

Robert L. McGee, Jr.  
Regulatory & Pricing Manager

One Energy Place  
Pensacola, Florida 32520-0780

Tel 850.444.6530  
Fax 850.444.6026  
RLMCGEE@southernco.com



August 15, 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 June, 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

**June 2016**

Earnings Surveillance  
Report  
(Rate of Return)



**GULF POWER COMPANY**  
**Earnings Surveillance Report Summary**  
**June, 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	181,664,636	(67,894,164)	113,770,472	0	113,770,472
Average Rate Base	3,410,553,150	(1,409,842,786)	2,000,710,364	0	2,000,710,364
Average Rate of Return	5.33%		5.69%		5.69%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	181,664,755	(69,178,718)	112,486,037	0	112,486,037
Year End Rate Base	3,413,238,374	(1,400,852,399)	2,012,385,975	0	2,012,385,975
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	5.14%
Midpoint	5.50%
High	5.87%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	5.09 x (System per Books Basis)
B. Tie Without AFUDC	4.97 x (System per Books Basis)
C. AFUDC To Net Income	4.52% (System per Books Basis)
D. Internally Generated Funds	120.57% (System per Books Basis)
E. LTD To Total Investor Funds	44.46% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	3.34% (FPSC Adjusted Basis)
G. Return on Common Equity	10.75% (FPSC Adjusted Basis)
H. Return on Common Equity	10.75% (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

8/15/16

GULF POWER COMPANY  
 AVERAGE RATE OF RETURN  
 RATE BASE  
 June, 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>	4,978,786,164	1,599,213,930	3,379,572,234	14,756,072	189,386,036	0	3,583,714,342	159,775,891	3,743,490,233
<b>JURISDICTIONAL PER BOOKS</b>	4,407,977,524	1,442,890,933	2,965,086,591	14,324,385	183,042,384	0	3,162,453,361	248,099,789	3,410,553,150
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,230,263,226)	(203,881,340)	(1,026,381,886)		(18,772,389)		(1,045,154,275)	(6,152,267)	(1,051,306,542)
INT BEARING CWIP					(128,480,496)		(128,480,496)	0	(128,480,496)
ENERGY CONSERVATION CLAUSE	(13,439,560)	7,432,716	(20,872,276)		3,002		(20,869,274)	(1,441,431)	(22,310,705)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(176,785,520)		(176,785,520)				(176,785,520)	0	(176,785,520)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(5,859,223)	(5,859,223)
LOANS TO EMPLOYEES / RETIREES								(48,764)	(48,764)
INTEREST AND DIVIDENDS RECEIVABLE								(25,489)	(25,489)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,359,593)	(17,020,924)
FUEL RELATED DEFERRED DEBITS								(6,585,182)	(6,585,182)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,419,941)	(1,419,941)
<b>TOTAL FPSC ADJUSTMENTS</b>	(1,420,488,306)	(196,448,624)	(1,224,039,682)	(12,661,331)	(147,249,883)	0	(1,383,950,897)	(25,891,889)	(1,409,842,786)
<b>FPSC ADJUSTED</b>	2,987,489,218	1,246,442,309	1,741,046,909	1,663,054	35,792,501	0	1,778,502,464	222,207,900	2,000,710,364
<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>	2,987,489,218	1,246,442,309	1,741,046,909	1,663,054	35,792,501	0	1,778,502,464	222,207,900	2,000,710,364

