

February 13, 2017

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 December, 2016. In compliance with the Commission's decision in Docket 160134-EI on September 13, 2016, Gulf's Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf's native load customers to the extent it is not committed to off-system sales. Furthermore, in compliance with that same decision, Gulf is including a second Jurisdictional Rate of Return Report which removes Scherer's related investment and expenses from the retail jurisdictional rate base.

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

December 2016

Earnings Surveillance
Report
(Rate of Return)

Note: In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.



GULF POWER COMPANY
Earnings Surveillance Report Summary, Including Scherer 3*
December, 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	178,371,601	(71,887,747)	106,483,854	0	106,483,854
Average Rate Base	3,557,171,618	(1,499,534,683)	2,057,636,935	0	2,057,636,935
Average Rate of Return	5.01%		5.18%		5.18%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	178,377,879	(73,872,950)	104,504,929	0	104,504,929
Year End Rate Base	3,601,655,704	(1,495,794,502)	2,105,861,202	0	2,105,861,202
Year End Rate of Return	4.95%		4.96%		4.96%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.08%
Midpoint	5.45%
High	5.81%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.21 x (System per Books Basis)
B. Tie Without AFUDC	5.21 x (System per Books Basis)
C. AFUDC To Net Income	-0.01% (System per Books Basis)
D. Internally Generated Funds	142.32% (System per Books Basis)
E. LTD To Total Investor Funds	42.20% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	4.38% (FPSC Adjusted Basis)
G. Return on Common Equity	9.51% (FPSC Adjusted Basis)
H. Return on Common Equity	9.51% (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

2/13/17

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GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
December, 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	5,089,118,955	1,620,755,720	3,478,363,235	14,754,806	62,047,092	0	3,555,165,133	174,028,921	3,729,194,054
JURISDICTIONAL PER BOOKS	4,775,253,589	1,542,956,060	3,232,297,529	14,323,157	59,522,904	0	3,306,143,591	251,028,027	3,557,171,618
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,472,089,143)	(230,214,134)	(1,241,875,009)		(13,507,784)		(1,255,382,793)	(12,627,057)	(1,268,009,850)
INT BEARING CWIP					(45,363)		(45,363)	0	(45,363)
ENERGY CONSERVATION CLAUSE	(14,005,332)	7,762,163	(21,767,495)		3,002		(21,764,493)	(1,016,331)	(22,780,825)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,422,706)		(177,422,706)				(177,422,706)	0	(177,422,706)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.							(10,173,689)	(43,840)	(10,173,689)
LOANS TO EMPLOYEES / RETIREES									
INTEREST AND DIVIDENDS RECEIVABLE									
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,406,100)	(17,067,431)
FUEL RELATED DEFERRED DEBITS								(2,957,373)	(2,957,373)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,033,606)	(1,033,606)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,663,517,181)	(222,451,971)	(1,441,065,210)	(12,661,331)	(13,550,145)	0	(1,467,276,687)	(32,257,996)	(1,499,534,683)
FPSC ADJUSTED	3,111,736,408	1,320,504,089	1,791,232,319	1,661,826	45,972,759	0	1,838,866,904	218,770,031	2,057,636,935
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	3,111,736,408	1,320,504,089	1,791,232,319	1,661,826	45,972,759	0	1,838,866,904	218,770,031	2,057,636,935

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT INCLUDING SCHERER 3*
December, 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	1,484,625,143	579,922,016	330,293,036	172,773,359	119,837,725	30,845,423	56,755,316	(511,452)	0	1,289,915,423	194,709,720 (e)
JURISDICTIONAL PER BOOKS	1,351,864,863	489,363,840	320,889,153	166,358,364	118,468,864	30,770,454	48,032,327	(417,774)	0	1,173,485,228	178,379,634 (e)
LESS FPSC ADJUSTMENTS:	(404,644,301)	(404,333,620)	(376,936)	(391,441)	(328,182)	(119,845)	(119,845)			(404,453,465)	(190,835)
RETAIL FUEL REVENUES & EXPENSES	(84,933,365)	(85,030,218)	(9,354,000)	(51,813,533)	(6,735,930)	(711,902)	(711,902)			(84,932,856)	59,493
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,916,864)					(39,698,382)	(39,698,382)			(10,785,426)	(1,134,439)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(193,905,999)	(32,444,334)			(42,431,824)	(180,302)	(180,302)			(130,692,179)	(63,213,820)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,899,229)				(31,571,847)	(152,783)	(152,783)			(42,612,126)	(287,103)
FRANCHISE FEE REVENUE & EXPENSE	(31,967,914)		(102,495)			39,537				(31,724,630)	(243,284)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(376,936)			145,403				(62,958)	62,958
MARKETING SUPPORT ACTIVITIES			(284,287)			109,868				(231,583)	231,583
WHOLESALE EXPENSES			(50,330)			19,415				(90,915)	174,629
INSTITUTIONAL ADVERTISING EXPENSE			(3,858)			1,488				(2,370)	30,915
ECONOMIC DEVELOPMENT EXPENSE			(40,933)			15,790				(25,143)	2,370
MGMT FINANCIAL PLANNING SERVICES			(1,282)			498				(794)	25,143
DIRECTORS' & OFFICERS' INSURANCE			(451,224)			182,302				(290,290)	784
INDUSTRY ASSOCIATION DUES					(21,368)	563,006				(896,503)	290,290
TALAHASSEE LIAISON EXPENSES					(1,458,509)					(896,503)	896,503
GRT, FPSC FEES ON CLAUSES & FEES						8,601,928				8,601,928	0
(GAIN) / LOSS ON DISPOSITION OF PROPERTY											(8,601,928)
INTEREST SYNCRONIZATION											
TOTAL FPSC ADJUSTMENTS	(770,269,671)	(489,363,840)	(43,109,699)	(52,204,874)	(82,548,680)	(31,146,718)	0	0	0	(696,375,891)	(71,695,780)
FPSC ADJUSTED	581,595,191	0	277,779,454	114,153,390	35,940,204	(376,264)	48,032,327	(417,774)	0	475,111,337	106,483,854
PRO FORMA REVENUE 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	581,595,191	0	277,779,454	114,153,390	35,940,204	(376,264)	48,032,327	(417,774)	0	475,111,337	106,483,854
(e) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				(8,224)	AND THE JURISDICTIONAL NOI BY		(8,033)				
CURRENT MONTH SYSTEM PER BOOKS	120,775,462	47,818,515	32,147,656	14,428,213	8,654,756	(25,959,501)	31,254,002	(42,621)	0	108,501,020	12,274,443
CURRENT MONTH JURISDICTIONAL PER BOOKS	105,342,700	35,619,943	32,399,811	13,956,197	8,735,521	(3,617,589)	7,763,938	(36,886)	0	95,022,936	10,319,764

TOTALS MAY NOT ADD DUE TO ROUNDING.

