

Robert L. McGee, Jr.
Regulatory & Pricing Manager

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June 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 April, 2016.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr.".

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

April 2016

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
April, 2016

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	178,701,339	(68,269,244)	110,432,095	0	110,432,095
Average Rate Base	3,416,001,681	(1,415,215,868)	2,000,785,814	0	2,000,785,814
Average Rate of Return	5.23%		5.52%		5.52%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	178,692,675	(68,347,445)	110,345,230	0	110,345,230
Year End Rate Base	3,425,063,486	(1,413,398,649)	2,011,664,837	0	2,011,664,837
Year End Rate of Return	5.22%		5.49%		5.49%

(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	4.79 x (System per Books Basis)
C. AFUDC To Net Income	6.57% (System per Books Basis)
D. Internally Generated Funds	174.66% (System per Books Basis)
E. LTD To Total Investor Funds	45.35% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.84% (FPSC Adjusted Basis)
G. Return on Common Equity	10.24% (FPSC Adjusted Basis)
H. Return on Common Equity	10.24% (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
6/13/16

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

#VALUE!

	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	4,910,266,165	1,598,607,643	3,311,658,522	14,756,494	244,257,195	0	3,570,672,211	180,683,617	3,751,355,828
JURISDICTIONAL PER BOOKS	4,353,759,738	1,443,790,442	2,909,969,296	14,324,795	236,448,409	0	3,160,742,501	255,259,181	3,416,001,681
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,184,139,359)	(205,358,023)	(978,781,336)		(19,114,750)		(997,896,086)	(6,162,115)	(1,004,058,201)
INT BEARING CWP					(181,930,618)		(181,930,618)	0	(181,930,618)
ENERGY CONSERVATION CLAUSE	(13,277,264)	7,354,507	(20,631,771)		3,002		(20,628,769)	(1,473,243)	(22,102,012)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(170,875,036)		(170,875,036)				(170,875,036)	0	(170,875,036)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(4,469,231)	(4,469,231)
LOANS TO EMPLOYEES / RETIREES								(49,282)	(49,282)
INTEREST AND DIVIDENDS RECEIVABLE								(32,939)	(32,939)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,357,923)	(17,019,254)
FUEL RELATED DEFERRED DEBITS								(12,837,135)	(12,837,135)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,842,159)	(1,842,159)
TOTAL FPSC ADJUSTMENTS	(1,368,291,659)	(198,003,516)	(1,170,288,143)	(12,661,331)	(201,042,366)	0	(1,383,991,841)	(31,224,027)	(1,415,215,868)
FPSC ADJUSTED	2,985,469,079	1,245,786,926	1,739,681,153	1,663,464	35,406,043	0	1,776,750,660	224,035,154	2,000,785,814
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	2,985,469,079	1,245,786,926	1,739,681,153	1,663,464	35,406,043	0	1,776,750,660	224,035,154	2,000,785,814

