

Robert L. McGee, Jr.  
Regulatory & Pricing Manager

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May 13, 2016

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:

Attached is Gulf Power Company's Jurisdictional Rate of Return Report for the month of March, 2016.

Sincerely,

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md

Attachment

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

GOV 2-1-5-3

**March 2016**

Earnings Surveillance  
Report  
(Rate of Return)



**GULF POWER COMPANY**  
**Earnings Surveillance Report Summary**  
**March, 2016**

	(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	179,281,516	(68,708,155)	110,573,361	0	110,573,361
Average Rate Base	3,421,444,771	(1,416,217,659)	2,005,227,112	0	2,005,227,112
Average Rate of Return	5.24%		5.51%		5.51%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	179,272,564	(68,838,924)	110,433,640	0	110,433,640
Year End Rate Base	3,439,361,806	(1,419,061,187)	2,020,300,619	0	2,020,300,619
Year End Rate of Return	5.21%		5.47%		5.47%

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

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

Low	5.16%
Midpoint	5.52%
High	5.88%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.97 x (System per Books Basis)
B. Tie Without AFUDC	4.77 x (System per Books Basis)
C. AFUDC To Net Income	7.67% (System per Books Basis)
D. Internally Generated Funds	181.66% (System per Books Basis)
E. LTD To Total Investor Funds	45.38% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.98% (FPSC Adjusted Basis)
G. Return on Common Equity	10.23% (FPSC Adjusted Basis)
H. Return on Common Equity	10.23% (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

Josh J. Mason  
Assistant Treasurer & Financial Planning and Budgeting Manager

Signature



Date

5/13/16

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
March, 2016

	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>	4,871,852,012	1,600,057,571	3,271,794,441	14,763,827	275,862,865	0	3,562,421,133	193,842,455	3,756,263,588
<b>JURISDICTIONAL PER BOOKS</b>	4,324,197,549	1,445,959,789	2,878,237,760	14,331,914	287,210,272	0	3,159,779,947	261,664,824	3,421,444,771
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,156,779,894)	(202,138,820)	(954,641,014)		(19,229,082)		(973,870,096)	(6,168,540)	(980,038,636)
INT BEARING CWIP					(212,934,892)		(212,934,892)	0	(212,934,892)
ENERGY CONSERVATION CLAUSE	(13,192,107)	7,312,080	(20,504,187)		3,002		(20,501,185)	(1,477,584)	(21,978,770)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(162,118,507)		(162,118,507)				(162,118,507)	0	(162,118,507)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(3,813,470)	(3,813,470)
LOANS TO EMPLOYEES / RETIREES								(48,781)	(48,781)
INTEREST AND DIVIDENDS RECEIVABLE								(36,664)	(36,664)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,357,923)	(17,019,254)
FUEL RELATED DEFERRED DEBITS								(16,129,577)	(16,129,577)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,099,108)	(2,099,108)
<b>TOTAL FPSC ADJUSTMENTS</b>	(1,332,090,448)	(194,826,740)	(1,137,263,708)	(12,661,331)	(232,160,972)	0	(1,382,086,012)	(34,131,647)	(1,416,217,659)
<b>FPSC ADJUSTED</b>	2,992,107,101	1,251,133,049	1,740,974,052	1,670,583	35,049,300	0	1,777,693,935	227,533,177	2,005,227,112
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	0	0	0	0	0	0	0	0	0
<b>PRO FORMA ADJUSTED</b>	2,992,107,101	1,251,133,049	1,740,974,052	1,670,583	35,049,300	0	1,777,693,935	227,533,177	2,005,227,112