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GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
December, 2016

SCHEDULE 2
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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	(1,516,350,158)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(498,381,284)	(191,479,080)
ACCUMULATED DEPRECIATION	237,135,937	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(199,894,538)	(77,032,168)
CWIP	(13,913,920)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(85,105,030)	(32,829,265)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,005,332)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,918,864)	(4,597,702)
ACCUMULATED DEPRECIATION	(7,762,163)	FUEL EXPENSE	(492,314,977)	189,910,502
CWIP	3,002	PURCHASED POWER CAPACITY COST EXPENSE	(87,595,488)	33,789,960
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,422,706)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,745,441)	3,759,304
FAS 143 NET PLANT	(73,708,699)	CONSERVATION EXPENSES - OTHER TAXES	(328,182)	126,596
INTEREST BEARING CWIP	(48,442)	ENVIRONMENTAL COST RECOVERY EXPENSE	(93,654,021)	36,127,038
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,899,229)	(16,548,378)
WORKING CAPITAL:		FRANCHISE FEE	(42,431,824)	16,368,076
ECRC WORKING CAPITAL	(13,006,712)	GROSS RECEIPTS TAX REVENUES	(31,967,914)	(12,331,623)
CONSERVATION/VAEM INVENTORY	(1,016,331)	GROSS RECEIPTS TAX EXPENSE	(31,571,847)	12,178,840
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(10,173,689)	MARKETING SUPPORT ACTIVITIES	(102,495)	39,537
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSES	(387,871)	149,621
LOANS TO EMPLOYEES AND RETIREES	(45,754)	INSTITUTIONAL ADVERTISING EXPENSE	(289,897)	111,828
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,331)	19,415
NORTH ESCAMBIA SITE	(4,599,680)	MGMT FINANCIAL PLANNING SERVICES	(3,943)	1,521
UNAMORTIZED RATE CASE EXPENSE	(1,078,768)	DIRECTORS' & OFFICERS' INSURANCE	(41,837)	16,139
FUEL RELATED DEFERRED DEBITS	(2,957,373)	INDUSTRY ASSOCIATION DUES	(1,317)	508
UNREALIZED LOSS ON FWD CONTRACT	(160,748)	TALLAHASSEE LIAISON EXPENSE	(483,032)	186,330
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,459,509)	583,006
FAS 143 WORKING CAPITAL	87,189,230	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPN. ESC REV	(91,406)	(35,260)
FAS 158 REGULATORY ASSETS	(154,684,287)	GAINLOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY LIABILITIES	154,684,287	INTEREST SYNCHRONIZATION	8,841,642	8,841,642
PPA REGULATORY ASSETS	(152,083,395)			
PPA REGULATORY LIABILITIES	152,083,395			
FAS 133 REGULATORY ASSETS	(68,589,070)			
FAS 133 REGULATORY LIABILITIES	68,589,070			

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GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
December, 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	5,128,123,298	1,663,444,257	3,464,679,041	14,754,000	47,506,797	0	3,526,939,838	174,028,921	3,700,968,759
JURISDICTIONAL PER BOOKS	4,887,988,023	1,603,506,659	3,284,481,364	14,322,375	45,037,441	0	3,343,841,180	257,814,524	3,601,655,704
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,500,461,857)	(266,351,577)	(1,234,110,280)		(11,898,229)		(1,246,008,509)	(12,627,057)	(1,258,635,566)
INT BEARING CWIP								0	0
ENERGY CONSERVATION CLAUSE	(14,857,577)	8,038,828	(22,896,405)				(22,896,405)	(1,016,331)	(23,912,736)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,547,233)	(177,547,233)	(177,547,233)				(177,547,233)	0	(177,547,233)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.							(14,596,717)	(14,596,717)	(14,596,717)
LOANS TO EMPLOYEES AND RETIREES							(43,840)	(43,840)	(43,840)
INTEREST AND DIVIDENDS RECEIVABLE							0	0	0
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,406,100)	(17,067,431)
FUEL RELATED DEFERRED DEBITS								(2,957,373)	(2,957,373)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,033,606)	(1,033,606)
TOTAL FPSC ADJUSTMENTS	(1,692,866,667)	(258,312,749)	(1,434,553,918)	(12,661,331)	(11,898,229)	0	(1,459,113,478)	(36,681,024)	(1,495,794,502)
FPSC ADJUSTED	3,195,121,356	1,345,193,910	1,849,927,446	1,661,044	33,139,212	0	1,884,727,702	221,133,500	2,105,861,202
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	3,195,121,356	1,345,193,910	1,849,927,446	1,661,044	33,139,212	0	1,884,727,702	221,133,500	2,105,861,202

