

**Robert L. McGee, Jr.**  
Regulatory & Pricing Manager

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Pensacola, Florida 32520-0780

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October 14, 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 August, 2015.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md

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

**August 2015**

Earnings Surveillance  
Report  
(Rate of Return)



GULF POWER COMPANY  
Earnings Surveillance Report Summary  
August, 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	183,101,183	(71,671,271)	111,429,912	0	111,429,912
Average Rate Base	3,372,075,334	(1,388,648,475)	1,983,426,859	0	1,983,426,859
Average Rate of Return	5.43%		5.62%		5.62%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	183,115,908	(71,825,310)	111,290,598	0	111,290,598
Year End Rate Base	3,441,569,535	(1,449,905,140)	1,991,664,396	0	1,991,664,396
Year End Rate of Return	5.32%		5.59%		5.59%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.25%
Midpoint	5.62%
High	5.98%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.86 x (System per Books Basis)
B. Tie Without AFUDC	4.52 x (System per Books Basis)
C. AFUDC To Net Income	13.22% (System per Books Basis)
D. Internally Generated Funds	33.18% (System per Books Basis)
E. LTD To Total Investor Funds	46.71% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.91% (FPSC Adjusted Basis)
G. Return on Common Equity	10.25% (FPSC Adjusted Basis)
H. Return on Common Equity	10.25% (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  
10/13/15

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
August, 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>	4,557,547,321	1,548,474,346	3,009,072,975	15,115,764	436,932,876	0	3,461,121,615	249,401,354	3,710,522,969
<b>JURISDICTIONAL PER BOOKS</b>	4,058,377,118	1,399,801,625	2,658,575,493	14,673,554	423,974,497	0	3,097,223,545	274,851,789	3,372,075,334
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,019,720,181)	(179,587,311)	(840,132,870)		(17,972,665)		(858,105,535)	(6,428,205)	(864,533,740)
INT BEARING CWIP					(370,350,475)		(370,350,475)	0	(370,350,475)
ENERGY CONSERVATION CLAUSE	(12,507,673)	6,996,416	(19,504,089)		(5,769)		(19,509,858)	(1,317,407)	(20,827,265)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(68,003,611)		(68,003,611)				(68,003,611)	0	(68,003,611)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(672,628)	(672,628)
LOANS TO EMPLOYEES / RETIREES								(41,800)	(41,800)
INTEREST AND DIVIDENDS RECEIVABLE								(44,876)	(44,876)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,636,004)			(12,636,004)	(4,383,937)	(17,019,941)
FUEL RELATED DEFERRED DEBITS								(43,491,242)	(43,491,242)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,662,897)	(3,662,897)
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,100,231,465)</b>	<b>(172,590,895)</b>	<b>(927,640,570)</b>	<b>(12,636,004)</b>	<b>(388,328,909)</b>	<b>0</b>	<b>(1,328,605,484)</b>	<b>(60,042,992)</b>	<b>(1,388,648,475)</b>
<b>FPSC ADJUSTED</b>	<b>2,958,145,653</b>	<b>1,227,210,730</b>	<b>1,730,934,923</b>	<b>2,037,550</b>	<b>35,645,588</b>	<b>0</b>	<b>1,768,618,061</b>	<b>214,808,798</b>	<b>1,983,426,859</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<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>2,958,145,653</b>	<b>1,227,210,730</b>	<b>1,730,934,923</b>	<b>2,037,550</b>	<b>35,645,588</b>	<b>0</b>	<b>1,768,618,061</b>	<b>214,808,798</b>	<b>1,983,426,859</b>

