



Robert L. McGee, Jr.
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May 15, 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 March, 2017. 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,

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

March 2017

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*
March, 2017

	(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	186,576,822	(71,762,586)	114,814,235	0	114,814,235
Average Rate Base	3,599,713,834	(1,322,081,555)	2,277,632,280	0	2,277,632,280
Average Rate of Return	5.18%		5.04%		5.04%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	186,671,603	(73,284,677)	113,386,925	0	113,386,925
Year End Rate Base	3,595,037,221	(1,304,716,532)	2,290,320,689	0	2,290,320,689
Year End Rate of Return	5.19%		4.95%		4.95%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.11%
Midpoint	5.49%
High	5.87%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.12 x (System per Books Basis)
B. Tie Without AFUDC	5.12 x (System per Books Basis)
C. AFUDC To Net Income	0.01% (System per Books Basis)
D. Internally Generated Funds	92.41% (System per Books Basis)
E. LTD To Total Investor Funds	40.43% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	4.32% (FPSC Adjusted Basis)
G. Return on Common Equity	9.08% (FPSC Adjusted Basis)
H. Return on Common Equity	9.08% (Proforma Basis)

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Name and Title

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

Signature



Date

5/15/17

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GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
March, 2017

	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	5,089,898,398	1,629,272,242	3,460,566,156	14,754,173	63,636,241	0	3,538,956,570	201,909,680	3,740,866,250
JURISDICTIONAL PER BOOKS	4,810,306,059	1,563,217,344	3,247,088,715	14,322,542	60,896,001	0	3,322,307,258	277,406,576	3,599,713,834
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,488,397,523)	(240,864,124)	(1,247,533,399)		(10,412,432)		(1,257,945,831)	(17,416,988)	(1,275,362,819)
INT BEARING CWIP					(433,875)		(433,875)	0	(433,875)
ENERGY CONSERVATION CLAUSE	(14,331,733)	7,879,633	(22,211,366)		6,003		(22,205,363)	(823,918)	(23,029,281)
LOANS TO EMPLOYEES / RETIREES								(41,209)	(41,209)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,463,707)	(17,125,038)
FUEL RELATED DEFERRED DEBITS								(4,065,568)	(4,065,568)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,023,764)	(2,023,764)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,502,729,256)	(232,984,491)	(1,269,744,765)	(12,661,331)	(10,840,304)	0	(1,293,246,400)	(28,835,154)	(1,322,081,555)
FPSC ADJUSTED	3,307,576,803	1,330,232,853	1,977,343,950	1,661,211	50,055,697	0	2,029,060,858	248,571,422	2,277,632,280
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	3,307,576,803	1,330,232,853	1,977,343,950	1,661,211	50,055,697	0	2,029,060,858	248,571,422	2,277,632,280

*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*
March, 2017

	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	1,499,301,400	596,054,119	337,231,099	153,015,775	117,812,041	31,896,129	62,233,675	(482,064)	0	1,297,760,774	201,540,626 (a)
JURISDICTIONAL PER BOOKS	1,350,858,366	486,429,159	328,503,967	147,209,454	118,536,603	31,681,762	54,335,025	(403,833)	0	1,164,292,137	186,566,229 (a)
LESS FPSC ADJUSTMENTS:	(402,120,675)	(401,821,511)				(115,402)				(401,936,913)	(183,762)
RETAIL FUEL REVENUES & EXPENSES	(84,600,057)	(84,607,646)				2,928				(84,604,720)	4,663
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,964,476)		(9,369,536)	(398,719)	(338,906)	(716,498)				(10,823,558)	(1,140,918)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(200,592,061)		(36,826,890)	(51,972,285)	(7,196,916)	(40,347,895)				(136,343,986)	(64,248,075)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,229,572)				(41,829,781)	(194,219)				(41,994,000)	(245,572)
FRANCHISE FEE REVENUE & EXPENSE	(31,359,612)				(30,991,425)	(153,678)				(31,115,103)	(244,709)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(96,850)			37,360				(59,490)	59,490
MARKETING SUPPORT ACTIVITIES			(283,248)			109,263				(173,985)	173,985
WHOLESALE EXPENSES			(189,629)			73,149				(116,480)	116,480
INSTITUTIONAL ADVERTISING EXPENSE			(50,811)			19,523				(31,088)	31,088
ECONOMIC DEVELOPMENT EXPENSE			(4,665)			1,800				(2,865)	2,865
MGMT FINANCIAL PLANNING SERVICES			(38,812)			14,972				(23,840)	23,840
DIRECTORS' & OFFICERS' INSURANCE			(1,455)			561				(894)	894
INDUSTRY ASSOCIATION DUES			(467,083)			188,938				(900,866)	300,856
TALLAHASSEE LIAISON EXPENSES					(22,711)	552,040				(879,043)	879,043
GRT, FPSC FEES ON CLAUSES & FEES					(1,431,063)					0	0
(GAIN)/ LOSS ON DISPOSITION OF PROPERTY						7,282,163				7,282,163	(7,282,163)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(772,866,653)	(486,429,159)	(47,328,779)	(52,371,004)	(61,780,722)	(33,204,995)	0	0	0	(701,114,659)	(71,751,993)
FPSC ADJUSTED	577,991,713	0	281,175,188	94,838,450	34,755,881	(1,523,233)	54,335,025	(403,833)	0	463,177,478	114,814,235
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	577,991,713	0	281,175,188	94,838,450	34,755,881	(1,523,233)	54,335,025	(403,833)	0	463,177,478	114,814,235
PRO FORMA ADJUSTED	577,991,713	0	281,175,188	94,838,450	34,755,881	(1,523,233)	54,335,025	(403,833)	0	463,177,478	114,814,235
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,845	AND THE JURISDICTIONAL NOI BY	10,593					
CURRENT MONTH - SYSTEM PER BOOKS	125,568,138	51,718,750	33,389,179	14,617,319	8,648,567	12,794,654	(7,706,866)	(32,825)	0	113,628,778	11,939,361
CURRENT MONTH JURISDICTIONAL PER BOOKS	103,565,897	32,811,040	31,529,040	14,205,267	8,725,773	10,365,570	(5,506,025)	(27,267)	0	92,103,398	11,462,499