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GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT, INCLUDING SCHERER 3*
December, 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	1,484,625,143	579,922,016	330,289,036	172,773,359	119,837,725	30,845,423	56,755,316	(511,452)	0	1,289,915,423	194,709,720 (a)
JURISDICTIONAL PER BOOKS	1,351,864,863	489,363,840	320,889,153	166,358,364	118,488,864	30,771,898	48,024,605	(417,774)	0	1,173,478,950	178,385,912 (a)
LESS FPSC ADJUSTMENTS:	(404,644,301)	(404,333,620)				(119,845)				(404,453,465)	(190,835)
RETAIL FUEL REVENUES & EXPENSES	(84,933,365)	(85,030,219)				37,361				(84,992,858)	59,489
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,918,864)	(9,354,000)		(391,441)	(328,182)	(711,802)				(10,785,426)	(1,133,439)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(193,905,999)	(32,444,334)		(51,813,533)	(6,735,930)	(39,698,382)				(130,692,179)	(63,213,820)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,899,229)				(42,431,824)	(180,302)				(42,612,126)	(287,103)
FRANCHISE FEE REVENUE & EXPENSE	(31,967,914)				(31,571,847)	(152,783)				(31,724,630)	(243,284)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(102,495)			39,537				(62,958)	62,958
MARKETING SUPPORT ACTIVITIES			(376,936)			145,403				(231,533)	231,533
WHOLESALE EXPENSES			(284,287)			109,668				(174,629)	174,629
INSTITUTIONAL ADVERTISING EXPENSE			(50,330)			19,415				(30,915)	30,915
ECONOMIC DEVELOPMENT EXPENSE			(3,858)			1,488				(2,370)	2,370
MGMT FINANCIAL PLANNING SERVICES			(40,933)			15,790				(25,143)	25,143
DIRECTORS' & OFFICERS' INSURANCE			(1,282)			498				(794)	794
INDUSTRY ASSOCIATION DUES			(451,224)			182,302				(269,290)	269,290
TALLAHASSEE LIAISON EXPENSES					(21,368)	182,302				(896,503)	896,503
GRT, FPSC FEES ON CLAUSES & FEES					(1,459,509)	963,006				0	0
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						10,587,131				10,587,131	(10,587,131)
INTEREST SYNCHRONIZATION										(696,388,686)	(73,880,983)
TOTAL FPSC ADJUSTMENTS	(770,269,671)	(489,363,840)	(43,109,699)	(52,204,974)	(82,548,660)	(29,161,515)	0	0	0	(696,388,686)	(73,880,983)
FPSC ADJUSTED	581,595,191	0	277,779,454	114,153,390	35,940,204	1,610,383	48,024,605	(417,774)	0	477,090,262	104,504,929
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
PRO FORMA ADJUSTED	581,595,191	0	277,779,454	114,153,390	35,940,204	1,610,383	48,024,605	(417,774)	0	477,090,262	104,504,929
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY					(8,224)		(8,033)				

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GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
December, 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	(1,545,852,841)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(496,381,284)	(191,479,090)
ACCUMULATED DEPRECIATION	274,409,089	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(199,694,538)	(77,032,168)
CWIP	(12,258,166)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(85,105,030)	(32,829,265)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,857,577)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,918,864)	(4,597,702)
ACCUMULATED DEPRECIATION	(8,038,828)	FUEL EXPENSE	(492,314,977)	189,910,502
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(87,595,488)	33,789,960
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,547,233)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,745,441)	3,759,304
FAS 143 NET PLANT	(47,372,604)	CONSERVATION EXPENSES - OTHER TAXES	(328,182)	126,596
INTEREST BEARING CWIP	0	ENVIRONMENTAL COST RECOVERY EXPENSE	(93,654,021)	36,127,038
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,899,229)	(16,548,378)
		FRANCHISE FEE	(42,431,824)	16,368,076
		GROSS RECEIPTS TAX REVENUES	(31,967,914)	(12,331,623)
		GROSS RECEIPTS TAX EXPENSE	(31,571,847)	12,178,840
		MARKETING SUPPORT ACTIVITIES	(102,495)	39,537
WORKING CAPITAL:		WHOLESALE EXPENSES	(387,871)	149,621
ECRC WORKING CAPITAL	(13,006,712)	INSTITUTIONAL ADVERTISING EXPENSE	(289,897)	111,828
CONSERVATION/AEM INVENTORY	(1,016,331)	ECONOMIC DEVELOPMENT EXPENSE	(50,331)	19,415
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(10,173,689)	MGMT FINANCIAL PLANNING SERVICES	(3,943)	1,521
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(41,837)	16,139
LOANS TO EMPLOYEES AND RETIREES	(45,754)	INDUSTRY ASSOCIATION DUES	(1,317)	508
INTEREST & DIVIDENDS RECEIVABLE	0	TALLAHASSEE LIAISON EXPENSE	(483,032)	186,330
NORTH ESCAMBIA SITE	(4,599,680)	GRTFPPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,459,509)	563,006
UNAMORTIZED RATE CASE EXPENSE	(1,078,768)	COMP SALES/TRANS REV/GL SALE GAS/PROV RT REFUN. ESC REV	(91,406)	(35,260)
FUEL RELATED DEFERRED DEBITS	(2,957,373)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
UNREALIZED LOSS ON FWD CONTRACT	(160,748)	INTEREST SYNCHRONIZATION	11,176,024	11,176,024
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	87,189,230			
FAS 158 REGULATORY ASSETS	(154,684,287)			
FAS 158 REGULATORY LIABILITIES	154,684,287			
PPA REGULATORY ASSETS	(152,083,395)			
PPA REGULATORY LIABILITIES	152,083,395			
FAS 133 REGULATORY ASSETS	(68,589,070)			
FAS 133 REGULATORY LIABILITIES	68,589,070			

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
 CAPITAL STRUCTURE, INCLUDING SCHERER 3*
 FPSC ADJUSTED BASIS
 December, 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 (%)
LONG TERM DEBT	1,199,503,137	1,140,458,583	(480,763,201)	0	659,695,392	32.06	4.40	1.41	4.40	1.41	4.40	1.41
SHORT TERM DEBT	127,317,155	118,448,772	(49,932,379)	0	68,516,393	3.33	0.40	0.01	0.40	0.01	0.40	0.01
PREFERENCE STOCK	146,504,320	139,389,132	(58,759,841)	0	80,629,291	3.92	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,919,403	35,896,236	(15,132,149)	0	20,764,087	1.01	2.17	0.02	2.17	0.02	2.17	0.02
COMMON EQUITY	1,358,570,421	1,304,027,749	(549,716,192)	0	754,311,557	36.66	9.25	3.39	10.25	3.76	11.25	4.12
DEFERRED INCOME TAXES	908,171,338	870,047,145	(366,770,572)	0	503,276,573	24.46						
FASB 109 DEFERRED TAXES	(54,627,885)	(52,334,656)	22,061,806	0	(30,272,850)	(1.47)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,825,724	1,238,647	(522,155)	0	716,492	0.03	6.94	0.00	7.45	0.00	7.95	0.00
TOTAL	3,723,183,613	3,557,171,618	(1,499,534,883)	0	2,057,636,935	100.00 %		5.08 %		5.45 %		5.81 %