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

	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,459,307,366	589,522,225	325,419,685	160,861,527	120,000,367	18,064,290	70,249,416	(638,444)	0	1,263,479,066	195,828,300
JURISDICTIONAL PER BOOKS	1,302,843,952	484,065,507	308,636,730	149,200,321	118,020,902	20,113,111	54,567,453	(378,294)	0	1,134,225,730	168,618,222
LESS FPSC ADJUSTMENTS:	(398,328,043)	(387,946,730)	(13,444,201)	(372,495)	(333,190)	(147,091)				(398,093,821)	(234,222)
RETAIL FUEL REVENUES & EXPENSES	(85,987,991)	(86,118,777)				50,451				(86,068,326)	80,335
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(153,979,683)		(13,444,201)	(372,495)	(333,190)	(705,844)				(14,855,730)	(1,123,954)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(43,298,621)		(23,388,518)	(44,058,448)	(4,197,764)	(31,724,736)				(103,369,466)	(50,516,964)
ENVIRONMENTAL COST RECOVERY CLAUSE					(42,184,904)	(429,616)				(42,614,520)	(684,101)
FRANCHISE FEE REVENUE & EXPENSE	(32,556,441)				(32,146,268)	(146,662)				(32,292,920)	(233,521)
GROSS RECEIPT'S TAX, REVENUE & ADJUSTMENT			(154,381)			59,552				(94,829)	94,829
MARKETING SUPPORT ACTIVITIES			(312,637)			120,600				(192,037)	192,037
WHOLESALE EXPENSES			(266,707)			102,882				(163,825)	163,825
INSTITUTIONAL ADVERTISING EXPENSE			(59,175)			22,827				(36,348)	36,348
ECONOMIC DEVELOPMENT EXPENSE			(28,843)			11,126				(17,717)	17,717
MGMT FINANCIAL PLANNING SERVICES			(45,284)			17,468				(27,816)	27,816
DIRECTORS' & OFFICERS' INSURANCE			(1,183)			456				(727)	727
INDUSTRY ASSOCIATION DUES			(415,214)			168,026				(267,556)	267,556
TALLAHASSEE LIAISON EXPENSES					(20,368)	583,275				(928,780)	928,780
GRT, FPSC FEES ON CLAUSES & FEES					(1,512,055)	8,198				(13,053)	13,053
INT. FPSC FEES ON CLAUSES & FEES						7,216,389			(21,251)	7,216,389	(7,216,389)
INTEREST SYNCRONIZATION											
TOTAL FPSC ADJUSTMENTS	(730,007,209)	(484,065,507)	(98,116,142)	(44,430,943)	(80,394,550)	(24,792,689)	0	0	(21,251)	(671,821,082)	(58,186,127)
FPSC ADJUSTED	572,836,743	0	270,520,588	104,769,378	37,626,352	(4,679,578)	54,567,453	(378,294)	(21,251)	462,404,648	110,432,095
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	572,836,743	0	270,520,588	104,769,378	37,626,352	(4,679,578)	54,567,453	(378,294)	(21,251)	462,404,648	110,432,095
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,322,939	AND THE JURISDICTIONAL NOI BY	10,083,117					
CURRENT MONTH SYSTEM PER BOOKS	104,925,851	38,077,690	26,438,982	13,605,131	10,310,370	187,831	4,342,360	(42,621)	0	93,119,743	11,806,109
CURRENT MONTH JURISDICTIONAL PER BOOKS	95,972,672	33,288,546	23,840,455	12,829,771	10,114,724	1,045,312	3,501,244	(21,142)	0	84,578,910	11,393,762

TOTALS MAY NOT ADD DUE TO ROUNDING.