TOTALS MAY NOT ADD DUE TO ROUNDING.

*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 oil-system sales.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
March, 2017

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	(1,532,654,411)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(512,325,005)	(197,629,371)
ACCUMULATED DEPRECIATION	248,026,119	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,318,527)	(79,587,372)
CWIP	(10,722,042)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,737,898)	(32,687,566)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,331,733)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,964,476)	(4,815,297)
ACCUMULATED DEPRECIATION	(7,879,833)	FUEL EXPENSE	(508,913,282)	196,313,299
CWIP	6,003	PURCHASED POWER CAPACITY COST EXPENSE	(87,128,886)	33,810,006
FAS 143 NET PLANT	(64,144,426)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,768,254)	3,788,104
INTEREST BEARING CWIP	(444,194)	CONSERVATION EXPENSES - OTHER TAXES	(338,806)	130,694
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,775,209)	38,102,537
		FRANCHISE FEE REVENUES	(42,229,572)	(16,290,057)
		FRANCHISE FEE	(41,829,781)	16,135,838
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,359,812)	(12,097,048)
ECRC WORKING CAPITAL	(17,934,875)	GROSS RECEIPTS TAX EXPENSE	(30,961,425)	11,943,370
CONSERVATION/AM INVENTORY	(823,918)	MARKETING SUPPORT ACTIVITIES	(96,850)	37,360
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSES	(291,879)	112,592
LOANS TO EMPLOYEES AND RETIREES	(43,008)	INSTITUTIONAL ADVERTISING EXPENSE	(193,365)	74,591
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,810)	19,523
NORTH ESCAMBIA SITE	(4,658,742)	MGMT FINANCIAL PLANNING SERVICES	(4,768)	1,839
UNAMORTIZED RATE CASE EXPENSE	(2,112,190)	DIRECTORS' & OFFICERS' INSURANCE	(39,869)	15,302
FUEL RELATED DEFERRED DEBITS	(4,065,568)	INDUSTRY ASSOCIATION DUES	(1,484)	572
UNREALIZED LOSS ON FWD CONTRACT	(206,784)	TALLAHASSEE LIAISON EXPENSE	(500,814)	193,112
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,431,083)	552,040
FAS 143 WORKING CAPITAL	76,785,644	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPN. ESC REV	(124,311)	(47,953)
FAS 158 REGULATORY ASSETS	(156,522,492)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY LIABILITIES	156,522,492	INTEREST SYNCHRONIZATION	7,441,769	7,441,769
PPA REGULATORY ASSETS	(146,586,405)			
PPA REGULATORY LIABILITIES	146,586,405			
FAS 133 REGULATORY ASSETS	(52,694,343)			
FAS 133 REGULATORY LIABILITIES	52,694,343			

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GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
March, 2017

	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	5,104,938,344	1,691,251,052	3,413,687,292	14,754,000	65,142,460	0	3,493,583,752	201,909,680	3,695,493,432
JURISDICTIONAL PER BOOKS	4,870,476,267	1,629,657,840	3,240,818,427	14,322,375	61,747,816	0	3,316,888,618	278,148,603	3,595,037,221
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,506,808,070)	(273,614,872)	(1,233,193,198)		(4,920,556)		(1,238,113,754)	(17,416,988)	(1,255,530,742)
INT BEARING CWIP					(2,049,260)		(2,049,260)	0	(2,049,260)
ENERGY CONSERVATION CLAUSE	(15,072,659)	7,984,374	(23,057,033)				(23,057,033)	(823,918)	(23,880,951)
LOANS TO EMPLOYEES AND RETIREES								(41,209)	(41,209)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,463,707)	(17,125,038)
FUEL RELATED DEFERRED DEBITS								(4,065,568)	(4,065,568)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,023,764)	(2,023,764)
TOTAL FPSC ADJUSTMENTS	(1,521,880,729)	(265,630,498)	(1,256,250,231)	(12,661,331)	(6,969,816)	0	(1,275,881,378)	(28,835,154)	(1,304,716,532)
FPSC ADJUSTED	3,348,595,538	1,364,027,342	1,984,568,196	1,661,044	54,778,000	0	2,041,007,240	249,313,449	2,290,320,689
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	3,348,595,538	1,364,027,342	1,984,568,196	1,661,044	54,778,000	0	2,041,007,240	249,313,449	2,290,320,689

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GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT, INCLUDING SCHERER 3*
March, 2017