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
March, 2016

SCHEDULE 2  
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	1,461,720,234	570,792,765	329,194,270	160,391,545	118,502,036	16,352,997	71,761,668	(654,318)	0	1,266,340,964	195,379,271 (a)
JURISDICTIONAL PER BOOKS	1,306,290,473	488,490,192	311,490,562	148,750,042	116,550,891	18,760,925	55,245,370	(393,866)	0	1,138,894,136	167,396,337 (a)
LESS FPSC ADJUSTMENTS:	(402,776,566)	(402,371,955)				(156,078)				(402,528,033)	(248,532)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(85,990,899)	(86,118,236)				52,993				(86,065,243)	84,364
ENERGY/CONSERVATION COST REVENUES & EXPENSES	(16,629,036)		(14,112,076)	(370,130)	(323,707)	(703,270)				(15,509,183)	(1,119,853)
ENVIRONMENTAL COST RECOVERY CLAUSE	(151,007,179)		(23,398,600)	(43,212,129)	(4,057,234)	(30,394,710)				(101,652,673)	(49,354,506)
FRANCHISE FEE REVENUE & EXPENSE	(43,514,852)				(42,395,573)	(141,762)				(42,827,335)	(687,516)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(92,687,688)				(92,305,262)	(147,521)				(92,452,783)	(234,905)
MARKETING SUPPORT ACTIVITIES			(161,034)			62,119				(98,915)	98,915
WHOLESALE EXPENSES			(291,089)			112,288				(178,801)	178,801
INSTITUTIONAL ADVERTISING EXPENSE			(271,161)			104,600				(166,561)	166,561
ECONOMIC DEVELOPMENT EXPENSE			(61,333)			23,680				(37,653)	37,673
MGMT FINANCIAL PLANNING SERVICES			(29,944)			11,351				(18,393)	18,383
DIRECTORS' & OFFICERS' INSURANCE			(45,589)			17,586				(28,003)	28,003
INDUSTRY ASSOCIATION DUES			(1,306)			504				(802)	802
TALLAHASSEE LIASON EXPENSES			(430,379)		(20,922)	174,089				(277,212)	277,212
GRT, FPSC FEES ON CLAUSES & FEES					(1,524,227)	587,971				(936,256)	936,256
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,198			(21,251)	(13,053)	13,053
INTEREST SYNCHRONIZATION						7,017,716				7,017,716	(7,017,716)
TOTAL FPSC ADJUSTMENTS	(732,596,179)	(488,490,192)	(38,792,510)	(43,582,259)	(80,628,926)	(24,260,065)	0	0	(21,251)	(675,773,203)	(56,822,976)
FPSC ADJUSTED	573,694,294	0	272,698,072	105,167,783	35,923,965	(5,499,140)	55,245,370	(393,866)	(21,251)	463,120,933	110,573,361
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	573,694,294	0	272,698,072	105,167,783	35,923,965	(5,499,140)	55,245,370	(393,866)	(21,251)	463,120,933	110,573,361
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,167,882	AND THE JURISDICTIONAL NOI BY		11,885,179				
CURRENT MONTH SYSTEM PER BOOKS	103,499,906	35,592,315	28,942,705	12,400,214	9,835,022	2,873,560	1,836,970	(42,621)	0	91,438,164	12,061,742
CURRENT MONTH JURISDICTIONAL PER BOOKS	92,285,141	28,456,103	26,461,152	11,425,628	9,655,062	3,250,091	1,453,017	(21,141)	0	80,679,933	11,605,208