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

	OPERATING REVENUES	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	1,441,744,152	557,254,164	315,526,671	182,195,003	119,476,181	24,259,410	65,667,074	(906,696)	0	1,243,771,807	197,972,345 (a)
JURISDICTIONAL PER BOOKS	1,297,206,897	478,471,610	299,644,346	150,528,377	117,498,735	24,753,125	59,956,243	(347,147)	0	1,122,507,289	174,699,608 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(390,679,754)	(390,365,721)				(121,138)				(390,466,859)	(192,894)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(85,982,322)	(86,105,888)				47,666				(86,058,222)	75,900
ENERGY CONSERVATION COST REVENUES & EXPENSES	(15,194,409)					(709,691)				(1,4,064,326)	(1,130,079)
ENVIRONMENTAL COST RECOVERY CLAUSE	(159,501,198)	(23,140,749)		(376,983)	(324,706)	(33,313,396)				(106,454,524)	(53,046,674)
FRANCHISE FEE REVENUE & EXPENSE	(42,850,973)			(45,509,135)	(4,491,242)	(458,029)				(42,101,690)	(729,343)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,190,837)				(31,811,668)	(146,264)				(31,957,932)	(232,905)
MARKETING SUPPORT ACTIVITIES			(136,569)			52,882				(83,687)	69,887
WHOLESALE EXPENSES			(343,044)			132,329				(210,715)	210,715
INSTITUTIONAL ADVERTISING EXPENSE			(278,398)			107,392				(171,006)	171,006
ECONOMIC DEVELOPMENT EXPENSE			(53,134)			20,496				(32,638)	32,638
MGMT FINANCIAL PLANNING SERVICES			(18,190)			7,017				(11,173)	11,173
DIRECTORS' & OFFICERS' INSURANCE			(44,673)			17,233				(27,440)	27,440
INDUSTRY ASSOCIATION DUES			(1,007)			968				(619)	619
TALLAHASSEE LIAISON EXPENSES			(426,766)			173,575				(276,392)	276,392
GRT, FPSC FEES ON CLAUSES & FEES					(21,201)	573,947				(912,970)	912,970
(GAIN)/LOSS ON DISPOSITION OF PROPERTY					(1,486,317)	8,198			(21,251)	(13,053)	13,053
INTEREST SYNCHRONIZATION						7,413,035				7,413,035	(7,413,035)
TOTAL FPSC ADJUSTMENTS	(726,379,491)	(476,471,610)	(37,087,479)	(45,886,118)	(79,778,735)	(26,195,162)	0	0	(21,251)	(665,450,355)	(60,929,136)
FPSC ADJUSTED	570,827,406	0	262,546,867	104,642,259	37,720,000	(1,442,037)	53,956,243	(347,147)	(21,251)	457,056,934	113,770,472
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	570,827,406	0	262,546,867	104,642,259	37,720,000	(1,442,037)	53,956,243	(347,147)	(21,251)	457,056,934	113,770,472
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				7,130,688			6,965,028				
CURRENT MONTH SYSTEM PER BOOKS	141,065,980	59,028,155	26,181,446	13,963,201	10,302,263	10,559,206	33,799	(42,621)	0	120,026,448	21,039,532
CURRENT MONTH JURISDICTIONAL PER BOOKS	128,580,281	49,671,012	23,674,865	13,000,857	10,141,118	10,821,415	33,756	(21,142)	0	107,521,882	21,059,400