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 (%)
LONG TERM DEBT	1,056,562,237	1,003,870,572	(416,914,943)	0	586,955,629	27.87	4.08	1.14	4.08	1.14	4.08	1.14
SHORT TERM DEBT	267,847,301	251,625,867	(104,502,101)	0	147,123,766	6.99	0.46	0.03	0.46	0.03	0.46	0.03
PREFERENCE STOCK	146,504,320	139,198,023	(57,809,978)	0	81,388,045	3.86	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,304,951	34,811,602	(14,457,518)	0	20,354,084	0.97	0.12	0.00	0.12	0.00	0.12	0.00
COMMON EQUITY	1,387,813,287	1,316,835,353	(546,891,553)	0	769,943,800	36.56	9.25	3.38	10.25	3.75	11.25	4.11
DEFERRED INCOME TAXES	948,416,038	905,518,488	(376,068,588)	0	529,449,900	25.15						
FASB 109 DEFERRED TAXES	(53,862,995)	(51,426,733)	21,357,906	0	(30,068,827)	(1.43)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,569,988	1,222,532	(507,727)	0	714,805	0.03	6.96	0.00	7.50	0.00	8.03	0.00
TOTAL	3,790,155,137	3,601,655,704	(1,495,794,502)	0	2,105,861,202	100.00 %		4.79 %		5.16 %		5.52 %

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GULF POWER COMPANY
Financial Integrity Indicators, INCLUDING SCHERER 3*
December, 2016

A. Times Interest Earned with AFUDC

Earnings Before Interest	194,395,563
AFUDC - Debt	(2,940)
Income Taxes	91,209,881
	<hr/>
Total	285,602,505
Interest Charges (Before	54,861,843
Deducting AFUDC - Debt)	<hr/>
T.I.E. With AFUDC	5.21 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	194,395,563
AFUDC - Other	5,284
Income Taxes	91,209,881
	<hr/>
Total	285,610,729
Interest Charges (Before	54,861,843
Deducting AFUDC - Debt)	<hr/>
T.I.E. Without AFUDC	5.21 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	(2,940)
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	(1,806)
AFUDC - Other	(5,284)
	<hr/>
Total	(7,090)
	<hr/>
Net Income Available for Common Stockholders	130,528,280
Percent AFUDC to Available Net Income	-0.01%

D. Percent Internally Generated Funds

Net Income	139,530,781
Preference Dividends	(9,002,500)
Common Dividends	(120,068,000)
AFUDC (Debt & Other)	8,224
Depreciation & Amortization	181,879,683
Deferred Income Taxes	56,755,316
Investment Tax Credits	0
Other	34,275,076
	<hr/>
Total	283,378,579
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	199,111,564
	<hr/>
Percent Internally Generated Funds	142.32%

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	659,695,392
Short Term Debt	68,516,393
Preference Stock	80,629,291
Common Equity	754,311,557
	<hr/>
Total	1,563,152,633
	<hr/>
% Long Term Debt To Total	42.20%
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% Short Term Debt To Total	4.38%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.18%	5.18%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.41)	(1.41)
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	(1.69)	(1.69)
	<hr/>	<hr/>
Total	3.48	3.48
Divided by Common Equity Ratio	36.66	36.66
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	9.51%	9.51%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	2016	291,667
February	2016	291,667
March	2016	291,667
April	2016	291,667
May	2016	291,667
June	2016	291,667
July	2016	291,667
August	2016	291,667
September	2016	291,667
October	2016	291,667
November	2016	291,667
December	2016	291,663
12 - M-T-D		<u>3,500,000</u>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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5
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7 Sixty-Ninth Quarterly Report

8 Report Period: Fourth Quarter, 2016

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<u>Rate Class</u>	<u>Third Quarter Total Revenue</u>	<u>Third Quarter Total KWH Sales</u>	<u>Third Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$34,474,394.47	404,725,863	8.518	8.213
PX/PXT	-	-	-	-
LP/LPT	\$18,854,168.96	204,885,801	9.202	9.137

25 Notes to Quarterly
26 Real Time Pricing Report

- 27
28 1. There were no changes made to the "M" multipliers during this period.
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31 2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT
32 and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between
33 RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling
34 average basis.
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SCHEDULE A

GULF POWER COMPANY
CALCULATION OF AFUDC RATE, INCLUDING SCHERER 3*
 December, 2016

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	659,695,392	32.06%	4.08	1.31
SHORT-TERM DEBT	68,516,393	3.33%	0.40	0.01
PREFERENCE STOCK	80,629,291	3.92%	6.14	0.24
CUSTOMER DEPOSITS	20,764,087	1.01%	2.17	0.02
COMMON EQUITY	754,311,557	36.66%	10.25	3.76
ITC	716,492	0.03%		
FASB 109 DIT	(30,272,850)	-1.47%		
DEFERRED TAXES	<u>503,276,573</u>	<u>24.46%</u>		
TOTAL	<u>2,057,636,935</u>	<u>100.00%</u>		<u>5.34 %</u>

AFUDC Rate Currently Authorized per order: PSC-14-0175-PAA-EI

5.73 %

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SCHEDULE B

GULF POWER COMPANY
13 MONTH AVERAGE CAPITAL STRUCTURE, INCLUDING SCHERER 3*
 December, 2016

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,199,503,137	-	(37,077,896)	-	(490,456,983)	671,968,259	0.9817359	659,695,392
SHORT-TERM DEBT	127,317,155	-	(3,629,539)	-	(53,896,555)	69,791,061	0.9817359	68,516,393
PREFERENCE STOCK	146,504,320	-	(4,430,379)	-	(59,944,635)	82,129,305	0.9817359	80,629,291
CUSTOMER DEPOSITS	35,919,403	-	-	-	(15,155,316)	20,764,087	1.0000000	20,764,087
COMMON EQUITY	1,358,570,421	(5,056,927)	(42,840,549)	18,472,000	(560,800,297)	768,344,648	0.9817359	754,311,557
ITC - ZERO COST	-	-	-	-	-	-	0.9817359	-
ITC - WEIGHTED COST	1,825,724	-	(563,221)	-	(532,662)	729,821	0.9817359	716,492
FASB 109 DIT	(54,627,885)	-	1,285,197	-	22,506,646	(30,836,041)	0.9817359	(30,272,850)
DEFERRED TAXES	908,171,338	-	(21,366,002)	-	(374,165,886)	512,639,449	0.9817359	503,276,573
TOTAL	3,723,183,613	(5,056,927)	(108,622,389)	18,472,000	(1,532,445,708)	2,095,530,589		2,057,636,935