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
March, 2016

SCHEDULE 2  
PAGE 3 OF 3

<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	(1,191,549,855)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(486,100,892)	(187,513,420)
ACCUMULATED DEPRECIATION	208,214,627	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(155,506,304)	(59,986,557)
CWIP	(19,807,062)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,182,971)	(33,245,081)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,192,107)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(16,629,036)	(6,414,651)
ACCUMULATED DEPRECIATION	(7,312,080)	FUEL EXPENSE	(482,053,786)	185,952,248
CWIP	3,002	PURCHASED POWER CAPACITY COST EXPENSE	(88,716,329)	34,222,324
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(162,118,507)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(14,482,206)	5,588,511
FAS 143 NET PLANT	(71,324,451)	CONSERVATION EXPENSES - OTHER TAXES	(323,707)	124,870
INTEREST BEARING CWIP	(217,999,445)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,721,034)	28,052,139
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,514,852)	(16,785,854)
WORKING CAPITAL:		FRANCHISE FEE	(42,395,573)	16,354,092
ECRC WORKING CAPITAL	(6,353,952)	GROSS RECEIPTS TAX REVENUES	(32,687,688)	(12,609,276)
CONSERVATION/AEM INVENTORY	(1,477,584)	GROSS RECEIPTS TAX EXPENSE	(32,305,282)	12,461,755
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(3,813,470)	MARKETING SUPPORT ACTIVITIES	(161,034)	62,119
FUNDED PROPERTY INSURANCE RESERVE	(1)	WHOLESALE EXPENSES	(299,410)	115,497
LOANS TO EMPLOYEES AND RETIREES	(50,911)	INSTITUTIONAL ADVERTISING EXPENSE	(276,503)	106,661
INTEREST & DIVIDENDS RECEIVABLE	(38,285)	ECONOMIC DEVELOPMENT EXPENSE	(61,333)	23,659
NORTH ESCAMBIA SITE	(4,549,398)	MGMT FINANCIAL PLANNING SERVICES	(30,605)	11,806
UNAMORTIZED RATE CASE EXPENSE	(2,190,826)	DIRECTORS' & OFFICERS' INSURANCE	(46,596)	17,974
FUEL RELATED DEFERRED DEBITS	(18,129,577)	INDUSTRY ASSOCIATION DUES	(1,332)	514
UNREALIZED LOSS ON FWD CONTRACT	(101)	TALLAHASSEE LIAISON EXPENSE	(461,271)	177,935
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,524,227)	587,971
FAS 143 WORKING CAPITAL	84,463,293	COMP SALES/TRANS REV&L SALE GAS/PROV RT REFN. ESC REV	(457)	(176)
FAS 158 REGULATORY ASSETS	(152,373,213)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY LIABILITIES	152,373,213	INTEREST SYNCHRONIZATION	7,335,341	7,335,341
PPA REGULATORY ASSETS	(168,574,366)			
PPA REGULATORY LIABILITIES	168,574,366			
FAS 133 REGULATORY ASSETS	(93,430,633)			
FAS 133 REGULATORY LIABILITIES	93,430,633			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
March, 2016

	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	5,172,555,419	1,660,498,383	3,512,057,036	14,756,244	57,975,190	0	3,584,788,469	193,842,455	3,778,630,924
JURISDICTIONAL PER BOOKS	4,600,380,006	1,500,238,192	3,100,141,814	14,324,553	53,787,989	0	3,168,254,356	271,107,450	3,439,361,806
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,377,599,339)	(223,997,487)	(1,153,601,852)		(16,073,595)		(1,169,675,447)	(6,168,540)	(1,175,843,987)
INT BEARING CWIP					(96,332)		(96,332)	0	(96,332)
ENERGY CONSERVATION CLAUSE	(13,663,802)	7,647,153	(21,310,955)		78,040		(21,232,915)	(1,477,564)	(22,710,499)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,105,961)		(177,105,961)				(177,105,961)	0	(177,105,961)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(7,971,024)	(7,971,024)
LOANS TO EMPLOYEES AND RETIREES								(48,781)	(48,781)
INTEREST AND DIVIDENDS RECEIVABLE								(36,664)	(36,664)
FUNDED PROP RES. N. ESCAMBIA SITE. & OTHER INV.				(12,661,331)			(12,661,331)	(4,357,923)	(17,019,254)
FUEL RELATED DEFERRED DEBITS								(16,129,577)	(16,129,577)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,099,108)	(2,099,108)
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,568,369,102)</b>	<b>(216,350,334)</b>	<b>(1,352,018,768)</b>	<b>(12,661,331)</b>	<b>(16,091,887)</b>	<b>0</b>	<b>(1,380,771,986)</b>	<b>(38,289,201)</b>	<b>(1,419,061,187)</b>
<b>FPSC ADJUSTED</b>	<b>3,032,010,904</b>	<b>1,283,887,858</b>	<b>1,748,123,046</b>	<b>1,663,222</b>	<b>37,696,102</b>	<b>0</b>	<b>1,787,482,370</b>	<b>232,818,249</b>	<b>2,020,300,619</b>
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
<b>PRO FORMA ADJUSTED</b>	<b>3,032,010,904</b>	<b>1,283,887,858</b>	<b>1,748,123,046</b>	<b>1,663,222</b>	<b>37,696,102</b>	<b>0</b>	<b>1,787,482,370</b>	<b>232,818,249</b>	<b>2,020,300,619</b>