	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	1,498,301,400	596,054,119	337,231,099	153,015,775	117,812,041	31,896,129	62,233,875	(482,064)	0	1,297,760,774	201,540,626
JURISDICTIONAL PER BOOKS	1,350,858,366	486,429,159	328,503,967	147,209,454	116,536,603	31,700,093	54,221,913	(403,833)	0	1,164,197,356	186,661,010
LESS FPSC ADJUSTMENTS:	(402,120,675)	(401,821,511)				(115,402)				(401,936,913)	(183,762)
RETAIL FUEL REVENUES & EXPENSES	(84,600,057)	(84,607,648)				2,928				(84,604,720)	4,663
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,964,476)		(9,389,536)	(398,719)	(338,806)	(716,498)				(10,823,558)	(1,140,918)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(200,592,061)		(36,826,890)	(51,972,285)	(7,196,916)	(40,347,895)				(136,343,866)	(64,248,075)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,229,572)				(41,829,781)	(154,219)				(41,984,000)	(245,572)
FRANCHISE FEE REVENUE & EXPENSE	(31,359,812)				(30,961,425)	(153,678)				(31,115,103)	(244,709)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(96,850)			37,360				(59,490)	59,490
MARKETING SUPPORT ACTIVITIES			(283,248)			109,263				(173,985)	173,985
WHOLESALE EXPENSES			(189,629)			73,149				(116,480)	116,480
INSTITUTIONAL ADVERTISING EXPENSE			(50,611)			19,523				(31,088)	31,088
ECONOMIC DEVELOPMENT EXPENSE			(4,665)			1,800				(2,865)	2,865
MGMT FINANCIAL PLANNING SERVICES			(38,812)			14,972				(23,840)	23,840
DIRECTORS' & OFFICERS' INSURANCE			(1,455)			561				(894)	894
INDUSTRY ASSOCIATION DUES			(467,083)		(22,711)	188,938				(300,856)	300,856
TALLAHASSEE LIAISON EXPENSES					(1,431,063)	582,040				(879,043)	879,043
GRT, FPSC FEES ON CLAUSES & FEES										0	0
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										8,804,254	(8,804,254)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(772,866,653)	(486,429,159)	(47,328,779)	(52,371,004)	(81,780,722)	(31,682,904)	0	0	0	(699,592,568)	(73,274,084)
FPSC ADJUSTED	577,991,713	0	281,175,188	94,838,450	34,755,881	17,189	54,221,913	(403,833)	0	464,604,788	113,386,925
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	577,991,713	0	281,175,188	94,838,450	34,755,881	17,189	54,221,913	(403,833)	0	464,604,788	113,386,925
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,845	AND THE JURISDICTIONAL NOI BY	10,593					

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GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
March, 2017

SCHEDULE 3
PAGE 3 OF 3

RATE BASE ADJUSTMENTS	AMOUNT	NET OPERATING INCOME STATEMENT ADJUSTMENTS	AMOUNT	TAX EFFECT
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,550,090,349)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(512,325,005)	(197,829,371)
ACCUMULATED DEPRECIATION	281,474,317	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,318,527)	(79,587,372)
CWIP	(5,061,897)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,737,696)	(32,687,566)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,072,659)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,964,476)	(4,615,297)
ACCUMULATED DEPRECIATION	(7,984,374)	FUEL EXPENSE	(508,913,282)	196,313,299
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(87,128,986)	33,610,006
FAS 143 NET PLANT	(47,734,344)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,768,254)	3,768,104
INTEREST BEARING CWIP	(2,098,001)	CONSERVATION EXPENSES - OTHER TAXES	(338,806)	130,694
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,775,209)	38,102,537
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,229,572)	(16,290,057)
ECRC WORKING CAPITAL	(17,934,875)	FRANCHISE FEE	(41,829,781)	16,135,838
CONSERVATION/AEM INVENTORY	(823,918)	GROSS RECEIPTS TAX REVENUES	(31,359,812)	(12,097,048)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,961,425)	11,943,370
LOANS TO EMPLOYEES AND RETIREES	(43,006)	MARKETING SUPPORT ACTIVITIES	(96,850)	37,360
INTEREST & DIVIDENDS RECEIVABLE	0	WHOLESALE EXPENSES	(291,879)	112,592
NORTH ESCAMBIA SITE	(4,658,742)	INSTITUTIONAL ADVERTISING EXPENSE	(193,365)	74,591
UNAMORTIZED RATE CASE EXPENSE	(2,112,190)	ECONOMIC DEVELOPMENT EXPENSE	(50,610)	19,523
FUEL RELATED DEFERRED DEBITS	(4,065,568)	MGMT FINANCIAL PLANNING SERVICES	(4,768)	1,839
UNREALIZED LOSS ON FWD CONTRACT	(206,784)	DIRECTORS' & OFFICERS' INSURANCE	(39,669)	15,302
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,484)	572
FAS 143 WORKING CAPITAL	76,765,644	TALLAHASSEE LIAISON EXPENSE	(500,614)	193,112
FAS 158 REGULATORY ASSETS	(156,522,492)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,431,083)	552,040
FAS 158 REGULATORY LIABILITIES	156,522,492	COMP SALES/TRANS REV/GL SALE GAS/PROV RT REFN. ESC REV	(124,311)	(47,953)
PPA REGULATORY ASSETS	(146,586,405)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
PPA REGULATORY LIABILITIES	146,586,405	INTEREST SYNCHRONIZATION	9,173,848	9,173,848
FAS 133 REGULATORY ASSETS	(52,694,343)			
FAS 133 REGULATORY LIABILITIES	52,694,343			