*In compliance with the Florida Public Service Commission's decision in Docket 160134-El on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

December 2016

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
December, 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	182,980,190	(71,844,839)	111,135,351	0	111,135,351
Average Rate Base	3,488,179,547	(1,499,534,683)	1,988,644,864	0	1,988,644,864
Average Rate of Return	5.25%		5.59%		5.59%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	182,983,015	(73,826,432)	109,156,583	0	109,156,583
Year End Rate Base	3,515,211,320	(1,495,794,502)	2,019,416,818	0	2,019,416,818
Year End Rate of Return	5.21%		5.41%		5.41%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.07%
Midpoint	5.44%
High	5.81%

IV. Financial Integrity Indicators

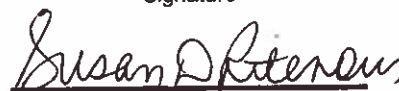
A. Tie With AFUDC	5.21 x (System per Books Basis)
B. Tie Without AFUDC	5.21 x (System per Books Basis)
C. AFUDC To Net Income	-0.01% (System per Books Basis)
D. Internally Generated Funds	142.32% (System per Books Basis)
E. LTD To Total Investor Funds	42.16% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	4.39% (FPSC Adjusted Basis)
G. Return on Common Equity	10.66% (FPSC Adjusted Basis)
H. Return on Common Equity	10.66% (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

2/13/17

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
December, 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	5,089,118,955	1,620,755,720	3,478,363,235	14,754,806	62,047,092	0	3,555,165,133	174,028,921	3,729,194,054
JURISDICTIONAL PER BOOKS	4,645,679,307	1,471,688,111	3,173,991,196	14,323,157	57,597,902	0	3,245,912,256	242,267,291	3,488,179,547
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,472,089,143)	(230,214,134)	(1,241,875,009)		(13,507,784)		(1,255,382,793)	(12,627,057)	(1,268,009,850)
INT BEARING CWIP					(45,363)		(45,363)	0	(45,363)
ENERGY CONSERVATION CLAUSE	(14,005,332)	7,762,163	(21,767,495)		3,002		(21,764,493)	(1,016,331)	(22,780,825)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,422,706)		(177,422,706)				(177,422,706)	0	(177,422,706)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								(10,173,689)	(10,173,689)
LOANS TO EMPLOYEES / RETIREES								(43,840)	(43,840)
INTEREST AND DIVIDENDS RECEIVABLE				(12,661,331)			(12,661,331)	0	0
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.								(4,406,100)	(17,067,431)
FUEL RELATED DEFERRED DEBITS								(2,957,373)	(2,957,373)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,033,606)	(1,033,606)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,663,517,181)	(222,451,971)	(1,441,065,210)	(12,661,331)	(13,550,145)	0	(1,467,276,687)	(32,257,996)	(1,499,534,683)
FPSC ADJUSTED	2,982,162,126	1,249,236,140	1,732,925,986	1,661,826	44,047,757	0	1,778,635,569	210,009,295	1,988,644,864
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	2,982,162,126	1,249,236,140	1,732,925,986	1,661,826	44,047,757	0	1,778,635,569	210,009,295	1,988,644,864

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
December, 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	1,484,625,143	579,922,016	330,293,096	172,773,359	119,837,725	30,845,423	56,755,316	(511,452)	0	1,285,915,423	194,709,720 (a)
JURISDICTIONAL PER BOOKS	1,351,864,863	489,363,840	315,690,394	163,471,782	117,974,587	29,936,846	52,493,108	(253,698)	0	1,169,876,639	182,988,223 (a)
LESS FPSC ADJUSTMENTS:	(404,644,301)	(404,333,620)				(119,845)				(404,453,465)	(190,835)
RETAIL FUEL REVENUES & EXPENSES	(84,933,365)	(85,030,219)				37,381				(84,992,850)	59,493
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,918,864)					(711,902)				(10,785,426)	(1,133,439)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(193,905,999)	(9,354,000)		(391,441)	(328,182)	(39,698,382)				(130,692,179)	(63,213,820)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,899,229)	(32,444,334)		(51,813,533)	(67,735,930)	(180,902)				(42,812,126)	(287,103)
FRANCHISE FEE REVENUE & EXPENSE	(31,987,914)				(42,431,824)	(152,783)				(31,724,630)	(243,284)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(102,495)		(31,571,847)	39,537				(62,956)	62,959
MARKETING SUPPORT ACTIVITIES			(376,936)			145,403				(231,533)	231,533
WHOLESALE EXPENSES			(284,297)			109,668				(174,629)	174,629
INSTITUTIONAL ADVERTISING EXPENSE			(50,330)			19,415				(30,915)	30,915
ECONOMIC DEVELOPMENT EXPENSE			(3,858)			1,488				(2,370)	2,370
MGMT FINANCIAL PLANNING SERVICES			(40,933)			15,790				(25,143)	25,143
DIRECTORS' & OFFICERS' INSURANCE			(1,492)			498				(794)	794
INDUSTRY ASSOCIATION DUES			(451,224)			182,302				(290,290)	290,290
TALLAHASSEE LIABSON EXPENSES					(21,388)	563,006				(896,503)	896,503
GRT, FPSC FEES ON CLAUSES & FEES					(1,459,509)	8,559,020				8,559,020	(8,559,020)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY											
INTEREST SYNCRONIZATION											
TOTAL FPSC ADJUSTMENTS	(770,269,671)	(489,363,840)	(43,109,695)	(52,204,974)	(82,548,660)	(31,199,626)	0	0	0	(698,416,799)	(71,852,872)
FPSC ADJUSTED	581,595,191	0	272,780,695	111,266,808	35,425,907	(1,252,980)	52,493,108	(253,698)	0	470,459,840	111,135,351
PRO FORMA REVENUE 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	581,595,191	0	272,780,695	111,266,808	35,425,907	(1,252,980)	52,493,108	(253,698)	0	470,459,840	111,135,351
(b) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				(8,224)			(8,033)				
CURRENT MONTH SYSTEM PER BOOKS	120,775,462	47,818,515	32,147,656	14,428,213	8,854,756	(25,959,501)	31,254,002	(42,021)	0	108,501,020	12,274,443
CURRENT MONTH JURISDICTIONAL PER BOOKS	105,342,700	35,819,943	31,802,878	13,680,687	8,657,823	(10,545,909)	15,088,425	(21,141)	0	94,482,707	10,859,893