TOTALS MAY NOT ADD DUE TO ROUNDING

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
June, 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	(1,267,231,722)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(472,483,677)	(182,260,578)
ACCUMULATED DEPRECIATION CWIP	210,007,857	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(164,381,873)	(63,410,307)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,439,580)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,176,675)	(33,242,653)
ACCUMULATED DEPRECIATION CWIP	7,432,716	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(15,194,408)	(5,861,243)
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	3,002	FUEL EXPENSE	(468,547,483)	180,742,192
FAS 143 NET PLANT	(176,785,520)	PURCHASED POWER CAPACITY COST EXPENSE	(88,703,609)	34,217,417
INTEREST BEARING CWIP	(88,532,935)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(13,029,932)	5,026,296
PHFU - NORTH ESCAMBIA	(13,042,899)	CONSERVATION EXPENSES - OTHER TAXES	(324,706)	125,255
WORKING CAPITAL:		ENVIRONMENTAL COST RECOVERY EXPENSE	(75,278,841)	29,038,813
ECRC WORKING CAPITAL	(6,337,138)	FRANCHISE FEE REVENUES	(42,830,973)	(16,522,048)
CONSERVATION/AEM INVENTORY	(1,441,431)	FRANCHISE FEE	(41,643,601)	16,064,019
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(5,859,223)	GROSS RECEIPTS TAX REVENUES	(32,190,837)	(12,417,615)
FUNDED PROPERTY INSURANCE RESERVE	(2)	GROSS RECEIPTS TAX EXPENSE	(31,811,668)	12,271,351
LOANS TO EMPLOYEES AND RETIREES	(50,893)	MARKETING SUPPORT ACTIVITIES	(136,569)	52,682
INTEREST & DIVIDENDS RECEIVABLE	(26,602)	WHOLESALE EXPENSES	(352,946)	136,149
NORTH ESCAMBIA SITE	(4,551,141)	INSTITUTIONAL ADVERTISING EXPENSE	(283,882)	109,508
UNAMORTIZED RATE CASE EXPENSE	(1,481,983)	ECONOMIC DEVELOPMENT EXPENSE	(53,134)	20,496
FUEL RELATED DEFERRED DEBITS	(6,585,182)	MGMT FINANCIAL PLANNING SERVICES	(18,592)	7,172
UNREALIZED LOSS ON FWD CONTRACT	(3,476)	DIRECTORS' & OFFICERS' INSURANCE	(45,659)	17,813
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,027)	396
FAS 143 WORKING CAPITAL	102,705,700	TALLAHASSEE LIAISON EXPENSE	(459,907)	177,409
FAS 158 REGULATORY ASSETS	(152,461,702)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,486,317)	573,347
FAS 158 REGULATORY LIABILITIES	152,461,702	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(66,279)	(25,567)
PPA REGULATORY ASSETS	(163,077,376)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
PPA REGULATORY LIABILITIES	163,077,376	INTEREST SYNCHRONIZATION	7,711,309	7,711,309
FAS 133 REGULATORY ASSETS	(89,020,516)			
FAS 133 REGULATORY LIABILITIES	89,020,516			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
June, 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	5,063,206,486	1,564,939,776	3,498,266,709	14,754,000	67,231,985	0	3,580,252,695	159,775,891	3,740,028,586
JURISDICTIONAL PER BOOKS	4,483,064,466	1,404,088,476	3,078,965,990	14,322,375	64,065,596	0	3,157,353,961	255,884,413	3,413,238,374
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,347,411,784)	(205,460,298)	(1,141,951,486)		(17,039,018)		(1,158,990,504)	(6,152,267)	(1,165,142,771)
INT BEARING CWIP	(13,901,240)	7,589,422	(21,490,662)		(108,912)		(108,912)	0	(108,912)
ENERGY CONSERVATION CLAUSE	(177,404,150)		(177,404,150)				(177,404,150)	(1,441,431)	(22,932,093)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT. CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	(177,404,150)
LOANS TO EMPLOYEES AND RETIREES								(10,164,173)	(10,164,173)
INTEREST AND DIVIDENDS RECEIVABLE								(48,764)	(48,764)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(25,489)	(25,489)
FUEL RELATED DEFERRED DEBITS								(4,359,593)	(17,020,924)
FUEL RELATED DEFERRED DEBITS								(6,585,182)	(6,585,182)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,419,941)	(1,419,941)
TOTAL FPSC ADJUSTMENTS	(1,538,717,174)	(197,870,876)	(1,340,846,298)	(12,661,331)	(17,147,930)	0	(1,370,655,559)	(30,196,840)	(1,400,852,399)
FPSC ADJUSTED	2,944,347,292	1,206,227,600	1,738,119,692	1,661,044	46,917,666	0	1,786,698,402	225,687,573	2,012,385,975
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	2,944,347,292	1,206,227,600	1,738,119,692	1,661,044	46,917,666	0	1,786,698,402	225,687,573	2,012,385,975