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

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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	(1,219,730,212)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(484,800,996)	(187,011,984)
ACCUMULATED DEPRECIATION	211,530,327	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(158,481,213)	(61,134,128)
CWIP	(19,689,268)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,187,517)	(33,246,835)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,277,264)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(15,979,683)	(6,164,163)
ACCUMULATED DEPRECIATION	(7,354,507)	FUEL EXPENSE	(480,791,189)	185,465,201
CWIP	3,002	PURCHASED POWER CAPACITY COST EXPENSE	(88,716,886)	34,222,539
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(170,875,036)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(13,816,696)	5,329,790
FAS 143 NET PLANT	(76,984,119)	CONSERVATION EXPENSES - OTHER TAXES	(333,190)	128,528
INTEREST BEARING CWIP	(186,257,749)	ENVIRONMENTAL COST RECOVERY EXPENSE	(73,738,596)	28,444,664
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,298,621)	(16,702,443)
		FRANCHISE FEE	(42,184,904)	16,272,827
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(32,526,441)	(12,547,075)
ECRC WORKING CAPITAL	(6,347,326)	GROSS RECEIPTS TAX EXPENSE	(32,146,268)	12,400,423
CONSERVATION/AEM INVENTORY	(1,473,243)	MARKETING SUPPORT ACTIVITIES	(154,381)	59,552
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(4,469,231)	WHOLESALE EXPENSES	(321,612)	124,062
FUNDED PROPERTY INSURANCE RESERVE	(2)	INSTITUTIONAL ADVERTISING EXPENSE	(271,961)	104,909
LOANS TO EMPLOYEES AND RETIREES	(51,433)	ECONOMIC DEVELOPMENT EXPENSE	(59,175)	22,827
INTEREST & DIVIDENDS RECEIVABLE	(34,377)	MGMT FINANCIAL PLANNING SERVICES	(29,480)	11,372
NORTH ESCAMBIA SITE	(4,549,398)	DIRECTORS' & OFFICERS' INSURANCE	(46,284)	17,854
UNAMORTIZED RATE CASE EXPENSE	(1,922,650)	INDUSTRY ASSOCIATION DUES	(1,206)	465
FUEL RELATED DEFERRED DEBITS	(12,837,135)	TALLHASSEE LIAISON EXPENSE	(445,204)	171,738
UNREALIZED LOSS ON FWD CONTRACT	(118)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,512,054)	583,275
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFRN. ESC REV	(40,707)	(15,703)
FAS 143 WORKING CAPITAL	90,455,527	GAINLOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY ASSETS	(152,385,366)	INTEREST SYNCHRONIZATION	7,515,046	7,515,046
FAS 158 REGULATORY LIABILITIES	152,385,366			
PPA REGULATORY ASSETS	(166,742,036)			
PPA REGULATORY LIABILITIES	166,742,036			
FAS 133 REGULATORY ASSETS	(92,353,169)			
FAS 133 REGULATORY LIABILITIES	92,353,169			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
April, 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	5,049,929,291	1,543,964,486	3,505,964,805	14,754,000	61,418,289	0	3,582,137,094	180,683,617	3,762,820,711
JURISDICTIONAL PER BOOKS	4,474,405,355	1,385,088,946	3,089,316,409	14,322,375	57,007,911	0	3,160,646,695	264,416,791	3,425,063,486
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,376,221,924)	(226,059,595)	(1,150,162,329)		(16,560,607)		(1,166,722,936)	(6,162,115)	(1,172,885,051)
INT BEARING CWP					(95,570)		(95,570)	0	(95,570)
ENERGY CONSERVATION CLAUSE	(13,742,598)	7,612,071	(21,354,669)				(21,354,669)	(1,473,243)	(22,827,912)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,112,547)		(177,112,547)				(177,112,547)	0	(177,112,547)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(8,696,800)	(8,696,800)
LOANS TO EMPLOYEES AND RETIREES								(49,282)	(49,282)
INTEREST AND DIVIDENDS RECEIVABLE								(32,939)	(32,939)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,357,923)	(17,019,254)
FUEL RELATED DEFERRED DEBITS								(12,837,135)	(12,837,135)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,842,159)	(1,842,159)
TOTAL FPSC ADJUSTMENTS	(1,567,077,069)	(218,447,524)	(1,348,629,545)	(12,661,331)	(16,656,177)	0	(1,377,947,053)	(35,451,596)	(1,413,398,649)
FPSC ADJUSTED	2,907,328,286	1,166,641,422	1,740,686,864	1,661,044	40,351,734	0	1,782,699,642	228,965,195	2,011,664,837
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	2,907,328,286	1,166,641,422	1,740,686,864	1,661,044	40,351,734	0	1,782,699,642	228,965,195	2,011,664,837