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 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	(1,516,350,158)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(496,381,284)	(191,479,080)
ACCUMULATED DEPRECIATION	237,135,937	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(199,694,538)	(77,032,168)
CWIP	(13,913,920)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(85,105,030)	(32,829,265)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,005,332)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,918,864)	(4,597,702)
ACCUMULATED DEPRECIATION	(7,762,163)	FUEL EXPENSE	(492,314,977)	189,910,502
CWIP	3,002	PURCHASED POWER CAPACITY COST EXPENSE	(87,595,488)	33,789,960
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,422,706)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,745,441)	3,759,304
FAS 143 NET PLANT	(73,708,699)	CONSERVATION EXPENSES - OTHER TAXES	(328,182)	126,596
INTEREST BEARING CWIP	(46,442)	ENVIRONMENTAL COST RECOVERY EXPENSE	(93,654,021)	36,127,038
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,899,229)	(16,548,378)
		FRANCHISE FEE	(42,431,824)	16,368,076
		GROSS RECEIPTS TAX REVENUES	(31,967,914)	(12,331,623)
		GROSS RECEIPTS TAX EXPENSE	(31,571,847)	12,178,840
		MARKETING SUPPORT ACTIVITIES	(102,495)	39,537
		WHOLESALE EXPENSES	(387,871)	149,621
WORKING CAPITAL:		INSTITUTIONAL ADVERTISING EXPENSE	(289,897)	111,828
ECRC WORKING CAPITAL	(13,006,712)	ECONOMIC DEVELOPMENT EXPENSE	(50,331)	19,415
CONSERVATION/AEM INVENTORY	(1,016,331)	MGMT FINANCIAL PLANNING SERVICES	(3,943)	1,521
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(10,173,689)	DIRECTORS' & OFFICERS' INSURANCE	(41,837)	16,139
FUNDED PROPERTY INSURANCE RESERVE	0	INDUSTRY ASSOCIATION DUES	(1,317)	508
LOANS TO EMPLOYEES AND RETIREES	(45,754)	TALLAHASSEE LIAISON EXPENSE	(483,032)	186,330
INTEREST & DIVIDENDS RECEIVABLE	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,459,509)	583,006
NORTH ESCAMBIA SITE	(4,599,680)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPN. ESC REV	(91,406)	(35,260)
UNAMORTIZED RATE CASE EXPENSE	(1,078,766)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FUEL RELATED DEFERRED DEBITS	(2,957,373)	INTEREST SYNCHRONIZATION	8,841,642	8,841,642
UNREALIZED LOSS ON FWD CONTRACT	(160,748)			
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	87,189,230			
FAS 158 REGULATORY ASSETS	(154,684,287)			
FAS 158 REGULATORY LIABILITIES	154,684,287			
PPA REGULATORY ASSETS	(152,083,395)			
PPA REGULATORY LIABILITIES	152,083,395			
FAS 133 REGULATORY ASSETS	(68,589,070)			
FAS 133 REGULATORY LIABILITIES	68,589,070			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
December, 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	5,128,123,298	1,663,444,257	3,464,679,041	14,754,000	47,506,797	0	3,526,939,838	174,028,921	3,700,968,759
JURISDICTIONAL PER BOOKS	4,726,302,228	1,513,388,196	3,212,914,032	14,322,375	40,950,787	0	3,268,187,194	247,024,126	3,515,211,320
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,500,461,857)	(266,351,577)	(1,234,110,280)		(11,898,229)		(1,246,008,509)	(12,627,057)	(1,258,635,566)
INT BEARING CWIP								0	0
ENERGY CONSERVATION CLAUSE	(14,857,577)	8,088,828	(22,896,405)				(22,896,405)	(1,016,331)	(23,912,736)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.	(177,547,233)		(177,547,233)				(177,547,233)	0	(177,547,233)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.							(14,596,717)	(43,840)	(14,596,717)
LOANS TO EMPLOYEES AND RETIREES								(43,840)	(43,840)
INTEREST AND DIVIDENDS RECEIVABLE				(12,661,331)			(12,661,331)	0	0
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.								(4,406,100)	(17,067,431)
FUEL RELATED DEFERRED DEBITS								(2,957,373)	(2,957,373)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(1,033,606)	(1,033,606)
TOTAL FPSC ADJUSTMENTS	(1,682,866,667)	(258,312,749)	(1,434,553,918)	(12,661,331)	(11,898,229)	0	(1,459,113,478)	(36,681,024)	(1,495,794,502)
FPSC ADJUSTED	3,033,435,561	1,255,075,447	1,778,360,114	1,661,044	29,052,558	0	1,809,073,716	210,343,102	2,019,416,818
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	3,033,435,561	1,255,075,447	1,778,360,114	1,661,044	29,052,558	0	1,809,073,716	210,343,102	2,019,416,818