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

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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,537,225,551	647,272,542	358,889,809	135,092,498	117,641,748	(320)	87,285,951	(891,928)	0	1,345,290,299	191,935,252 (a)
JURISDICTIONAL PER BOOKS	1,341,406,340	529,230,538	338,510,691	123,876,505	115,584,490	5,658,240	66,741,177	(563,733)	0	1,179,037,908	162,368,432 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(443,063,654)	(442,710,336)				(136,293)				(442,846,629)	(217,026)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(86,118,270)	(86,346,791)				88,152				(86,258,639)	140,370
ENERGY CONSERVATION COST REVENUES & EXPENSES	(18,861,306)		(16,410,827)	(354,259)	(351,096)	(673,181)				(17,789,363)	(1,071,943)
ENVIRONMENTAL COST RECOVERY CLAUSE	(141,567,799)		(26,853,596)	(39,775,270)	(3,066,448)	(27,724,811)				(97,420,125)	(44,147,674)
FRANCHISE FEE REVENUE & EXPENSE	(43,754,184)				(42,628,765)	(434,131)				(43,062,896)	(691,289)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,952,712)				(32,545,775)	(156,975)				(32,702,750)	(249,962)
MARKETING SUPPORT ACTIVITIES			(203,594)			78,536				(125,058)	125,058
WHOLESALE EXPENSES		(173,411)				66,893				(106,518)	106,518
INSTITUTIONAL ADVERTISING EXPENSE			(225,945)			87,158				(138,787)	138,787
ECONOMIC DEVELOPMENT EXPENSE			(61,405)			23,687				(37,718)	37,718
MGMT FINANCIAL PLANNING SERVICES			(27,899)			10,762				(17,137)	17,137
DIRECTORS' & OFFICERS' INSURANCE			(47,827)			18,449				(29,378)	29,378
INDUSTRY ASSOCIATION DUES			(1,223)			472				(751)	751
TALLAHASSEE LIAISON EXPENSES			(428,506)		(20,959)	173,381				(276,084)	276,084
DEPRECIATION CREDIT ADJUSTMENT (1)				310,000		(119,583)				190,417	(190,417)
GRT, FPSC FEES ON CLAUSES & FEES					(1,545,299)	596,099				(949,200)	949,200
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						(1,357)			3,519	2,162	(2,162)
INTEREST SYNCHRONIZATION						6,189,047				6,189,047	(6,189,047)
TOTAL FPSC ADJUSTMENTS	(766,317,925)	(529,230,538)	(44,260,822)	(39,819,529)	(80,158,341)	(21,913,694)	0	0	3,519	(715,379,405)	(50,938,520)
FPSC ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,255,454)	66,741,177	(563,733)	3,519	463,658,503	111,429,912
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,255,454)	66,741,177	(563,733)	3,519	463,658,503	111,429,912
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				21,225,869	AND THE JURISDICTIONAL NOI BY	20,732,751					
CURRENT MONTH SYSTEM PER BOOKS	145,395,411	58,256,456	30,477,376	12,411,035	11,878,628	9,817,049	955,284	(58,495)	0	123,737,333	21,658,078
CURRENT MONTH JURISDICTIONAL PER BOOKS	130,786,760	50,254,273	28,326,554	11,463,402	11,707,661	8,871,656	791,455	(43,287)	0	111,371,715	19,415,045

TOTALS MAY NOT ADD DUE TO ROUNDING.

