate of Return)



GULF POWER COMPANY  
Earnings Surveillance Report Summary  
February, 2015

	(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	179,850,621	(69,538,725)	110,311,896	0	110,311,896
Average Rate Base	3,233,949,511	(1,315,395,057)	1,918,554,454	0	1,918,554,454
Average Rate of Return	5.56%		5.75%		5.75%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	179,853,391	(69,449,608)	110,403,783	0	110,403,783
Year End Rate Base	3,344,594,131	(1,410,899,094)	1,933,695,037	0	1,933,695,037
Year End Rate of Return	5.38%		5.71%		5.71%

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

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

Low	5.37%
Midpoint	5.74%
High	6.11%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	5.04 x (System per Books Basis)
B. Tie Without AFUDC	4.71 x (System per Books Basis)
C. AFUDC To Net Income	11.86% (System per Books Basis)
D. Internally Generated Funds	42.88% (System per Books Basis)
E. LTD To Total Investor Funds	46.51% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.73% (FPSC Adjusted Basis)
G. Return on Common Equity	10.28% (FPSC Adjusted Basis)
H. Return on Common Equity	10.28% (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  
  
Date  
4/10/15

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
February, 2015

SCHEDULE 2  
PAGE 1 OF 3

	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>	4,431,033,824	1,507,536,674	2,923,497,150	15,434,298	402,179,489	0	3,341,110,937	228,248,455	3,569,359,392
<b>JURISDICTIONAL PER BOOKS</b>	3,953,521,323	1,362,684,633	2,590,836,690	14,982,770	389,046,619	0	2,994,866,079	239,083,432	3,233,949,511
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,017,147,560)	(160,686,479)	(856,461,081)		(14,059,760)		(870,520,841)	(6,928,168)	(877,449,009)
INT BEARING CWIP					(339,459,498)		(339,459,498)	0	(339,459,498)
ENERGY CONSERVATION CLAUSE	(11,951,631)	6,580,815	(18,532,446)		(5,769)		(18,538,215)	(1,174,748)	(19,712,963)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(1,213,849)		(1,213,849)				(1,213,849)	0	(1,213,849)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(5,704)	(5,704)
LOANS TO EMPLOYEES / RETIREES								(36,546)	(36,546)
INTEREST AND DIVIDENDS RECEIVABLE								(28,916)	(28,916)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,592,116)			(12,592,116)	(4,458,899)	(17,051,015)
FUEL RELATED DEFERRED DEBITS								(55,996,620)	(55,996,620)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,440,937)	(4,440,937)
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,030,313,040)</b>	<b>(154,105,664)</b>	<b>(876,207,376)</b>	<b>(12,592,116)</b>	<b>(353,525,027)</b>	<b>0</b>	<b>(1,242,324,519)</b>	<b>(73,070,538)</b>	<b>(1,315,395,057)</b>
<b>FPSC ADJUSTED</b>	<b>2,923,208,283</b>	<b>1,208,578,969</b>	<b>1,714,629,314</b>	<b>2,390,654</b>	<b>35,521,592</b>	<b>0</b>	<b>1,752,541,560</b>	<b>166,012,894</b>	<b>1,918,554,454</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 ADJUST</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>2,923,208,283</b>	<b>1,208,578,969</b>	<b>1,714,629,314</b>	<b>2,390,654</b>	<b>35,521,592</b>	<b>0</b>	<b>1,752,541,560</b>	<b>166,012,894</b>	<b>1,918,554,454</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
February, 2015