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 INCOME STATEMENT
 December, 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	1,484,625,143	579,922,016	330,293,036	172,773,359	119,837,725	30,845,423	56,755,316	(511,452)	0	1,289,915,423	194,709,720 (a)
JURISDICTIONAL PER BOOKS	1,351,864,863	489,363,840	315,890,394	163,471,782	117,974,567	29,337,295	52,489,634	(253,698)	0	1,166,873,614	182,931,048 (a)
LESS FPSC ADJUSTMENTS:	(404,644,201)	(404,333,620)				(119,845)				(404,453,465)	(190,835)
RETAIL FUEL REVENUES & EXPENSES	(84,933,385)	(85,030,219)				37,361				(84,992,858)	59,493
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,918,864)	(9,354,000)		(391,441)	(328,182)	(711,802)				(10,785,426)	(1,133,439)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(193,905,999)	(32,444,334)		(51,813,533)	(6,795,930)	(39,698,382)				(130,692,179)	(63,213,820)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,899,229)				(42,431,824)	(180,302)				(42,612,126)	(267,103)
FRANCHISE FEE REVENUE & EXPENSE	(31,967,914)				(31,571,847)	(152,783)				(31,724,630)	(243,284)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(102,495)			39,537				(62,958)	62,958
MARKETING SUPPORT ACTIVITIES			(376,936)			145,403				(231,533)	231,533
WHOLESALE EXPENSES			(284,287)			109,668				(174,629)	174,629
INSTITUTIONAL ADVERTISING EXPENSE			(50,330)			19,415				(30,915)	30,915
ECONOMIC DEVELOPMENT EXPENSE			(3,856)			1,488				(2,370)	2,370
MGMT FINANCIAL PLANNING SERVICES			(40,933)			15,790				(25,143)	25,143
DIRECTORS' & OFFICERS' INSURANCE			(1,292)			498				(794)	794
INDUSTRY ASSOCIATION DUES			(451,224)			182,302				(268,922)	268,922
TALLAHASSEE LIAISON EXPENSES					(21,368)					(21,368)	
GRT, FPSC FEES ON CLAUSES & FEES					(1,459,509)	563,006				(896,503)	896,503
(GAIN)/LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						10,540,613				10,540,613	(10,540,613)
TOTAL FPSC ADJUSTMENTS	(770,268,671)	(489,363,840)	(43,109,899)	(52,204,974)	(82,548,660)	(29,208,033)	0	0	0	(696,435,206)	(73,634,465)
FPSC ADJUSTED	581,595,191	0	272,780,695	111,266,808	35,425,907	729,262	52,489,634	(253,698)	0	472,436,608	109,156,583
PRO FORMA REVENUE ANNUALIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	581,595,191	0	272,780,695	111,266,808	35,425,907	729,262	52,489,634	(253,698)	0	472,436,608	109,156,583
PRO FORMA ADJUSTED	0	0	0	0	0	0	0	0	0	0	0
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				(8,224)	AND THE JURISDICTIONAL NOI BY		(8,039)				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
December, 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	(1,545,852,841)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(496,381,284)	(191,479,080)
ACCUMULATED DEPRECIATION	274,409,069	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(199,694,538)	(77,032,168)
CWIP	(12,258,166)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(85,105,030)	(32,829,265)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,857,577)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,918,864)	(4,597,702)
ACCUMULATED DEPRECIATION	(8,038,828)	FUEL EXPENSE	(492,314,977)	189,910,502
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(87,595,488)	33,789,960
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	(177,547,233)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,745,441)	3,759,304
FAS 143 NET PLANT	(47,372,604)	CONSERVATION EXPENSES - OTHER TAXES	(328,182)	126,596
INTEREST BEARING CWIP	0	ENVIRONMENTAL COST RECOVERY EXPENSE	(93,654,021)	36,127,038
PHFU - NORTH ESCAMBIA	(13,042,899)	FRANCHISE FEE REVENUES	(42,899,229)	(16,548,378)
		FRANCHISE FEE	(42,431,824)	16,368,076
		GROSS RECEIPTS TAX REVENUES	(31,967,914)	(12,331,623)
		GROSS RECEIPTS TAX EXPENSE	(31,571,847)	12,178,840
		MARKETING SUPPORT ACTIVITIES	(102,495)	39,537
		WHOLESALE EXPENSES	(387,871)	149,621
		INSTITUTIONAL ADVERTISING EXPENSE	(289,897)	111,828
		ECONOMIC DEVELOPMENT EXPENSE	(50,331)	19,415
		MGMT FINANCIAL PLANNING SERVICES	(3,943)	1,521
		DIRECTORS' & OFFICERS' INSURANCE	(41,837)	16,139
		INDUSTRY ASSOCIATION DUES	(1,317)	508
		TALLAHASSEE LIAISON EXPENSE	(483,032)	186,330
		GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,459,509)	563,006
		COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFW. ESC REV	(91,406)	(35,260)
		GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
		INTEREST SYNCHRONIZATION	11,176,024	11,176,024
WORKING CAPITAL:				
ECRC WORKING CAPITAL	(13,006,712)			
CONSERVATION/AEM INVENTORY	(1,016,331)			
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	(10,173,689)			
FUNDED PROPERTY INSURANCE RESERVE	0			
LOANS TO EMPLOYEES AND RETIREES	(45,754)			
INTEREST & DIVIDENDS RECEIVABLE	0			
NORTH ESCAMBIA SITE	(4,599,680)			
UNAMORTIZED RATE CASE EXPENSE	(1,078,768)			
FUEL RELATED DEFERRED DEBITS	(2,957,373)			
UNREALIZED LOSS ON FWD CONTRACT	(160,748)			
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	87,189,230			
FAS 158 REGULATORY ASSETS	(154,684,287)			
FAS 158 REGULATORY LIABILITIES	154,684,287			
PPA REGULATORY ASSETS	(152,083,395)			
PPA REGULATORY LIABILITIES	152,083,395			
FAS 133 REGULATORY ASSETS	(68,589,070)			
FAS 133 REGULATORY LIABILITIES	68,589,070			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December, 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 (%)
LONG TERM DEBT	1,196,503,137	1,115,720,995	(479,637,675)	0	636,083,320	31.99	4.40	1.41	4.40	1.41	4.40	1.41
SHORT TERM DEBT	127,317,155	116,245,211	(49,972,693)	0	66,272,518	3.33	0.40	0.01	0.40	0.01	0.40	0.01
PREFERENCE STOCK	146,504,320	136,331,890	(58,607,758)	0	77,724,122	3.91	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,919,403	35,895,470	(15,431,116)	0	20,464,354	1.03	2.17	0.02	2.17	0.02	2.17	0.02
COMMON EQUITY	1,358,570,421	1,277,890,446	(548,352,755)	0	728,537,691	36.63	9.25	3.39	10.25	3.76	11.25	4.12
DEFERRED INCOME TAXES	908,171,338	857,250,098	(368,523,534)	0	488,726,564	24.58						
FASB 109 DEFERRED TAXES	(94,627,885)	(51,564,895)	22,167,250	0	(39,397,645)	(1.48)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,825,724	410,342	(176,402)	0	233,940	0.01	6.95	0.00	7.45	0.00	7.96	0.00
TOTAL	3,723,183,613	3,488,179,547	(1,499,534,683)	0	1,988,644,864	100.00 %		5.07 %		5.44 %		5.81 %