*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
 March, 2017

AVERAGE	SYSTEM PER BOOKS			ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,147,305,069	1,100,955,082	(404,352,255)	0	696,602,827	30.58	4.34	1.33	4.34	1.33	4.34	1.33	4.34	1.33	
SHORT TERM DEBT	126,580,786	117,677,175	(43,219,775)	0	74,457,400	3.27	0.33	0.01	0.33	0.01	0.33	0.01	0.33	0.01	
PREFERENCE STOCK	146,504,320	140,637,886	(51,652,649)	0	88,985,237	3.91	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	35,758,949	35,644,687	(13,091,369)	0	22,553,318	0.99	2.31	0.02	2.31	0.02	2.31	0.02	2.31	0.02	
COMMON EQUITY	1,407,044,718	1,364,068,002	(500,866,808)	0	863,081,194	37.89	9.25	3.51	10.25	3.88	11.25	3.88	11.25	4.26	
DEFERRED INCOME TAXES	923,911,272	891,737,347	(327,512,006)	0	564,225,341	24.77									
FASB 109 DEFERRED TAXES	(54,169,281)	(52,282,911)	19,202,157	0	(33,080,754)	(1.45)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	1,702,382	1,276,567	(468,850)	0	807,717	0.04	7.01	0.00	7.53	0.00	8.05	0.00	8.05	0.00	
TOTAL	3,734,638,215	3,599,713,894	(1,322,081,555)	0	2,277,632,280	100.00		5.11		5.49		5.49		5.87	

YEAR-END	SYSTEM PER BOOKS			ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,062,645,441	1,003,895,514	(364,313,555)	0	639,521,959	27.92	4.14	1.16	4.14	1.16	4.14	1.16	4.14	1.16	
SHORT TERM DEBT	100,000,000	90,561,866	(32,866,854)	0	57,695,012	2.52	0.12	0.00	0.12	0.00	0.12	0.00	0.12	0.00	
PREFERENCE STOCK	146,504,320	138,396,339	(50,227,016)	0	88,169,323	3.85	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	35,256,534	34,347,573	(12,465,475)	0	21,882,098	0.96	2.12	0.02	2.12	0.02	2.12	0.02	2.12	0.02	
COMMON EQUITY	1,554,347,555	1,486,603,507	(532,262,039)	0	934,341,468	40.80	9.25	3.77	10.25	4.18	11.25	4.18	11.25	4.59	
DEFERRED INCOME TAXES	961,316,483	910,213,353	(330,336,054)	0	579,877,299	25.31									
FASB 109 DEFERRED TAXES	(92,863,446)	(90,053,250)	18,165,404	0	(31,987,846)	(1.39)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	1,471,523	1,132,319	(410,943)	0	721,376	0.03	7.12	0.00	7.68	0.00	8.24	0.00	8.24	0.00	
TOTAL	3,808,678,410	3,595,037,221	(1,304,716,532)	0	2,290,320,889	100.00		5.19		5.60		5.60		6.01	

*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
Financial Integrity Indicators, Including Scherer 3*
March, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	180,350,733
AFUDC - Debt	2,951
Income Taxes	85,113,094
	<hr/>
Total	265,466,778
Interest Charges (Before Deducting AFUDC - Debt)	51,890,778
T.I.E. With AFUDC	<hr/> 5.12 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	180,350,733
AFUDC - Other	(7,894)
Income Taxes	85,113,094
	<hr/>
Total	265,455,933
Interest Charges (Before Deducting AFUDC - Debt)	51,890,778
T.I.E. Without AFUDC	<hr/> 5.12 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	2,951
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,812
AFUDC - Other	7,894
	<hr/>
Total	9,707
	<hr/>
Net Income Available for Common Stockholders	119,460,406
Percent AFUDC to Available Net Income	<hr/> 0.01%

D. Percent Internally Generated Funds

Net Income	128,462,906
Preference Dividends	(9,002,500)
Common Dividends	(121,301,000)
AFUDC (Debt & Other)	(10,845)
Depreciation & Amortization	162,350,656
Deferred Income Taxes	62,233,675
Investment Tax Credits	0
Other	(27,425,831)
	<hr/>
Total	195,307,061
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	211,357,069
	<hr/>
Percent Internally Generated Funds	<hr/> 92.41%

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	696,602,827
Short Term Debt	74,457,400
Preference Stock	88,985,237
Common Equity	863,081,194
	<hr/>
Total	1,723,126,658
	<hr/>
% Long Term Debt To Total	40.43%
	<hr/>
% Short Term Debt To Total	4.32%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.04%	5.04%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.33)	(1.33)
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	(1.60)	(1.60)
	<hr/>	<hr/>
Total	3.44	3.44
Divided by Common Equity Ratio	37.89	37.89
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	9.08%	9.08%

*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
Storm Accrual - Twelve Month to Date
March, 2017

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
January	2017	291,667
February	2017	291,667
March	2017	291,667
12 - M-T-D		<u>3,500,000</u>

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GULF POWER COMPANY

DOCKET NO. 990315-EI

RTP QUARTERLY REPORT

Seventieth Quarterly Report

Report Period: First Quarter, 2017

<u>Rate Class</u>	<u>First Quarter Total Revenue</u>	<u>First Quarter Total KWH Sales</u>	<u>First Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$24,783,833.64	329,422,940	7.523	8.233
PX/PXT	-	-	-	-
LP/LPT	\$16,428,487.12	185,623,697	8.850	9.050