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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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,562,448,149	695,116,482	339,460,148	135,497,726	111,522,759	13,354,091	75,432,114	(1,176,910)	0	1,369,206,411	193,241,738 (a)
JURISDICTIONAL PER BOOKS	1,327,618,833	538,445,268	322,002,076	124,790,459	109,633,545	16,177,859	56,171,088	(830,374)	0	1,166,389,920	161,228,912 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(466,650,295)	(466,317,944)				(128,204)				(466,446,148)	(204,146)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(71,581,091)	(71,938,794)				137,212				(71,799,582)	218,481
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,113,597)		(14,737,017)	(338,824)	(378,936)	(639,889)				(16,094,669)	(1,018,929)
ENVIRONMENTAL COST RECOVERY CLAUSE	(142,655,060)		(27,303,470)	(39,552,212)	(2,433,573)	(28,300,859)				(97,590,114)	(45,064,946)
FRANCHISE FEE REVENUE & EXPENSE	(41,689,974)				(40,617,560)	(413,683)				(41,031,243)	(658,731)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,271,495)				(30,866,161)	(156,357)				(31,022,518)	(248,977)
MARKETING SUPPORT ACTIVITIES			(202,756)			78,213				(124,543)	124,543
WHOLESALE EXPENSES		(190,530)				73,487				(117,033)	117,033
INSTITUTIONAL ADVERTISING EXPENSE			(450,803)			173,897				(276,906)	276,906
ECONOMIC DEVELOPMENT EXPENSE			(61,362)			23,678				(37,704)	37,704
MGMT FINANCIAL PLANNING SERVICES			(27,958)			10,785				(17,173)	17,173
DIRECTORS' & OFFICERS' INSURANCE			(48,050)			18,535				(29,515)	29,515
INDUSTRY ASSOCIATION DUES			(905)			349				(558)	556
TALLAHASSEE LIAISON EXPENSES			(439,144)		(20,641)	177,362				(282,423)	282,423
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				41,582		(16,040)				25,542	(25,542)
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,468,607)	566,515				(902,092)	902,092
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						141,381			(366,510)	(225,129)	225,129
INTEREST SYNCHRONIZATION						5,927,310				5,927,310	(5,927,310)
TOTAL FPSC ADJUSTMENTS	(770,961,512)	(538,445,268)	(43,271,485)	(39,849,454)	(75,785,481)	(22,326,298)	0	0	(366,510)	(720,044,495)	(50,917,016)
FPSC ADJUSTED	556,657,321	0	278,730,591	84,941,005	33,848,064	(6,148,439)	56,171,088	(830,374)	(366,510)	446,345,425	110,311,896
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	556,657,321	0	278,730,591	84,941,005	33,848,064	(6,148,439)	56,171,088	(830,374)	(366,510)	446,345,425	110,311,896
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				19,064,618			18,621,709				
CURRENT MONTH SYSTEM PER BOOKS	126,842,145	53,351,674	31,668,187	13,126,400	9,393,697	(141,237)	5,936,244	(58,495)	0	113,276,470	13,565,675
CURRENT MONTH JURISDICTIONAL PER BOOKS	105,873,968	38,933,456	28,982,977	12,194,233	9,233,207	977,394	4,096,918	(30,362)	0	94,387,824	11,486,144

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
February, 2015

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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	(1,047,730,195)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(624,553,802)	(240,821,552)
ACCUMULATED DEPRECIATION	185,517,848	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,843,461)	(56,883,440)
CWIP	(14,482,485)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(71,986,128)	(27,788,649)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,851,631)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,113,597)	(6,801,570)
ACCUMULATED DEPRECIATION	(6,580,815)	FUEL EXPENSE	(621,001,103)	239,551,175
CWIP	(5,769)	PURCHASED POWER CAPACITY COST EXPENSE	(74,107,048)	28,586,784
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(1,213,849)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,075,841)	5,815,506
FAS 143 NET PLANT	(15,177,185)	CONSERVATION EXPENSES - OTHER TAXES	(378,938)	146,176
INTEREST BEARING CWIP	(347,533,377)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,308,811)	27,507,374
PHFU - NORTH ESCAMBIA	(12,971,588)	FRANCHISE FEE REVENUES	(41,689,874)	(16,081,907)
		FRANCHISE FEE	(40,817,580)	15,888,224
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,271,495)	(12,082,978)
ECRC WORKING CAPITAL	(7,136,477)	GROSS RECEIPTS TAX EXPENSE	(30,886,161)	11,906,622
CONSERVATION/AEM INVENTORY	(1,174,748)	MARKETING SUPPORT ACTIVITIES	(202,758)	78,213
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(5,953)	WHOLESALE EXPENSE	(186,337)	75,737
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(459,884)	177,323
LOANS TO EMPLOYEES AND RETIREES	(38,141)	ECONOMIC DEVELOPMENT EXPENSE	(61,382)	23,878
INTEREST & DIVIDENDS RECEIVABLE	(30,178)	MGMT FINANCIAL PLANNING SERVICES	(28,575)	11,023
NORTH ESCAMBIA SITE	(4,853,724)	DIRECTORS' & OFFICERS' INSURANCE	(49,111)	18,945
UNAMORTIZED RATE CASE EXPENSE	(4,634,978)	INDUSTRY ASSOCIATION DUES	(823)	356
FUEL RELATED DEFERRED DEBITS	(55,986,620)	TALLAHASSEE LIAISON EXPENSE	(489,843)	181,280
UNREALIZED LOSS ON FWD CONTRACT	1,574	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	41,582	(18,040)
ACCUM. PROV. FOR RATE REFUNDS	0	DEPRECIATION CREDIT ADJUSTMENT	0	0
FAS 143 WORKING CAPITAL	26,388,155	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,488,807)	568,515
FAS 158 REGULATORY ASSETS	(90,824,843)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFVN. ESC REV	29,166	11,258
FAS 158 REGULATORY LIABILITIES	90,624,843	GAIN/LOSS ON DISPOSITION OF PROPERTY	(385,256)	148,613
PPA REGULATORY ASSETS	(190,539,598)	INTEREST SYNCHRONIZATION	6,343,085	8,343,085
PPA REGULATORY LIABILITIES	190,539,598			
FAS 133 REGULATORY ASSETS	(39,816,255)			
FAS 133 REGULATORY LIABILITIES	39,816,255			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
February, 2015