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
August, 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	(1,050,365,709)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(562,203,010)	(216,869,811)
ACCUMULATED DEPRECIATION	184,984,427	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(145,839,187)	(56,257,467)
CWIP	(18,512,795)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,406,265)	(33,331,217)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(12,507,673)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,861,306)	(7,275,749)
ACCUMULATED DEPRECIATION	(6,996,416)	FUEL EXPENSE	(558,424,912)	215,412,410
CWIP	(5,769)	PURCHASED POWER CAPACITY COST EXPENSE	(88,951,780)	34,313,149
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(68,003,611)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(16,765,086)	6,467,132
FAS 143 NET PLANT	(31,762,357)	CONSERVATION EXPENSES - OTHER TAXES	(351,096)	135,435
INTEREST BEARING CWIP	(379,159,081)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,728,513)	27,669,274
PHFU - NORTH ESCAMBIA	(13,016,809)	FRANCHISE FEE REVENUES	(43,754,184)	(16,878,177)
WORKING CAPITAL:		FRANCHISE FEE	(42,628,765)	16,444,046
ECRC WORKING CAPITAL	(6,621,391)	GROSS RECEIPTS TAX REVENUES	(32,952,712)	(12,711,508)
CONSERVATION/AEM INVENTORY	(1,317,407)	GROSS RECEIPTS TAX EXPENSE	(32,545,775)	12,554,533
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(672,628)	MARKETING SUPPORT ACTIVITIES	(203,594)	78,536
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(178,697)	68,932
LOANS TO EMPLOYEES AND RETIREES	(43,625)	INSTITUTIONAL ADVERTISING EXPENSE	(230,397)	88,876
INTEREST & DIVIDENDS RECEIVABLE	(46,835)	ECONOMIC DEVELOPMENT EXPENSE	(61,405)	23,687
NORTH ESCAMBIA SITE	(4,575,487)	MGMT FINANCIAL PLANNING SERVICES	(28,515)	11,000
UNAMORTIZED RATE CASE EXPENSE	(3,822,942)	DIRECTORS' & OFFICERS' INSURANCE	(48,883)	18,857
FUEL RELATED DEFERRED DEBITS	(43,491,242)	INDUSTRY ASSOCIATION DUES	(1,247)	481
UNREALIZED LOSS ON FWD CONTRACT	1,387	TALLAHASSEE LIAISON EXPENSE	(459,394)	177,211
ACCUM. PROV. FOR RATE REFUNDS	0	DEPRECIATION CREDIT ADJUSTMENT (1)	310,000	(119,583)
FAS 143 WORKING CAPITAL	43,304,479	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,545,299)	596,099
FAS 158 REGULATORY ASSETS	(123,557,261)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	(111,364)	(42,959)
FAS 158 REGULATORY LIABILITIES	123,557,261	GAIN/LOSS ON DISPOSITION OF PROPERTY	3,699	(1,427)
PPA REGULATORY ASSETS	(181,400,676)	INTEREST SYNCHRONIZATION	6,571,110	6,571,110
PPA REGULATORY LIABILITIES	181,400,676			
FAS 133 REGULATORY ASSETS	(65,602,592)			
FAS 133 REGULATORY LIABILITIES	65,602,592			

Note:

- (1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

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

	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	4,754,674,758	1,585,230,352	3,169,444,406	14,756,744	398,170,829	0	3,582,371,979	249,401,354	3,831,773,333
JURISDICTIONAL PER BOOKS	4,194,907,549	1,432,639,650	2,762,267,899	14,325,038	387,313,874	0	3,163,906,811	277,662,724	3,441,569,535
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,022,319,997)	(199,103,314)	(823,216,683)		(19,453,501)		(842,670,184)	(6,428,205)	(849,098,389)
INT BEARING CWIP					(334,901,612)		(334,901,612)	0	(334,901,612)
ENERGY CONSERVATION CLAUSE	(13,080,662)	7,298,578	(20,379,240)				(20,379,240)	(1,317,407)	(21,696,647)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(176,898,164)		(176,898,164)				(176,898,164)	0	(176,898,164)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(3,024,245)	(3,024,245)
LOANS TO EMPLOYEES AND RETIREES								(41,800)	(41,800)
INTEREST AND DIVIDENDS RECEIVABLE								(44,876)	(44,876)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,383,937)	(17,045,268)
FUEL RELATED DEFERRED DEBITS								(43,491,242)	(43,491,242)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,662,897)	(3,662,897)
TOTAL FPSC ADJUSTMENTS	(1,212,298,823)	(191,804,736)	(1,020,494,087)	(12,661,331)	(354,355,113)	0	(1,387,510,531)	(62,394,609)	(1,449,905,140)
FPSC ADJUSTED	2,982,608,726	1,240,834,914	1,741,773,812	1,663,707	32,958,761	0	1,776,396,280	215,268,116	1,991,664,396
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	2,982,608,726	1,240,834,914	1,741,773,812	1,663,707	32,958,761	0	1,776,396,280	215,268,116	1,991,664,396