**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.**

March 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
March, 2017

	(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	192,219,970	(71,713,820)	120,506,149	0	120,506,149
Average Rate Base	3,521,372,499	(1,322,081,555)	2,199,290,945	0	2,199,290,945
Average Rate of Return	5.46%		5.48%		5.48%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	192,317,122	(73,107,127)	119,209,994	0	119,209,994
Year End Rate Base	3,531,099,631	(1,304,716,532)	2,226,383,099	0	2,226,383,099
Year End Rate of Return	5.45%		5.35%		5.35%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.10%
Midpoint	5.48%
High	5.86%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.12 x (System per Books Basis)
B. Tie Without AFUDC	5.12 x (System per Books Basis)
C. AFUDC To Net Income	0.01% (System per Books Basis)
D. Internally Generated Funds	92.41% (System per Books Basis)
E. LTD To Total Investor Funds	40.40% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	4.33% (FPSC Adjusted Basis)
G. Return on Common Equity	10.25% (FPSC Adjusted Basis)
H. Return on Common Equity	10.25% (Proforma Basis)

I am aware that Section 837.06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Name and Title

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

Signature



Date

5/15/17

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 March, 2017

	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	5,089,838,398	1,629,272,242	3,460,566,156	14,754,173	63,636,241	0	3,538,956,570	201,909,680	3,740,866,250
JURISDICTIONAL PER BOOKS	4,662,327,892	1,480,234,113	3,182,093,779	14,322,542	57,822,323	0	3,254,238,644	267,133,855	3,521,372,499
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,488,397,523)	(240,864,124)	(1,247,533,399)		(10,412,432)		(1,257,945,831)	(17,416,988)	(1,275,362,819)
INT BEARING CWIP					(433,875)		(433,875)	0	(433,875)
ENERGY CONSERVATION CLAUSE					6,003		(22,205,363)	(823,918)	(23,029,281)
LOANS TO EMPLOYEES / RETIREES	(14,331,733)	7,879,633	(22,211,366)				(41,209)	(41,209)	(41,209)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,463,707)	(17,125,038)
FUEL RELATED DEFERRED DEBITS								(4,065,568)	(4,065,568)
FLAME RESISTANT CLOTHING								0	0
ACCURED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,023,764)	(2,023,764)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,502,729,256)	(232,984,491)	(1,269,744,765)	(12,661,331)	(10,840,304)	0	(1,293,246,400)	(28,835,154)	(1,322,081,555)
FPSC ADJUSTED	3,159,598,636	1,247,249,622	1,912,349,014	1,661,211	46,982,019	0	1,960,992,244	238,298,701	2,199,290,945
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	3,159,598,636	1,247,249,622	1,912,349,014	1,661,211	46,982,019	0	1,960,992,244	238,298,701	2,199,290,945

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
March, 2017

	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	1,499,901,400	596,054,119	337,231,099	153,015,775	117,812,041	31,896,129	62,233,675	(482,064)	0	1,297,760,774	201,540,626
JURISDICTIONAL PER BOOKS	1,350,858,366	486,429,159	322,328,732	143,944,537	115,897,435	30,858,424	59,415,559	(224,857)	0	1,150,646,989	192,209,377
LESS FPSC ADJUSTMENTS:	(402,120,675)	(401,321,511)				(115,402)				(401,936,913)	(163,762)
RETAIL FUEL REVENUES & EXPENSES	(84,500,057)	(84,507,648)				2,928				(84,604,720)	4,663
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,964,476)	(9,359,536)		(398,719)	(338,806)	(716,498)				(10,823,558)	(1,140,918)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(200,592,061)	(36,826,890)		(51,972,285)	(7,196,916)	(40,347,895)				(136,343,986)	(64,248,075)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,229,572)				(41,629,781)	(154,219)				(41,984,000)	(245,572)
FRANCHISE FEE REVENUE & EXPENSE	(31,359,812)				(30,961,425)	(153,678)				(31,115,103)	(244,709)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(96,650)			37,360				(59,490)	59,490
MARKETING SUPPORT ACTIVITIES			(283,248)			109,263				(173,985)	173,985
WHOLESALE EXPENSES			(189,625)			73,149				(116,480)	116,480
INSTITUTIONAL ADVERTISING EXPENSE			(50,611)			19,523				(31,088)	31,088
ECONOMIC DEVELOPMENT EXPENSE			(4,665)			1,800				(2,865)	2,865
MGMT FINANCIAL PLANNING SERVICES			(38,812)			14,972				(23,840)	23,840
DIRECTORS' & OFFICERS' INSURANCE			(1,455)			561				(894)	894
INDUSTRY ASSOCIATION DUES			(467,083)			188,358				(300,656)	300,656
TALLAHASSEE LIAISON EXPENSES					(22,711)					(22,711)	
GRT, FPSC FEES ON CLAUSES & FEES					(1,431,083)	552,040				(879,043)	879,043
(GAIN)/LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						7,233,397				7,233,397	(7,233,397)
TOTAL FPSC ADJUSTMENTS	(772,896,653)	(486,429,159)	(47,338,779)	(52,371,004)	(81,780,722)	(33,253,761)	0	0	0	(701,163,425)	(71,703,227)
FPSC ADJUSTED	577,991,713	0	274,999,953	91,573,533	34,116,713	(2,395,337)	59,415,559	(224,857)	0	457,485,564	120,506,149
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	577,991,713	0	274,999,953	91,573,533	34,116,713	(2,395,337)	59,415,559	(224,857)	0	457,485,564	120,506,149
PRO FORMA ADJUSTED	125,569,138	51,718,750	33,368,179	14,617,319	8,846,567	12,794,654	(7,706,866)	(32,825)	0	113,629,778	11,939,361
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,845	AND THE JURISDICTIONAL NOI BY		10,593				
CURRENT MONTH SYSTEM PER BOOKS	103,565,697	32,811,040	30,470,026	13,873,282	8,617,832	13,540,588	(8,083,953)	(11,527)	0	91,217,298	12,348,599
CURRENT MONTH JURISDICTIONAL PER BOOKS											