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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	4,503,326,522	1,557,950,430	2,945,376,092	14,849,321	494,108,078	0	3,454,333,492	228,248,455	3,682,581,947
JURISDICTIONAL PER BOOKS	4,022,133,554	1,408,686,549	2,613,447,005	14,414,907	478,761,048	0	3,106,622,960	237,971,171	3,344,594,131
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,019,280,867)	(179,169,240)	(840,111,627)		(17,419,897)		(857,531,524)	(6,928,168)	(864,459,692)
INT BEARING CWIP					(432,352,735)		(432,352,735)	0	(432,352,735)
ENERGY CONSERVATION CLAUSE	(12,562,863)	7,007,759	(19,570,622)				(19,570,622)	(1,174,748)	(20,745,370)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(15,678,207)		(15,678,207)				(15,678,207)	0	(15,678,207)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(39,841)	(39,841)
LOANS TO EMPLOYEES AND RETIREES								(36,546)	(36,546)
INTEREST AND DIVIDENDS RECEIVABLE								(28,916)	(28,916)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,458,899)	(17,120,230)
FUEL RELATED DEFERRED DEBITS								(55,996,620)	(55,996,620)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,440,937)	(4,440,937)
TOTAL FPSC ADJUSTMENTS	(1,047,521,937)	(172,161,481)	(875,360,456)	(12,661,331)	(449,772,632)	0	(1,337,794,419)	(73,104,675)	(1,410,899,094)
FPSC ADJUSTED	2,974,611,617	1,236,525,068	1,738,086,549	1,753,576	28,988,416	0	1,768,828,541	164,866,496	1,933,695,037
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	2,974,611,617	1,236,525,068	1,738,086,549	1,753,576	28,988,416	0	1,768,828,541	164,866,496	1,933,695,037

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
February, 2015

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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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,562,448,149	895,116,482	339,460,148	135,497,726	111,522,759	13,354,091	75,432,114	(1,178,910)	0	1,369,206,411	193,241,738 (a)
JURISDICTIONAL PER BOOKS	1,327,618,833	538,445,268	322,002,076	124,790,459	109,633,545	16,178,617	56,167,560	(830,374)	0	1,166,387,150	181,231,682 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(466,850,295)	(466,317,844)				(128,204)				(466,446,148)	(204,146)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(71,581,091)	(71,938,794)				137,212				(71,799,582)	218,491
ENERGY CONSERVATION COST REVENUES & EXPENSES	(17,113,597)		(14,737,017)	(338,824)	(378,938)	(639,889)				(16,094,689)	(1,018,929)
ENVIRONMENTAL COST RECOVERY CLAUSE	(142,655,060)		(27,303,470)	(39,552,212)	(2,433,573)	(28,300,859)				(97,590,114)	(45,064,946)
FRANCHISE FEE REVENUE & EXPENSE	(41,889,974)				(40,617,560)	(413,683)				(41,031,243)	(658,731)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,271,495)				(30,866,161)	(156,357)				(31,022,518)	(248,977)
MARKETING SUPPORT ACTIVITIES			(202,756)			78,213				(124,543)	124,543
WHOLESALE EXPENSES		(190,530)				73,497				(117,033)	117,033
INSTITUTIONAL ADVERTISING EXPENSE			(450,803)			173,897				(276,906)	276,906
ECONOMIC DEVELOPMENT EXPENSE			(61,382)			23,678				(37,704)	37,704
MGMT FINANCIAL PLANNING SERVICES			(27,958)			10,785				(17,173)	17,173
DIRECTORS' & OFFICERS' INSURANCE			(48,050)			18,535				(29,515)	29,515
INDUSTRY ASSOCIATION DUES			(905)			349				(556)	556
TALLAHASSEE LIAISON EXPENSES			(439,144)		(20,641)	177,362				(282,423)	282,423
TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.				41,582		(16,040)				25,542	(25,542)
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,468,607)	566,515				(902,092)	902,092
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						141,381			(386,510)	(225,129)	225,129
INTEREST SYNCHRONIZATION						5,838,193				5,838,193	(5,838,193)
TOTAL FPSC ADJUSTMENTS	(770,961,512)	(538,445,268)	(43,271,485)	(39,849,454)	(75,785,481)	(22,415,415)	0	0	(366,510)	(720,133,612)	(50,827,899)
FPSC ADJUSTED	556,657,321	0	278,730,591	84,941,005	33,848,064	(6,236,798)	56,167,560	(830,374)	(366,510)	446,253,538	110,403,783
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	556,657,321	0	278,730,591	84,941,005	33,848,064	(6,236,798)	56,167,560	(830,374)	(366,510)	446,253,538	110,403,783