GULF POWER COMPANY  
 YEAR END RATE OF RETURN  
 INCOME STATEMENT  
 June, 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	1,441,744,152	557,254,164	315,526,671	162,195,003	119,476,181	24,259,410	65,667,074	(606,696)	0	1,243,771,807	197,972,345
JURISDICTIONAL PER BOOKS	1,297,206,897	476,471,610	299,644,346	150,526,377	117,498,735	24,753,148	53,958,101	(347,147)	0	1,122,507,170	174,699,727
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(390,679,754)	(390,365,721)				(121,138)				(390,486,859)	(192,894)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(95,982,322)	(86,105,888)				47,666				(86,058,222)	75,900
ENERGY CONSERVATION COST REVENUES & EXPENSES	(15,194,408)		(12,652,949)	(376,983)	(324,706)	(709,691)				(14,064,328)	(1,130,079)
ENVIRONMENTAL COST RECOVERY CLAUSE	(159,501,198)		(23,140,749)	(45,509,135)	(4,491,242)	(33,313,398)				(106,454,524)	(53,046,674)
FRANCHISE FEE REVENUE & EXPENSE	(42,880,973)				(41,643,601)	(458,029)				(42,101,630)	(729,343)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,190,837)				(31,811,668)	(146,264)				(31,957,932)	(232,905)
MARKETING SUPPORT ACTIVITIES			(136,569)			52,882				(83,887)	83,887
WHOLESALE EXPENSES			(343,044)			132,329				(210,715)	210,715
INSTITUTIONAL ADVERTISING EXPENSE			(278,398)			107,392				(171,006)	171,006
ECONOMIC DEVELOPMENT EXPENSE			(53,134)			20,496				(32,638)	32,638
MGMT FINANCIAL PLANNING SERVICES			(18,190)			7,017				(11,173)	11,173
DIRECTORS' & OFFICERS' INSURANCE			(44,673)			17,233				(27,440)	27,440
INDUSTRY ASSOCIATION DUES			(1,007)			388				(619)	619
TALLAHASSEE LIAISON EXPENSES			(428,766)			173,575				(276,392)	276,392
GRT, FPSC FEES ON CLAUSES & FEES					(21,201)	573,347				(912,970)	912,970
(GAIN)/LOSS ON DISPOSITION OF PROPERTY					(1,466,317)	8,198			(21,251)	(13,053)	13,053
INTEREST SYNCRONIZATION						8,697,589				8,697,589	(8,697,589)
TOTAL FPSC ADJUSTMENTS	(726,379,491)	(476,471,610)	(37,087,479)	(45,886,118)	(79,778,735)	(24,910,608)	0	0	(21,251)	(664,165,801)	(62,213,690)
FPSC ADJUSTED	570,827,406	0	262,546,867	104,642,259	37,720,000	(157,460)	53,958,101	(347,147)	(21,251)	458,341,369	112,486,037
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	570,827,406	0	262,546,867	104,642,259	37,720,000	(157,460)	53,958,101	(347,147)	(21,251)	458,341,369	112,486,037
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				7,130,688			6,965,028				



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
June, 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	(1,387,758,855)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(472,483,677)	(182,260,578)
ACCUMULATED DEPRECIATION	211,612,628	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(164,381,873)	(63,410,307)
CWIP	(17,549,236)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(86,176,675)	(33,242,653)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(13,901,240)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(15,194,408)	(5,861,243)
ACCUMULATED DEPRECIATION	(7,589,422)	FUEL EXPENSE	(468,547,483)	180,742,192
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(88,703,609)	34,217,417
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,404,150)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(13,029,932)	5,026,296
FAS 143 NET PLANT	(91,897,806)	CONSERVATION EXPENSES - OTHER TAXES	(324,706)	125,255
INTEREST BEARING CWIP	(111,502)	ENVIRONMENTAL COST RECOVERY EXPENSE	(75,278,841)	29,038,813
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,830,973)	(16,522,048)
		FRANCHISE FEE	(41,643,601)	16,064,019
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(32,190,837)	(12,417,615)
ECRC WORKING CAPITAL	(6,337,138)	GROSS RECEIPTS TAX EXPENSE	(31,811,668)	12,271,351
CONSERVATION/AEM INVENTORY	(1,441,431)	MARKETING SUPPORT ACTIVITIES	(136,569)	52,682
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(5,859,223)	WHOLESALE EXPENSES	(352,946)	136,149
FUNDED PROPERTY INSURANCE RESERVE	(2)	INSTITUTIONAL ADVERTISING EXPENSE	(283,882)	109,508
LOANS TO EMPLOYEES AND RETIREES	(50,893)	ECONOMIC DEVELOPMENT EXPENSE	(53,134)	20,496
INTEREST & DIVIDENDS RECEIVABLE	(26,602)	MGMT FINANCIAL PLANNING SERVICES	(18,592)	7,172
NORTH ESCAMBIA SITE	(4,551,141)	DIRECTORS' & OFFICERS' INSURANCE	(45,659)	17,613
UNAMORTIZED RATE CASE EXPENSE	(1,481,983)	INDUSTRY ASSOCIATION DUES	(1,027)	396
FUEL RELATED DEFERRED DEBITS	(6,585,182)	TALLAHASSEE LIAISON EXPENSE	(459,907)	177,409
UNREALIZED LOSS ON FWD CONTRACT	(3,476)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,486,317)	573,347
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/GA. SALE GAS/PROV RT REFN. ESC REV	(66,279)	(25,567)
FAS 143 WORKING CAPITAL	102,705,700	GAIN/LOSS ON DISPOSITION OF PROPERTY	(21,642)	8,348
FAS 158 REGULATORY ASSETS	(152,461,702)	INTEREST SYNCHRONIZATION	9,275,925	9,275,925
FAS 158 REGULATORY LIABILITIES	152,461,702			
PPA REGULATORY ASSETS	(163,077,376)			
PPA REGULATORY LIABILITIES	163,077,376			
FAS 133 REGULATORY ASSETS	(89,020,516)			
FAS 133 REGULATORY LIABILITIES	89,020,516			