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
March, 2017

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	(1,532,654,411)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(512,325,005)	(197,629,371)
ACCUMULATED DEPRECIATION	248,026,119	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,318,527)	(79,587,372)
CWIP	(10,722,042)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,737,696)	(32,687,566)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,331,733)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,964,476)	(4,815,257)
ACCUMULATED DEPRECIATION	(7,879,633)	FUEL EXPENSE	(508,913,282)	196,313,299
CWIP	6,003	PURCHASED POWER CAPACITY COST EXPENSE	(87,128,986)	33,810,006
FAS 143 NET PLANT	(64,144,426)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,768,254)	3,768,104
INTEREST BEARING CWIP	(444,194)	CONSERVATION EXPENSES - OTHER TAXES	(338,806)	130,694
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,775,209)	38,102,537
		FRANCHISE FEE REVENUES	(42,229,572)	(16,290,057)
		FRANCHISE FEE	(41,829,781)	16,135,838
		GROSS RECEIPTS TAX REVENUES	(31,359,812)	(12,097,048)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(30,961,425)	11,943,370
ECRC WORKING CAPITAL	(17,934,875)	MARKETING SUPPORT ACTIVITIES	(96,850)	37,360
CONSERVATION/AM INVENTORY	(823,918)	WHOLESALE EXPENSES	(291,879)	112,592
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(193,365)	74,591
LOANS TO EMPLOYEES AND RETIREES	(43,008)	ECONOMIC DEVELOPMENT EXPENSE	(50,610)	19,523
INTEREST & DIVIDENDS RECEIVABLE	0	MGMT FINANCIAL PLANNING SERVICES	(4,768)	1,839
NORTH ESCAMBIA SITE	(4,658,742)	DIRECTORS' & OFFICERS' INSURANCE	(39,669)	15,302
UNAMORTIZED RATE CASE EXPENSE	(2,112,190)	INDUSTRY ASSOCIATION DUES	(1,484)	572
FUEL RELATED DEFERRED DEBITS	(4,065,568)	TALLAHASSEE LIAISON EXPENSE	(500,614)	193,112
UNREALIZED LOSS ON FWD CONTRACT	(206,784)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,431,083)	552,040
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/QL SALE GAS/PROV RT REFN. ESC REV	(124,311)	(47,953)
FAS 143 WORKING CAPITAL	76,765,644	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY ASSETS	(156,522,492)	INTEREST SYNCHRONIZATION	7,441,769	7,441,769
FAS 158 REGULATORY LIABILITIES	156,522,492			
PPA REGULATORY ASSETS	(146,586,405)			
PPA REGULATORY LIABILITIES	146,586,405			
FAS 133 REGULATORY ASSETS	(52,694,343)			
FAS 133 REGULATORY LIABILITIES	52,694,343			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
March, 2017

	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	5,104,938,344	1,691,251,052	3,413,687,292	14,754,000	65,142,460	0	3,493,583,752	201,909,680	3,695,493,432
JURISDICTIONAL PER BOOKS	4,733,113,873	1,538,772,794	3,194,341,079	14,322,375	55,865,693	0	3,264,529,147	266,570,484	3,531,099,631
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,508,808,070)	(273,614,872)	(1,233,193,198)		(4,920,556)		(1,238,113,754)	(17,416,988)	(1,255,530,742)
INT BEARING CWIP					(2,049,260)		(2,049,260)	0	(2,049,260)
ENERGY CONSERVATION CLAUSE	(15,072,659)	7,984,374	(23,057,033)		(2,049,260)		(23,057,033)	(823,918)	(23,880,951)
LOANS TO EMPLOYEES AND RETIREES							(41,209)	(41,209)	(41,209)
INTEREST AND DIVIDENDS RECEIVABLE							0	0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,861,331)			(12,861,331)	(4,463,707)	(17,125,038)
FUEL RELATED DEFERRED DEBITS								(4,065,568)	(4,065,568)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,023,764)	(2,023,764)
TOTAL FPSC ADJUSTMENTS	(1,521,880,729)	(265,630,498)	(1,256,250,231)	(12,861,331)	(6,969,816)	0	(1,275,881,378)	(28,835,154)	(1,304,716,532)
FPSC ADJUSTED	3,211,233,144	1,273,142,296	1,938,090,848	1,661,044	48,895,877	0	1,988,647,769	237,735,330	2,226,383,099
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	3,211,233,144	1,273,142,296	1,938,090,848	1,661,044	48,895,877	0	1,988,647,769	237,735,330	2,226,383,099