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

SCHEDULE 3  
PAGE 2 OF 3

	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	1,537,225,551	647,272,542	358,889,809	135,092,498	117,641,748	(320)	87,285,951	(891,928)	0	1,345,290,299	191,935,252 (a)
JURISDICTIONAL PER BOOKS	1,341,406,340	529,230,538	338,510,691	123,876,505	115,584,490	5,665,701	66,718,991	(563,733)	0	1,179,023,183	162,383,157 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(443,063,654)	(442,710,336)				(136,293)				(442,846,629)	(217,026)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(86,118,270)	(86,346,791)				88,152				(86,258,639)	140,370
ENERGY CONSERVATION COST REVENUES & EXPENSES	(18,861,306)		(16,410,827)	(354,259)	(351,096)	(673,181)				(17,789,363)	(1,071,943)
ENVIRONMENTAL COST RECOVERY CLAUSE	(141,567,799)		(26,853,596)	(39,775,270)	(3,066,448)	(27,724,811)				(97,420,125)	(44,147,674)
FRANCHISE FEE REVENUE & EXPENSE	(43,754,184)				(42,628,765)	(434,131)				(43,062,896)	(691,289)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,952,712)				(32,545,775)	(156,975)				(32,702,750)	(249,962)
MARKETING SUPPORT ACTIVITIES			(203,594)			78,536				(125,058)	125,058
WHOLESALE EXPENSES		(173,411)				66,893				(106,518)	106,518
INSTITUTIONAL ADVERTISING EXPENSE			(225,945)			87,158				(138,787)	138,787
ECONOMIC DEVELOPMENT EXPENSE			(61,405)			23,687				(37,718)	37,718
MGMT FINANCIAL PLANNING SERVICES			(27,899)			10,762				(17,137)	17,137
DIRECTORS' & OFFICERS' INSURANCE			(47,827)			18,449				(29,378)	29,378
INDUSTRY ASSOCIATION DUES			(1,223)			472				(751)	751
TALLAHASSEE LIAISON EXPENSES			(428,506)		(20,959)	173,381				(276,084)	276,084
DEPRECIATION CREDIT ADJUSTMENT (1)				310,000		(119,583)				190,417	(190,417)
GRT, FPSC FEES ON CLAUSES & FEES					(1,545,299)	596,099				(949,200)	949,200
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						(1,357)			3,519	2,162	(2,162)
INTEREST SYNCHRONIZATION						6,343,086				6,343,086	(6,343,086)
TOTAL FPSC ADJUSTMENTS	(766,317,925)	(529,230,538)	(44,260,822)	(39,819,529)	(80,158,341)	(21,759,655)	0	0	3,519	(715,225,366)	(51,092,559)
FPSC ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,093,954)	66,718,991	(563,733)	3,519	463,797,817	111,290,598
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	575,088,415	0	294,249,869	84,056,976	35,426,149	(16,093,954)	66,718,991	(563,733)	3,519	463,797,817	111,290,598
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				21,225,869			20,732,751				