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
April, 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	1,459,307,366	589,522,225	325,419,685	180,861,527	120,000,367	18,064,290	70,249,416	(638,444)	0	1,283,479,066	195,828,300 (a)
JURISDICTIONAL PER BOOKS	1,302,843,952	484,065,507	308,636,730	149,200,321	118,020,902	20,110,696	54,578,532	(378,294)	0	1,134,234,394	168,609,558 (a)
LESS FPSC ADJUSTMENTS:	(398,328,043)	(397,946,730)				(147,091)				(398,093,821)	(234,222)
RETAIL FUEL REVENUES & EXPENSES	(85,987,991)	(86,118,777)				50,451				(86,068,326)	80,335
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(15,979,683)		(13,444,201)	(372,495)	(333,190)	(705,844)				(14,855,730)	(1,123,954)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(153,886,430)		(23,388,518)	(44,058,448)	(4,197,764)	(31,724,736)				(103,369,466)	(50,516,964)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,298,621)				(42,184,904)	(429,616)				(42,614,520)	(684,101)
FRANCHISE FEE REVENUE & EXPENSE	(32,526,441)				(32,146,268)	(146,652)				(32,292,920)	(233,521)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(154,381)			59,552				(94,829)	94,829
MARKETING SUPPORT ACTIVITIES			(312,637)			120,800				(192,037)	192,037
WHOLESALE EXPENSES			(266,707)			102,882				(163,825)	163,825
INSTITUTIONAL ADVERTISING EXPENSE			(59,175)			22,827				(36,348)	36,348
ECONOMIC DEVELOPMENT EXPENSE			(28,843)			11,126				(17,717)	17,717
MGMT FINANCIAL PLANNING SERVICES			(45,284)			17,468				(27,816)	27,816
DIRECTORS' & OFFICERS' INSURANCE			(1,183)			456				(727)	727
INDUSTRY ASSOCIATION DUES			(415,214)							(267,556)	267,556
TALLAHASSEE LIAISON EXPENSES					(20,368)	168,026				(928,780)	928,780
GRT, FPSC FEES ON CLAUSES & FEES					(1,512,055)	583,275			(21,251)	(13,053)	13,053
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						8,198				7,294,590	(7,294,590)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(730,007,209)	(484,065,507)	(38,116,142)	(44,430,943)	(80,394,550)	(24,714,488)	0	0	(21,251)	(671,742,881)	(58,264,328)
FPSC ADJUSTED	572,836,743	0	270,520,588	104,769,378	37,626,352	(4,603,792)	54,578,532	(378,294)	(21,251)	462,491,513	110,345,230
PRO FORMA REVENUE ANNUALIZATION	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
PRQ FORMA ADJUSTED	572,836,743	0	270,520,588	104,769,378	37,626,352	(4,603,792)	54,578,532	(378,294)	(21,251)	462,491,513	110,345,230
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,322,939	AND THE JURISDICTIONAL NOI BY		10,083,117				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
April, 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	(1,417,552,398)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(484,800,996)	(187,011,984)
ACCUMULATED DEPRECIATION	232,848,580	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(158,481,213)	(61,134,128)
CWIP	(17,057,953)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,187,517)	(33,246,835)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,742,598)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(15,979,683)	(6,164,163)
ACCUMULATED DEPRECIATION	(7,612,071)	FUEL EXPENSE	(480,791,189)	185,465,201
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,716,886)	34,222,539
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,112,547)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(13,816,696)	5,329,790
FAS 143 NET PLANT	(88,675,111)	CONSERVATION EXPENSES - OTHER TAXES	(333,190)	128,528
INTEREST BEARING CWIP	(97,843)	ENVIRONMENTAL COST RECOVERY EXPENSE	(73,738,596)	28,444,664
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(43,298,621)	(16,702,443)
		FRANCHISE FEE	(42,184,904)	16,272,827
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(32,526,441)	(12,547,075)
ECRC WORKING CAPITAL	(6,347,326)	GROSS RECEIPTS TAX EXPENSE	(32,146,268)	12,400,423
CONSERVATION/AEM INVENTORY	(1,473,243)	MARKETING SUPPORT ACTIVITIES	(154,381)	59,552
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(4,469,231)	WHOLESALE EXPENSES	(321,612)	124,062
FUNDED PROPERTY INSURANCE RESERVE	(2)	INSTITUTIONAL ADVERTISING EXPENSE	(271,961)	104,909
LOANS TO EMPLOYEES AND RETIREES	(51,433)	ECONOMIC DEVELOPMENT EXPENSE	(59,175)	22,827
INTEREST & DIVIDENDS RECEIVABLE	(34,377)	MGMT FINANCIAL PLANNING SERVICES	(29,480)	11,372
NORTH ESCAMBIA SITE	(4,549,398)	DIRECTORS' & OFFICERS' INSURANCE	(46,284)	17,854
UNAMORTIZED RATE CASE EXPENSE	(1,922,650)	INDUSTRY ASSOCIATION DUES	(1,206)	465
FUEL RELATED DEFERRED DEBITS	(12,837,135)	TALLAHASSEE LIAISON EXPENSE	(445,204)	171,738
UNREALIZED LOSS ON FWD CONTRACT	(118)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,512,054)	583,275
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REPN. ESC REV	(40,707)	(15,703)
FAS 143 WORKING CAPITAL	90,455,527	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY ASSETS	(152,385,366)	INTEREST SYNCHRONIZATION	7,588,402	7,588,402
FAS 158 REGULATORY LIABILITIES	152,385,366			
PPA REGULATORY ASSETS	(166,742,036)			
PPA REGULATORY LIABILITIES	166,742,036			
FAS 133 REGULATORY ASSETS	(92,353,169)			
FAS 133 REGULATORY LIABILITIES	92,353,169			