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
March, 2017

	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	1,499,301,400	598,054,119	337,231,099	153,015,775	117,812,041	31,886,129	62,233,675	(482,064)	0	1,297,760,774	201,540,626 (a)
JURISDICTIONAL PER BOOKS	1,350,858,366	486,429,159	322,328,732	143,944,537	115,897,435	30,877,213	59,299,618	(224,857)	0	1,158,551,837	192,306,529 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(402,120,675)	(401,821,511)				(115,402)				(401,936,913)	(183,762)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(84,600,057)	(84,607,648)				2,928				(84,604,720)	4,663
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,964,476)		(9,369,536)	(398,719)	(338,806)	(716,498)				(10,823,558)	(1,140,918)
ENVIRONMENTAL COST RECOVERY CLAUSE	(200,592,061)		(36,826,990)	(51,972,285)	(7,196,916)	(40,347,895)				(136,343,886)	(64,248,075)
FRANCHISE FEE REVENUE & EXPENSE	(42,229,572)				(41,829,761)	(154,219)				(41,984,000)	(245,572)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,359,812)				(30,961,425)	(153,678)				(31,115,103)	(244,709)
MARKETING SUPPORT ACTIVITIES			(96,850)			37,360				(59,490)	59,490
WHOLESALE EXPENSES			(283,248)			109,263				(173,985)	173,985
INSTITUTIONAL ADVERTISING EXPENSE			(189,629)			73,149				(116,480)	116,480
ECONOMIC DEVELOPMENT EXPENSE			(50,611)			19,523				(31,088)	31,088
MGMT FINANCIAL PLANNING SERVICES			(4,665)			1,800				(2,865)	2,865
DIRECTORS' & OFFICERS' INSURANCE			(38,812)			14,972				(23,840)	23,840
INDUSTRY ASSOCIATION DUES			(1,455)			561				(894)	894
TALLAHASSEE LIAISON EXPENSES			(467,083)		(22,711)	188,938				(300,856)	300,856
GRT, FPSC FEES ON CLAUSES & FEES					(1,431,083)	552,040				(879,043)	879,043
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						8,626,704				8,626,704	(8,626,704)
TOTAL FPSC ADJUSTMENTS	(772,866,653)	(486,429,159)	(47,328,779)	(52,371,004)	(81,780,722)	(31,860,454)	0	0	0	(699,770,118)	(73,096,534)
FPSC ADJUSTED	577,991,713	0	274,999,953	91,573,533	34,116,713	(983,241)	59,299,618	(224,857)	0	458,781,719	119,209,994
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	577,991,713	0	274,999,953	91,573,533	34,116,713	(983,241)	59,299,618	(224,857)	0	458,781,719	119,209,994

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 10,845 AND THE JURISDICTIONAL NOI BY 10,593

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
March, 2017

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	(1,550,090,349)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(512,325,005)	(197,629,371)
ACCUMULATED DEPRECIATION	281,474,317	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,318,527)	(79,587,372)
CWIP	(5,061,897)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,737,696)	(32,687,566)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,072,659)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,964,476)	(4,615,297)
ACCUMULATED DEPRECIATION	(7,984,374)	FUEL EXPENSE	(508,913,282)	196,313,299
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(87,128,986)	33,610,006
FAS 143 NET PLANT	(47,734,344)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,768,254)	3,768,104
INTEREST BEARING CWIP	(2,098,001)	CONSERVATION EXPENSES - OTHER TAXES	(338,806)	130,694
PHFU - NORTH ESCAMBIA	(12,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,775,209)	38,102,537
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,229,572)	(16,290,057)
ECRC WORKING CAPITAL	(17,934,875)	FRANCHISE FEE	(41,829,781)	16,135,838
CONSERVATION/AEM INVENTORY	(823,918)	GROSS RECEIPTS TAX REVENUES	(31,359,812)	(12,087,048)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,961,425)	11,943,370
LOANS TO EMPLOYEES AND RETIREES	(43,008)	MARKETING SUPPORT ACTIVITIES	(96,850)	37,360
INTEREST & DIVIDENDS RECEIVABLE	0	WHOLESALE EXPENSES	(291,879)	112,592
NORTH ESCAMBIA SITE	(4,658,742)	INSTITUTIONAL ADVERTISING EXPENSE	(193,365)	74,591
UNAMORTIZED RATE CASE EXPENSE	(2,112,190)	ECONOMIC DEVELOPMENT EXPENSE	(50,610)	19,523
FUEL RELATED DEFERRED DEBITS	(4,065,568)	MGMT FINANCIAL PLANNING SERVICES	(4,768)	1,839
UNREALIZED LOSS ON FWD CONTRACT	(206,784)	DIRECTORS' & OFFICERS' INSURANCE	(39,669)	15,302
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,484)	572
FAS 143 WORKING CAPITAL	76,765,644	TALLAHASSEE LIAISON EXPENSE	(500,614)	193,112
FAS 158 REGULATORY ASSETS	(156,522,492)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,431,083)	552,040
FAS 158 REGULATORY LIABILITIES	156,522,492	COMP SALES/TRANS REV/GL SALE GAS/PROV RT REPN. ESC REV	(124,311)	(47,953)
PPA REGULATORY ASSETS	(146,586,405)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
PPA REGULATORY LIABILITIES	146,586,405	INTEREST SYNCHRONIZATION	9,173,848	9,173,848
FAS 133 REGULATORY ASSETS	(52,694,343)			
FAS 133 REGULATORY LIABILITIES	52,694,343			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
March, 2017