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 19,064,618 AND THE JURISDICTIONAL NOI BY 18,621,709



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
February, 2015

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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	(1,050,070,218)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(824,553,602)	(240,921,552)
ACCUMULATED DEPRECIATION CWIP	184,581,394	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(146,943,461)	(56,683,440)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,562,863)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(71,986,126)	(27,768,649)
ACCUMULATED DEPRECIATION CWIP	(7,007,759)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(17,113,597)	(6,601,570)
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(15,678,207)	FUEL EXPENSE	(821,001,103)	239,551,175
FAS 143 NET PLANT	(15,106,298)	PURCHASED POWER CAPACITY COST EXPENSE	(74,107,048)	28,586,794
INTEREST BEARING CWIP	(442,636,035)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(15,075,641)	5,815,506
PHFU - NORTH ESCAMBIA	(13,042,899)	CONSERVATION EXPENSES - OTHER TAXES	(378,938)	146,176
WORKING CAPITAL:		ENVIRONMENTAL COST RECOVERY EXPENSE	(71,308,811)	27,507,374
ECRC WORKING CAPITAL	(7,136,477)	FRANCHISE FEE REVENUES	(41,689,974)	(18,081,907)
CONSERVATION/AEM INVENTORY	(1,174,748)	FRANCHISE FEE	(40,617,560)	15,668,224
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(5,953)	GROSS RECEIPTS TAX REVENUES	(31,271,495)	(12,062,979)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,866,181)	11,906,622
LOANS TO EMPLOYEES AND RETIREES	(38,141)	MARKETING SUPPORT ACTIVITIES	(202,756)	78,213
INTEREST & DIVIDENDS RECEIVABLE	(30,176)	WHOLESALE EXPENSE	(196,337)	75,737
NORTH ESCAMBIA SITE	(4,653,724)	INSTITUTIONAL ADVERTISING EXPENSE	(459,884)	177,323
UNAMORTIZED RATE CASE EXPENSE	(4,634,978)	ECONOMIC DEVELOPMENT EXPENSE	(61,362)	23,678
FUEL RELATED DEFERRED DEBITS	(55,996,620)	MGMT FINANCIAL PLANNING SERVICES	(28,575)	11,023
UNREALIZED LOSS ON FWD CONTRACT	1,574	DIRECTORS' & OFFICERS' INSURANCE	(48,111)	18,945
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(923)	356
FAS 143 WORKING CAPITAL	26,398,155	TALLHASSEE LIAISON EXPENSE	(489,943)	181,280
FAS 158 REGULATORY ASSETS	(90,624,843)	TRANSMISSION DEFERRED RETURN PURSUANT TO STIP. & SETT.	41,582	(16,040)
FAS 158 REGULATORY LIABILITIES	90,624,843	DEPRECIATION CREDIT ADJUSTMENT	0	0
PPA REGULATORY ASSETS	(190,539,598)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,468,607)	566,515
PPA REGULATORY LIABILITIES	190,539,598	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	29,166	11,258
FAS 133 REGULATORY ASSETS	(39,616,255)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(385,256)	148,613
FAS 133 REGULATORY LIABILITIES	39,616,255	INTEREST SYNCHRONIZATION	6,167,839	6,167,839