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 (%)
LONG TERM DEBT	1,056,562,237	978,044,156	(416,177,845)	0	561,866,311	27.82	4.08	1.13	4.08	1.13	4.08	1.13
SHORT TERM DEBT	267,847,301	245,079,892	(104,286,520)	0	140,793,372	6.97	0.46	0.03	0.46	0.03	0.46	0.03
PREFERENCE STOCK	146,504,320	135,616,888	(57,707,771)	0	77,908,127	3.86	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,304,951	34,801,853	(14,808,902)	0	19,992,951	0.99	0.12	0.00	0.12	0.00	0.12	0.00
COMMON EQUITY	1,387,813,287	1,282,957,341	(545,924,658)	0	737,032,683	36.50	9.25	3.38	10.25	3.74	11.25	4.11
DEFERRED INCOME TAXES	948,416,038	888,915,336	(378,251,704)	0	510,663,632	25.29						
FASB 109 DEFERRED TAXES	(53,862,995)	(50,483,795)	21,481,890	0	(29,001,905)	(1.44)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,569,998	279,639	(118,992)	0	160,647	0.01	6.96	0.00	7.50	0.00	8.03	0.00
TOTAL	3,790,158,137	3,515,211,320	(1,495,794,502)	0	2,019,416,818	100.00 %		4.78 %		5.15 %		5.51 %

GULF POWER COMPANY
Financial Integrity Indicators
December, 2016

A. Times Interest Earned with AFUDC

Earnings Before Interest	194,395,563
AFUDC - Debt	(2,940)
Income Taxes	91,209,881
	<hr/>
Total	285,602,505
Interest Charges (Before Deducting AFUDC - Debt)	54,861,843
	<hr/>
T.I.E. With AFUDC	5.21 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	194,395,563
AFUDC - Other	5,284
Income Taxes	91,209,881
	<hr/>
Total	285,610,729
Interest Charges (Before Deducting AFUDC - Debt)	54,861,843
	<hr/>
T.I.E. Without AFUDC	5.21 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	(2,940)
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	(1,806)
AFUDC - Other	(5,284)
	<hr/>
Total	(7,090)
	<hr/>
Net Income Available for Common Stockholders	130,528,280
	<hr/>
Percent AFUDC to Available Net Income	-0.01%

D. Percent Internally Generated Funds

Net Income	139,530,781
Preference Dividends	(9,002,500)
Common Dividends	(120,068,000)
AFUDC (Debt & Other)	8,224
Depreciation & Amortization	181,879,683
Deferred Income Taxes	56,755,316
Investment Tax Credits	0
Other	34,275,076
	<hr/>
Total	283,378,579
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	199,111,564
	<hr/>
Percent Internally Generated Funds	142.32%

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	636,083,320
Short Term Debt	66,272,518
Preference Stock	77,724,122
Common Equity	728,537,691
	<hr/>
Total	1,508,617,651
	<hr/>
% Long Term Debt To Total	42.16%
	<hr/>
% Short Term Debt To Total	4.39%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.59%	5.59%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.41)	(1.41)
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	(1.68)	(1.68)
	<hr/>	<hr/>
Total	3.90	3.90
Divided by Common Equity Ratio	36.63	36.63
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.66%	10.66%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	2016	291,667
February	2016	291,667
March	2016	291,667
April	2016	291,667
May	2016	291,667
June	2016	291,667
July	2016	291,667
August	2016	291,667
September	2016	291,667
October	2016	291,667
November	2016	291,667
December	2016	291,663
12 - M-T-D		<u><u>3,500,000</u></u>

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GULF POWER COMPANY

DOCKET NO. 990315-EI

RTP QUARTERLY REPORT

Sixty-Ninth Quarterly Report

Report Period: Fourth Quarter, 2016

<u>Rate Class</u>	<u>Third Quarter Total Revenue</u>	<u>Third Quarter Total KWH Sales</u>	<u>Third Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$34,474,394.47	404,725,863	8.518	8.213
PX/PXT	-	-	-	-
LP/LPT	\$18,854,168.96	204,885,801	9.202	9.137

**Notes to Quarterly
Real Time Pricing Report**

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.

SCHEDULE A

GULF POWER COMPANY
CALCULATION OF AFUDC RATE
 December, 2016

<u>CLASS OF CAPITAL</u>	<u>JURISDICTIONAL CAPITAL STRUCTURE</u>	<u>RATIO</u>	<u>COST RATE</u>	<u>WEIGHTED COST RATE</u>
LONG TERM DEBT	636,083,320	31.99%	4.08	1.30
SHORT-TERM DEBT	66,272,518	3.33%	0.40	0.01
PREFERENCE STOCK	77,724,122	3.91%	6.14	0.24
CUSTOMER DEPOSITS	20,464,354	1.03%	2.17	0.02
COMMON EQUITY	728,537,691	36.63%	10.25	3.75
ITC	233,940	0.01%		
FASB 109 DIT	(29,397,645)	-1.48%		
DEFERRED TAXES	<u>488,726,564</u>	<u>24.58%</u>		
TOTAL	<u>1,988,644,864</u>	<u>100.00%</u>		<u>5.32 %</u>

AFUDC Rate Currently Authorized per order: PSC-14-0175-PAA-EI

5.73 %

SCHEDULE B

GULF POWER COMPANY
13 MONTH AVERAGE CAPITAL STRUCTURE
December, 2016

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,199,503,137	-	(62,286,460)	-	(489,310,462)	647,906,215	0.9817521	636,083,320
SHORT-TERM DEBT	127,317,155	-	(5,874,969)	-	(53,937,859)	67,504,327	0.9817521	66,272,518
PREFERENCE STOCK	146,504,320	-	(7,545,845)	-	(59,789,693)	79,168,782	0.9817521	77,724,122
CUSTOMER DEPOSITS	35,919,403	-	-	-	(15,455,049)	20,464,354	1.0000000	20,464,354
COMMON EQUITY	1,358,570,421	(5,056,927)	(69,474,977)	18,472,000	(560,431,479)	742,079,038	0.9817521	728,537,691
ITC - ZERO COST	-	-	-	-	-	-	0.9817521	-
ITC - WEIGHTED COST	1,825,724	-	(1,407,476)	-	(179,960)	238,288	0.9817521	233,940
FASB 109 DIT	(54,627,885)	-	2,069,531	-	22,614,294	(29,944,060)	0.9817521	(29,397,645)
DEFERRED TAXES	908,171,338	-	(34,405,302)	-	(375,955,500)	497,810,536	0.9817521	488,726,564
TOTAL	3,723,183,613	(5,056,927)	(178,925,498)	18,472,000	(1,532,445,708)	2,025,227,480		1,988,644,864