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS			RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC	ADJUSTED RETAIL		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,147,305,069	1,074,528,745	(403,426,401)	0	671,102,344	30.51	4.34	1.32	4.34	1.32	4.34	4.34	1.32	4.34	1.32
SHORT TERM DEBT	126,580,786	115,200,753	(43,251,542)	0	71,949,211	3.27	0.33	0.01	0.33	0.01	0.33	0.33	0.01	0.33	0.01
PREFERENCE STOCK	146,504,320	137,253,267	(51,531,047)	0	85,722,220	3.90	6.14	0.24	6.14	0.24	6.14	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,758,949	35,640,234	(13,980,946)	0	22,259,288	1.01	2.31	0.02	2.31	0.02	2.31	2.31	0.02	2.31	0.02
COMMON EQUITY	1,407,044,718	1,332,746,368	(500,372,906)	0	832,373,462	37.85	9.25	3.50	10.25	3.88	11.25	11.25	3.88	11.25	4.26
DEFERRED INCOME TAXES	923,911,272	877,074,562	(329,293,253)	0	547,781,309	24.91									
FASB 109 DEFERRED TAXES	(54,169,281)	(51,423,227)	19,306,591	0	(32,116,636)	(1.46)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	1,702,382	351,798	(132,081)	0	219,717	0.01	7.01	0.00	7.53	0.00	8.06	8.06	0.00	8.06	0.00
TOTAL	3,734,638,215	3,521,372,499	(1,322,081,555)	0	2,199,290,945	100.00		5.10		5.48			5.48		5.86

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS			RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC	ADJUSTED RETAIL		COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,062,645,441	984,988,979	(363,946,515)	0	621,042,464	27.89	4.14	1.16	4.14	1.16	4.14	4.14	1.16	4.14	1.16
SHORT TERM DEBT	100,000,000	88,789,062	(32,806,935)	0	55,982,127	2.51	0.12	0.00	0.12	0.00	0.12	0.12	0.00	0.12	0.00
PREFERENCE STOCK	146,504,320	135,798,014	(50,176,413)	0	85,621,601	3.85	6.14	0.24	6.14	0.24	6.14	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,256,534	34,325,634	(12,683,081)	0	21,642,553	0.97	2.12	0.02	2.12	0.02	2.12	2.12	0.02	2.12	0.02
COMMON EQUITY	1,554,347,555	1,439,068,726	(531,725,795)	0	907,342,931	40.75	9.25	3.77	10.25	4.18	11.25	11.25	4.18	11.25	4.58
DEFERRED INCOME TAXES	961,316,483	897,224,711	(331,518,234)	0	565,706,477	25.42									
FASB 109 DEFERRED TAXES	(52,863,446)	(49,338,996)	18,230,413	0	(31,108,583)	(1.40)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	1,471,523	243,501	(89,972)	0	153,529	0.01	7.12	0.00	7.68	0.00	8.24	8.24	0.00	8.24	0.00
TOTAL	3,808,678,410	3,531,099,631	(1,304,716,532)	0	2,226,383,099	100.00		5.19		5.59			5.59		6.00

GULF POWER COMPANY
Financial Integrity Indicators
March, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	180,350,733
AFUDC - Debt	2,951
Income Taxes	85,113,094
	<hr/>
Total	265,466,778
Interest Charges (Before Deducting AFUDC - Debt)	51,890,778
	<hr/>
T.I.E. With AFUDC	5.12 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	180,350,733
AFUDC - Other	(7,894)
Income Taxes	85,113,094
	<hr/>
Total	265,455,933
Interest Charges (Before Deducting AFUDC - Debt)	51,890,778
	<hr/>
T.I.E. Without AFUDC	5.12 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	2,951
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,812
AFUDC - Other	7,894
	<hr/>
Total	9,707
	<hr/>
Net Income Available for Common Stockholders	119,460,406
Percent AFUDC to Available Net Income	0.01%

D. Percent Internally Generated Funds

Net Income	128,462,906
Preference Dividends	(9,002,500)
Common Dividends	(121,301,000)
AFUDC (Debt & Other)	(10,845)
Depreciation & Amortization	162,350,656
Deferred Income Taxes	62,233,675
Investment Tax Credits	0
Other	(27,425,831)
	<hr/>
Total	195,307,061
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Construction Expenditures (Excluding AFUDC Other & Debt)	211,357,069
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Percent Internally Generated Funds	92.41%

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	671,102,344
Short Term Debt	71,949,211
Preference Stock	85,722,220
Common Equity	832,373,462
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Total	1,661,147,237
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% Long Term Debt To Total	40.40%
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% Short Term Debt To Total	4.33%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.48%	5.48%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.32)	(1.32)
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	(1.60)	(1.60)
	<hr/>	<hr/>
Total	3.88	3.88
Divided by Common Equity Ratio	37.85	37.85
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Jurisdictional Return on Common Equity	10.25%	10.25%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
March, 2017

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
January	2017	291,667
February	2017	291,667
March	2017	291,667
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

Seventieth Quarterly Report

Report Period: First Quarter, 2017

<u>Rate Class</u>	<u>First Quarter Total Revenue</u>	<u>First Quarter Total KWH Sales</u>	<u>First Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$24,783,833.64	329,422,940	7.523	8.233
PX/PXT	-	-	-	-
LP/LPT	\$16,428,487.12	185,623,697	8.850	9.050

**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.