AVERAGE	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,308,546,494	1,190,858,302	(493,360,871)	697,497,431	34.86	4.48	1.56	4.48	1.56	4.48	1.56	4.48	1.56
SHORT TERM DEBT	95,898,278	74,611,148	(30,910,664)	43,700,484	2.18	0.53	0.01	0.53	0.01	0.53	0.01	0.53	0.01
PREFERENCE STOCK	146,504,109	133,328,512	(55,236,690)	78,091,822	3.90	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,890,581	36,068,955	(14,943,013)	21,125,942	1.06	2.35	0.02	2.35	0.02	2.35	0.02	2.35	0.02
COMMON EQUITY	1,339,104,291	1,227,302,284	(508,459,254)	718,843,030	35.93	9.25	3.32	10.25	3.68	11.25	3.68	11.25	4.04
DEFERRED INCOME TAXES	869,401,405	804,673,116	(333,368,150)	471,304,966	23.56								
FASB 109 DEFERRED TAXES	(55,606,763)	(51,466,754)	21,322,169	(30,144,585)	(1.51)								
TAX CREDITS - ZERO COST	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	2,210,651	626,119	(259,395)	366,724	0.02	6.86	0.00	7.34	0.00	7.82	0.00	7.82	0.00
TOTAL	3,741,949,046	3,416,001,681	(1,415,215,868)	2,000,785,814	100.00 %		5.16 %		5.52 %		5.52 %		5.88 %

YEAR END	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,284,300,988	1,182,514,295	(487,980,475)	694,533,820	34.53	4.48	1.55	4.48	1.55	4.48	1.55	4.48	1.55
SHORT TERM DEBT	47,970,979	31,364,951	(12,943,170)	18,421,781	0.92	0.97	0.01	0.97	0.01	0.97	0.01	0.97	0.01
PREFERENCE STOCK	146,504,320	134,893,186	(55,665,493)	79,227,693	3.94	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	36,330,035	36,930,767	(15,239,979)	21,690,788	1.08	2.19	0.02	2.19	0.02	2.19	0.02	2.19	0.02
COMMON EQUITY	1,330,633,260	1,241,292,715	(512,236,183)	729,056,532	36.24	9.25	3.35	10.25	3.71	11.25	3.71	11.25	4.08
DEFERRED INCOME TAXES	905,370,421	849,003,825	(350,352,881)	498,650,944	24.78								
FASB 109 DEFERRED TAXES	(54,808,710)	(51,396,427)	21,209,429	(30,186,998)	(1.50)								
TAX CREDITS - ZERO COST	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	1,910,966	460,174	(189,897)	270,277	0.01	6.88	0.00	7.37	0.00	7.85	0.00	7.85	0.00
TOTAL	3,698,212,259	3,425,063,486	(1,413,398,649)	2,011,664,837	100.00 %		5.17 %		5.54 %		5.54 %		5.90 %

GULF POWER COMPANY
Financial Integrity Indicators
April, 2016

A. Times Interest Earned with AFUDC

Earnings Before Interest	203,858,290
AFUDC - Debt	3,188,754
Income Taxes	89,667,454
	<hr/>
Total	296,714,499
Interest Charges (Before Deducting AFUDC - Debt)	59,744,575
	<hr/>
T.I.E. With AFUDC	4.97 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	203,858,290
AFUDC - Other	(7,134,185)
Income Taxes	89,667,454
	<hr/>
Total	286,391,560
Interest Charges (Before Deducting AFUDC - Debt)	59,744,575
	<hr/>
T.I.E. Without AFUDC	4.79 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,188,754
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,958,692
AFUDC - Other	7,134,185
	<hr/>
Total	9,092,877
	<hr/>
Net Income Available for Common Stockholders	138,299,969
Percent AFUDC to Available Net Income	6.57%

D. Percent Internally Generated Funds

Net Income	147,302,469
Preference Dividends	(9,002,500)
Common Dividends	(125,114,000)
AFUDC (Debt & Other)	(10,322,939)
Depreciation & Amortization	169,931,538
Deferred Income Taxes	70,219,391
Investment Tax Credits	0
Other	49,965,817
	<hr/>
Total	292,979,775
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	167,743,210
	<hr/>
Percent Internally Generated Funds	174.66%

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	697,497,431
Short Term Debt	43,700,484
Preference Stock	78,091,822
Common Equity	718,843,030
	<hr/>
Total	1,538,132,767
	<hr/>
% Long Term Debt To Total	45.35%
	<hr/>
% Short Term Debt To Total	2.84%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.52%	5.52%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.56)	(1.56)
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	3.68	3.68
Divided by Common Equity Ratio	35.93	35.93
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.24%	10.24%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
March	2016	291,667
April	2016	291,667
12 - M-T-D		<u><u>3,500,000</u></u>