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
March, 2016

	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	1,461,720,234	570,792,765	329,194,270	160,391,545	118,502,036	16,352,997	71,761,668	(654,316)	0	1,266,340,964	195,379,271 (e)
JURISDICTIONAL PER BOOKS	1,306,290,473	488,490,192	311,490,582	148,750,042	116,550,891	18,756,303	55,256,944	(393,866)	0	1,138,903,088	167,387,395 (e)
LESS FPSC ADJUSTMENTS:	(402,776,566)	(402,371,955)				(156,078)				(402,528,033)	(248,532)
RETAIL FUEL REVENUES & EXPENSES	(85,980,859)	(86,118,236)				52,993				(86,065,243)	84,384
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(16,829,036)					(703,270)				(15,509,183)	(1,119,853)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(151,007,179)	(14,112,076)	(370,130)	(323,707)	(4,057,234)	(30,994,710)				(101,652,673)	(49,354,506)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,514,852)	(23,388,600)	(43,212,129)	(42,395,573)	(431,762)	(147,521)				(32,452,783)	(687,516)
FRANCHISE FEE REVENUE & EXPENSE	(32,687,688)				(32,305,262)	62,119				(98,915)	(234,905)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT		(181,034)				112,288				(178,801)	98,915
MARKETING SUPPORT ACTIVITIES		(291,089)				104,600				(166,561)	178,801
WHOLESALE EXPENSES		(271,161)				23,660				(37,673)	166,561
INSTITUTIONAL ADVERTISING EXPENSE		(61,333)				11,551				(18,393)	37,673
ECONOMIC DEVELOPMENT EXPENSE		(29,944)				17,586				(26,003)	18,393
MGMT FINANCIAL PLANNING SERVICES		(45,589)				504				(802)	28,003
DIRECTORS' & OFFICERS' INSURANCE		(1,306)				174,089				(277,212)	802
INDUSTRY ASSOCIATION DUES		(430,379)			(20,922)	8,198				(936,256)	277,212
TALLAHASSEE LIAISON EXPENSES					(1,524,227)	587,971			(21,251)	7,148,485	936,256
GRT, FPSC FEES ON CLAUSES & FEES						7,148,485					13,053
(GAIN) / LOSS ON DISPOSITION OF PROPERTY											(7,148,485)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(732,596,179)	(488,490,192)	(38,792,510)	(43,582,259)	(80,626,926)	(24,129,296)	0	0	(21,251)	(675,642,434)	(56,953,745)
FPSC ADJUSTED	573,694,294	0	272,698,072	105,167,783	35,923,965	(5,370,993)	55,256,944	(393,866)	(21,251)	463,260,654	110,433,640
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	573,694,294	0	272,698,072	105,167,783	35,923,965	(5,370,993)	55,256,944	(393,866)	(21,251)	463,260,654	110,433,640

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 12,167,862 AND THE JURISDICTIONAL NOI BY 11,895,179