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
February, 2015

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	1,281,651,473	1,176,426,937	(478,506,598)	0	697,920,339	36.38	4.53	1.65	4.53	1.65	4.53	1.65
SHORT TERM DEBT	81,054,530	18,489,858	(7,520,670)	0	10,969,188	0.57	0.25	0.00	0.25	0.00	0.25	0.00
PREFERENCE STOCK	146,503,864	134,457,309	(54,689,932)	0	79,767,377	4.16	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,956,990	35,569,178	(14,467,610)	0	21,101,568	1.10	2.40	0.03	2.40	0.03	2.40	0.03
COMMON EQUITY	1,298,380,516	1,199,836,229	(488,028,227)	0	711,808,002	37.10	9.25	3.43	10.25	3.80	11.25	4.17
DEFERRED INCOME TAXES	762,608,478	710,965,217	(289,182,045)	0	421,783,172	21.98						
FASB 109 DEFERRED TAXES	(47,934,775)	(44,688,669)	18,176,924	0	(26,511,745)	(1.38)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,218,319	2,893,452	(1,176,899)	0	1,716,553	0.09	6.87	0.01	7.35	0.01	7.83	0.01
<b>TOTAL</b>	<b>3,560,439,395</b>	<b>3,233,949,511</b>	<b>(1,315,395,057)</b>	<b>0</b>	<b>1,918,554,454</b>	<b>100.00 %</b>		<b>5.37 %</b>		<b>5.74 %</b>		<b>6.11 %</b>

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	1,344,979,861	1,220,384,438	(514,812,629)	0	705,571,809	36.49	4.51	1.65	4.51	1.65	4.51	1.65
SHORT TERM DEBT	86,972,925	23,837,855	(10,055,871)	0	13,781,984	0.71	0.36	0.00	0.36	0.00	0.36	0.00
PREFERENCE STOCK	146,503,864	132,932,128	(56,076,705)	0	76,855,423	3.97	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,311,061	35,389,738	(14,928,971)	0	20,460,767	1.06	2.46	0.03	2.46	0.03	2.46	0.03
COMMON EQUITY	1,327,504,870	1,222,637,874	(515,763,229)	0	706,874,645	36.56	9.25	3.38	10.25	3.75	11.25	4.11
DEFERRED INCOME TAXES	823,239,957	758,122,684	(319,809,989)	0	438,312,695	22.67						
FASB 109 DEFERRED TAXES	(55,576,559)	(51,180,522)	21,590,229	0	(29,590,293)	(1.53)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,666,400	2,469,936	(1,041,929)	0	1,428,007	0.07	6.84	0.00	7.32	0.01	7.79	0.01
<b>TOTAL</b>	<b>3,711,602,379</b>	<b>3,344,594,131</b>	<b>(1,410,899,094)</b>	<b>0</b>	<b>1,933,695,037</b>	<b>100.00 %</b>		<b>5.30 %</b>		<b>5.67 %</b>		<b>6.04 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
February, 2015

## A. Times Interest Earned with AFUDC

Earnings Before Interest	204,307,786
AFUDC - Debt	5,800,189
Income Taxes	88,206,635
	<hr/>
Total	298,314,610
Interest Charges (Before Deducting AFUDC - Debt)	59,236,729
T.I.E. With AFUDC	<hr/> 5.04 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	204,307,786
AFUDC - Other	(13,264,429)
Income Taxes	88,206,635
	<hr/>
Total	279,249,993
Interest Charges (Before Deducting AFUDC - Debt)	59,236,729
T.I.E. Without AFUDC	<hr/> 4.71 x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	5,800,189
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	3,562,766
AFUDC - Other	13,264,429
	<hr/>
Total	16,827,195
	<hr/>
Net Income Available for Common Stockholders	141,868,746
Percent AFUDC to Available Net Income	<hr/> 11.86%

## D. Percent Internally Generated Funds

Net Income	150,871,246
Preference Dividends	(9,002,500)
Common Dividends	(124,940,000)
AFUDC (Debt & Other)	(19,064,618)
Depreciation & Amortization	144,472,652
Deferred Income Taxes	75,412,544
Investment Tax Credits	0
Other	(66,992,706)
	<hr/>
Total	150,756,619
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	351,617,836
	<hr/>
Percent Internally Generated Funds	<hr/> 42.88%

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	697,920,339
Short Term Debt	10,969,188
Preference Stock	79,767,377
Common Equity	711,808,002
	<hr/>
Total	1,500,464,906
	<hr/>
% Long Term Debt To Total	46.51%
	<hr/>
% Short Term Debt To Total	0.73%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.75%	5.75%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.65)	(1.65)
Short Term Debt	(0.00)	(0.00)
Preference Stock	(0.26)	(0.26)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(1.94)	(1.94)
	<hr/>	<hr/>
Total	3.81	3.81
Divided by Common Equity Ratio	37.10	37.10
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.28%	10.28%