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
August, 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	(1,052,935,606)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(562,203,010)	(216,869,811)
ACCUMULATED DEPRECIATION	205,065,898	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(145,839,187)	(56,257,467)
CWIP	(20,036,079)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,406,265)	(33,331,217)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,080,662)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(18,861,306)	(7,275,749)
ACCUMULATED DEPRECIATION	(7,298,578)	FUEL EXPENSE	(558,424,912)	215,412,410
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,951,780)	34,313,149
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(176,898,164)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(16,765,086)	6,467,132
FAS 143 NET PLANT	(86,706,391)	CONSERVATION EXPENSES - OTHER TAXES	(351,096)	135,435
INTEREST BEARING CWIP	(342,867,084)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,728,513)	27,669,274
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,754,184)	(16,878,177)
WORKING CAPITAL:		FRANCHISE FEE	(42,628,765)	16,444,046
ECRC WORKING CAPITAL	(6,621,391)	GROSS RECEIPTS TAX REVENUES	(32,952,712)	(12,711,508)
CONSERVATION/AEM INVENTORY	(1,317,407)	GROSS RECEIPTS TAX EXPENSE	(32,545,775)	12,554,533
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(672,628)	MARKETING SUPPORT ACTIVITIES	(203,594)	78,536
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(178,697)	68,932
LOANS TO EMPLOYEES AND RETIREES	(43,625)	INSTITUTIONAL ADVERTISING EXPENSE	(230,397)	88,876
INTEREST & DIVIDENDS RECEIVABLE	(46,835)	ECONOMIC DEVELOPMENT EXPENSE	(61,405)	23,687
NORTH ESCAMBIA SITE	(4,575,487)	MGMT FINANCIAL PLANNING SERVICES	(28,515)	11,000
UNAMORTIZED RATE CASE EXPENSE	(3,822,942)	DIRECTORS' & OFFICERS' INSURANCE	(48,883)	18,857
FUEL RELATED DEFERRED DEBITS	(43,491,242)	INDUSTRY ASSOCIATION DUES	(1,247)	481
UNREALIZED LOSS ON FWD CONTRACT	1,387	TALLAHASSEE LIAISON EXPENSE	(459,394)	177,211
ACCUM. PROV. FOR RATE REFUNDS	0	DEPRECIATION CREDIT ADJUSTMENT (1)	310,000	(119,583)
FAS 143 WORKING CAPITAL	43,304,479	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,545,299)	596,099
FAS 158 REGULATORY ASSETS	(123,557,261)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	(111,364)	(42,959)
FAS 158 REGULATORY LIABILITIES	123,557,261	GAIN/LOSS ON DISPOSITION OF PROPERTY	3,699	(1,427)
PPA REGULATORY ASSETS	(181,400,676)	INTEREST SYNCHRONIZATION	6,668,663	6,668,663
PPA REGULATORY LIABILITIES	181,400,676			
FAS 133 REGULATORY ASSETS	(65,602,592)			
FAS 133 REGULATORY LIABILITIES	65,602,592			

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 August, 2015

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,341,211,307	1,229,489,303	(506,313,850)	0	723,175,453	36.46	4.48	1.63	4.48	1.63	4.48	1.63
SHORT TERM DEBT	102,054,566	50,330,090	(20,726,347)	0	29,603,743	1.49	0.33	0.00	0.33	0.00	0.33	0.00
PREFERENCE STOCK	146,503,864	134,295,990	(55,304,198)	0	78,991,792	3.98	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,399,391	35,873,295	(14,772,919)	0	21,100,376	1.06	2.37	0.03	2.37	0.03	2.37	0.03
COMMON EQUITY	1,319,232,082	1,218,058,451	(501,606,531)	0	716,451,920	36.12	9.25	3.34	10.25	3.70	11.25	4.06
DEFERRED INCOME TAXES	806,887,418	750,820,163	(309,193,945)	0	441,626,218	22.27						
FASB 109 DEFERRED TAXES	(53,008,171)	(49,324,855)	20,312,383	0	(29,012,472)	(1.46)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,702,936	2,532,897	(1,043,068)	0	1,489,829	0.08	6.82	0.01	7.29	0.01	7.76	0.01
<b>TOTAL</b>	<b>3,700,983,393</b>	<b>3,372,075,334</b>	<b>(1,388,648,475)</b>	<b>0</b>	<b>1,983,426,859</b>	<b>100.00 %</b>		<b>5.25 %</b>		<b>5.62 %</b>		<b>5.98 %</b>