GULF POWER COMPANY  
Financial Integrity Indicators  
June, 2016

## A. Times Interest Earned with AFUDC

Earnings Before Interest	204,152,392
AFUDC - Debt	2,202,668
Income Taxes	91,419,526
	<hr/>
Total	297,774,586
Interest Charges (Before Deducting AFUDC - Debt)	58,503,508
	<hr/>
T.I.E. With AFUDC	5.09 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	204,152,392
AFUDC - Other	(4,928,020)
Income Taxes	91,419,526
	<hr/>
Total	290,643,898
Interest Charges (Before Deducting AFUDC - Debt)	58,503,508
	<hr/>
T.I.E. Without AFUDC	4.97 x

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

AFUDC - Debt	2,202,668
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,352,989
AFUDC - Other	4,928,020
	<hr/>
Total	6,281,009
	<hr/>
Net Income Available for Common Stockholders	138,849,052
Percent AFUDC to Available Net Income	4.52%

## D. Percent Internally Generated Funds

Net Income	147,851,552
Preference Dividends	(9,002,500)
Common Dividends	(125,114,000)
AFUDC (Debt & Other)	(7,130,688)
Depreciation & Amortization	171,262,800
Deferred Income Taxes	65,640,386
Investment Tax Credits	0
Other	(60,799,233)
	<hr/>
Total	182,708,318
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	151,537,656
	<hr/>
Percent Internally Generated Funds	120.57%

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	681,404,121
Short Term Debt	51,129,598
Preference Stock	78,013,029
Common Equity	722,001,631
	<hr/>
Total	1,532,548,379
	<hr/>
% Long Term Debt To Total	44.46%
	<hr/>
% Short Term Debt To Total	3.34%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.69%	5.69%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.53)	(1.53)
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	(1.81)	(1.81)
	<hr/>	<hr/>
Total	3.88	3.88
Divided by Common Equity Ratio	36.09	36.09
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.75%	10.75%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
July	2015	291,666
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
May	2016	291,667
<b>June</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

4  
5  
6  
7  
8 Sixty-Seventh Quarterly Report

9  
10 Report Period: Second Quarter, 2016

11  
12

13 <u>Rate Class</u>	14 <u>Second Quarter Total Revenue</u>	15 <u>Second Quarter Total KWH Sales</u>	16 <u>Second Quarter ¢/KWH</u>	17 <u>12-Month Rolling Average ¢/KWH</u>
18 RTP	\$30,085,018.40	405,036,103	7.428	8.269
19 PX/PXT	-	-	-	-
20 LP/LPT	\$19,200,289.30	208,795,623	9.196	9.410

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25 **Notes to Quarterly  
Real Time Pricing Report**

- 26  
27
- 28 **1. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective June 1, 2016.**  
29 **The reason for this change was to reflect a change in the long-term system lambdas.**
- 30

31

32 <u>Multipliers Effective 6/1/2016</u>	
34 On-Peak	35 2.071
36 Intermediate	37 0.678
38 Off-Peak	39 0.533

40  
41

- 42
- 43 **2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT  
44 and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between  
45 RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling  
46 average basis.**
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48  
49  
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