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
March, 2016

SCHEDULE 3  
PAGE 3 OF 3

<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	(1,418,981,186)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(486,100,892)	(187,513,420)
ACCUMULATED DEPRECIATION	230,726,171	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(155,506,304)	(59,986,557)
CWIP	(16,556,431)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,182,971)	(33,245,081)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,663,802)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(16,629,036)	(6,414,651)
ACCUMULATED DEPRECIATION	(7,647,153)	FUEL EXPENSE	(492,053,786)	185,952,248
CWIP	78,040	PURCHASED POWER CAPACITY COST EXPENSE	(88,716,329)	34,222,324
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,105,961)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(14,482,206)	5,586,511
FAS 143 NET PLANT	(88,935,179)	CONSERVATION EXPENSES - OTHER TAXES	(323,707)	124,870
INTEREST BEARING CWIP	(98,623)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,721,034)	28,052,139
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,514,852)	(16,785,854)
		FRANCHISE FEE	(42,395,573)	16,354,092
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(32,687,688)	(12,609,276)
ECRC WORKING CAPITAL	(6,353,952)	GROSS RECEIPTS TAX EXPENSE	(32,305,262)	12,461,755
CONSERVATION/AEM INVENTORY	(1,477,584)	MARKETING SUPPORT ACTIVITIES	(161,034)	62,119
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(3,813,470)	WHOLESALE EXPENSES	(299,410)	115,497
FUNDED PROPERTY INSURANCE RESERVE	(1)	INSTITUTIONAL ADVERTISING EXPENSE	(276,503)	106,661
LOANS TO EMPLOYEES AND RETIREES	(50,911)	ECONOMIC DEVELOPMENT EXPENSE	(61,333)	23,659
INTEREST & DIVIDENDS RECEIVABLE	(38,265)	MGMT FINANCIAL PLANNING SERVICES	(30,605)	11,806
NORTH ESCAMBIA SITE	(4,549,398)	DIRECTORS' & OFFICERS' INSURANCE	(46,596)	17,974
UNAMORTIZED RATE CASE EXPENSE	(2,190,826)	INDUSTRY ASSOCIATION DUES	(1,332)	514
FUEL RELATED DEFERRED DEBITS	(16,129,577)	TALLAHASSEE LIAISON EXPENSE	(461,271)	177,935
UNREALIZED LOSS ON FWD CONTRACT	(101)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,524,227)	587,971
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPN. ESC REV	(457)	(176)
FAS 143 WORKING CAPITAL	84,463,293	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY ASSETS	(152,373,213)	INTEREST SYNCHRONIZATION	7,604,438	7,604,438
FAS 158 REGULATORY LIABILITIES	152,373,213			
PPA REGULATORY ASSETS	(168,574,366)			
PPA REGULATORY LIABILITIES	168,574,366			
FAS 133 REGULATORY ASSETS	(93,430,633)			
FAS 133 REGULATORY LIABILITIES	93,430,633			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
March, 2016

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
LONG TERM DEBT	1,313,233,990	1,196,181,150	(495,127,930)	0	701,053,220	34.96	4.48	1.57	4.48	1.57	4.48	1.57	4.48	1.57	4.48	1.57			
SHORT TERM DEBT	103,782,293	78,608,045	(32,537,746)	0	46,070,299	2.30	0.49	0.01	0.49	0.01	0.49	0.01	0.49	0.01	0.49	0.01			
PREFERENCE STOCK	146,504,074	133,446,431	(55,236,663)	0	78,209,768	3.90	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24			
CUSTOMER DEPOSITS	35,821,909	36,030,541	(14,913,901)	0	21,116,640	1.05	2.36	0.02	2.36	0.02	2.36	0.02	2.36	0.02	2.36	0.02			
COMMON EQUITY	1,339,619,982	1,227,425,852	(508,060,858)	0	719,364,994	35.87	9.25	3.32	10.25	3.68	11.25	3.68	11.25	3.68	11.25	3.68			
DEFERRED INCOME TAXES	863,657,130	800,750,098	(331,449,579)	0	469,300,519	23.40													
FASB 109 DEFERRED TAXES	(55,714,230)	(51,656,119)	21,381,700	0	(30,274,419)	(1.51)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	2,264,261	658,773	(272,682)	0	386,091	0.02	6.86	0.00	7.34	0.00	7.82	0.00	7.82	0.00	7.82	0.00			
<b>TOTAL</b>	<b>3,749,169,409</b>	<b>3,421,444,771</b>	<b>(1,416,217,659)</b>	<b>0</b>	<b>2,005,227,112</b>	<b>100.00 %</b>		<b>5.16 %</b>		<b>5.16 %</b>		<b>5.52 %</b>		<b>5.52 %</b>		<b>5.88 %</b>			