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,346,001,515	1,224,741,887	(515,973,755)	0	708,768,132	35.59	4.51	1.61	4.51	1.61	4.51	1.61
SHORT TERM DEBT	129,972,766	75,390,560	(31,761,427)	0	43,629,133	2.19	0.42	0.01	0.42	0.01	0.42	0.01
PREFERENCE STOCK	146,503,864	133,305,510	(56,160,523)	0	77,144,987	3.87	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,800,388	35,929,365	(15,136,748)	0	20,792,617	1.04	2.30	0.02	2.30	0.02	2.30	0.02
COMMON EQUITY	1,343,716,176	1,240,829,640	(522,751,394)	0	718,078,246	36.05	9.25	3.33	10.25	3.70	11.25	4.06
DEFERRED INCOME TAXES	843,477,076	779,353,516	(328,335,272)	0	451,018,244	22.65						
FASB 109 DEFERRED TAXES	(54,395,530)	(50,260,226)	21,174,223	0	(29,086,003)	(1.46)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	2,315,430	2,279,284	(960,244)	0	1,319,040	0.07	6.86	0.00	7.34	0.01	7.81	0.01
<b>TOTAL</b>	<b>3,793,391,686</b>	<b>3,441,569,535</b>	<b>(1,449,905,140)</b>	<b>0</b>	<b>1,991,664,396</b>	<b>100.00 %</b>		<b>5.22 %</b>		<b>5.58 %</b>		<b>5.94 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
August, 2015

## A. Times Interest Earned with AFUDC

Earnings Before Interest	205,462,341
AFUDC - Debt	6,556,665
Income Taxes	87,494,258
	<hr/>
Total	299,513,264
Interest Charges (Before Deducting AFUDC - Debt)	61,635,404
T.I.E. With AFUDC	<hr/> 4.86 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	205,462,341
AFUDC - Other	(14,669,204)
Income Taxes	87,494,258
	<hr/>
Total	278,287,395
Interest Charges (Before Deducting AFUDC - Debt)	61,635,404
T.I.E. Without AFUDC	<hr/> 4.52 x

## C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	6,556,665
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	4,027,431
AFUDC - Other	14,669,204
	<hr/>
Total	18,696,636
	<hr/>
Net Income Available for Common Stockholders	141,381,102
Percent AFUDC to Available Net Income	<hr/> 13.22%

## D. Percent Internally Generated Funds

Net Income	150,383,602
Preference Dividends	(9,002,500)
Common Dividends	(128,420,000)
AFUDC (Debt & Other)	(21,225,869)
Depreciation & Amortization	144,045,837
Deferred Income Taxes	87,256,584
Investment Tax Credits	0
Other	(125,925,967)
	<hr/>
Total	97,111,686
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	292,701,890
	<hr/>
Percent Internally Generated Funds	<hr/> 33.18%

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	723,175,453
Short Term Debt	29,603,743
Preference Stock	78,991,792
Common Equity	716,451,920
	<hr/>
Total	1,548,222,908
	<hr/>
% Long Term Debt To Total	46.71%
	<hr/>
% Short Term Debt To Total	1.91%
	<hr/>

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.62%	5.62%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.63)	(1.63)
Short Term Debt	(0.00)	(0.00)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(1.91)	(1.91)
	<hr/>	<hr/>
Total	3.70	3.70
Divided by Common Equity Ratio	36.12	36.12
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.25%	10.25%
	<hr/>	<hr/>

GULF POWER COMPANY  
Storm Accrual - Twelve Month to Date  
August, 2015

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
September	2014	291,667
October	2014	291,667
November	2014	291,667
December	2014	291,667
January	2015	291,663
February	2015	291,667
March	2015	291,667
April	2015	291,667
May	2015	291,667
June	2015	291,667
July	2015	291,667
<b>August</b>	<b>2015</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>