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)			
LONG TERM DEBT	1,283,534,363	1,187,524,753	(489,965,962)	0	697,558,771	34.53	4.46	1.54	4.46	1.54	4.46	1.54	4.46	1.54	4.46	1.54			
SHORT TERM DEBT	56,457,075	36,081,339	(14,886,956)	0	21,194,383	1.05	0.79	0.01	0.79	0.01	0.79	0.01	0.79	0.01	0.79	0.01			
PREFERENCE STOCK	146,504,320	135,545,653	(55,925,368)	0	79,620,285	3.94	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24			
CUSTOMER DEPOSITS	36,204,010	36,951,654	(15,246,043)	0	21,705,611	1.07	2.29	0.02	2.29	0.02	2.29	0.02	2.29	0.02	2.29	0.02			
COMMON EQUITY	1,356,056,761	1,243,033,685	(512,868,653)	0	730,165,032	36.14	9.25	3.34	10.25	3.70	11.25	3.70	11.25	3.70	11.25	3.70			
DEFERRED INCOME TAXES	901,220,011	851,720,889	(351,415,212)	0	500,305,677	24.77													
FASB 109 DEFERRED TAXES	(55,000,660)	(51,979,773)	21,446,560	0	(30,533,213)	(1.51)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,953,587	483,606	(199,533)	0	284,073	0.01	6.87	0.00	7.36	0.00	7.84	0.00	7.84	0.00	7.84	0.00			
<b>TOTAL</b>	<b>3,726,929,467</b>	<b>3,439,361,806</b>	<b>(1,419,061,187)</b>	<b>0</b>	<b>2,020,300,619</b>	<b>100.00 %</b>		<b>5.16 %</b>		<b>5.16 %</b>		<b>5.52 %</b>		<b>5.52 %</b>		<b>5.88 %</b>			

GULF POWER COMPANY  
Financial Integrity Indicators  
March, 2016

## A. Times Interest Earned with AFUDC

Earnings Before Interest	204,899,535
AFUDC - Debt	3,758,651
Income Taxes	89,608,261
	<hr/>
Total	298,266,446
Interest Charges (Before Deducting AFUDC - Debt)	60,003,705
T.I.E. With AFUDC	<hr/> 4.97 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	204,899,535
AFUDC - Other	(8,409,212)
Income Taxes	89,608,261
	<hr/>
Total	286,098,584
Interest Charges (Before Deducting AFUDC - Debt)	60,003,705
T.I.E. Without AFUDC	<hr/> 4.77 x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	3,758,651
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	2,308,751
AFUDC - Other	8,409,212
	<hr/>
Total	10,717,963
	<hr/>
Net Income Available for Common Stockholders	139,651,980
Percent AFUDC to Available Net Income	<hr/> 7.67%

## D. Percent Internally Generated Funds

Net Income	148,654,480
Preference Dividends	(9,002,500)
Common Dividends	(127,637,000)
AFUDC (Debt & Other)	(12,167,862)
Depreciation & Amortization	169,465,505
Deferred Income Taxes	71,730,275
Investment Tax Credits	0
Other	86,633,729
	<hr/>
Total	327,676,627
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	180,375,069
	<hr/>
Percent Internally Generated Funds	<hr/> 181.66%

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	701,053,220
Short Term Debt	46,070,299
Preference Stock	78,209,768
Common Equity	719,364,994
	<hr/>
Total	1,544,698,281
	<hr/>
% Long Term Debt To Total	45.38%
	<hr/>
% Short Term Debt To Total	2.98%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.51%	5.51%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.57)	(1.57)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.84)	(1.84)
	<hr/>	<hr/>
Total	3.67	3.67
Divided by Common Equity Ratio	35.87	35.87
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.23%	10.23%

GULF POWER COMPANY  
Storm Accrual - Twelve Month to Date  
March, 2016

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
April	2015	291,667
May	2015	291,667
June	2015	291,666
July	2015	291,667
August	2015	291,667
September	2015	291,666
October	2015	291,667
November	2015	291,667
December	2015	291,666
January	2016	291,667
February	2016	291,666
<b>March</b>	<b>2016</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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8 Sixty-Sixth Quarterly Report

9 Report Period: First Quarter, 2016

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<u>Rate Class</u>	<u>First Quarter Total Revenue</u>	<u>Fourth Quarter Total KWH Sales</u>	<u>Fourth Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$26,534,775.38	354,637,075	7.482	8.379
PX/PXT	-	-	-	-
LP/LPT	\$17,498,044.19	189,164,034	9.250	9.517

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26 Notes to Quarterly  
Real Time Pricing Report

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