



Rhonda J. Alexander
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September 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 July, 2017.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

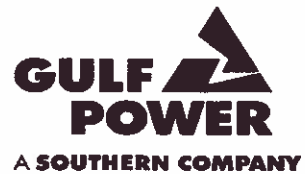
Attachment

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

July 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
July, 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	191,292,870	(73,621,877)	117,670,992	0	117,670,992
Average Rate Base	3,668,197,422	(1,331,838,671)	2,336,358,751	0	2,336,358,751
Average Rate of Return	5.21%		5.04%		5.04%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	191,238,395	(72,773,583)	118,464,811	0	118,464,811
Year End Rate Base	3,778,503,599	(1,341,763,577)	2,436,740,022	0	2,436,740,022
Year End Rate of Return	5.06%		4.86%		4.86%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

III. Required Rates of ReturnAverage Capital Structure
(FPSC Adjusted Basis)

Low	5.11%
Midpoint	5.51%
High	5.90%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.38 x (System per Books Basis)
B. Tie Without AFUDC	5.38 x (System per Books Basis)
C. AFUDC To Net Income	0.04% (System per Books Basis)
D. Internally Generated Funds	78.83% (System per Books Basis)
E. LTD To Total Investor Funds	40.25% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	3.60% (FPSC Adjusted Basis)
G. Return on Common Equity	9.04% (FPSC Adjusted Basis)
H. Return on Common Equity	9.04% (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

9/15/17

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 July, 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	5,103,591,247	1,662,176,376	3,441,414,871	14,754,000	63,509,197	0	3,519,678,088	269,177,977	3,788,856,045
JURISDICTIONAL PER BOOKS	4,868,545,013	1,607,039,661	3,261,505,352	14,342,083	60,799,696	0	3,336,647,131	331,550,291	3,668,197,422
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,509,619,995)	(262,052,587)	(1,247,567,408)		(8,332,793)		(1,255,900,201)	(23,795,569)	(1,279,695,770)
INT BEARING CWIP					(1,067,303)		(1,067,303)	0	(1,067,303)
ENERGY CONSERVATION CLAUSE	(14,850,200)	7,968,737	(22,818,937)				(22,818,937)	(616,087)	(23,435,024)
LOANS TO EMPLOYEES / RETIREES								(38,930)	(38,930)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. IN ESCAMBIA & OTHER INV.				(12,678,754)			(12,678,754)	(4,671,114)	(17,349,868)
FUEL RELATED DEFERRED DEBITS								(6,562,961)	(6,562,961)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,688,815)	(3,688,815)
TOTAL FPSC ADJUSTMENTS	(1,524,470,195)	(254,083,850)	(1,270,386,345)	(12,678,754)	(9,400,096)	0	(1,292,465,195)	(39,373,476)	(1,331,838,671)
FPSC ADJUSTED	3,344,074,818	1,352,955,811	1,991,119,007	1,663,329	51,399,600	0	2,044,181,936	292,176,815	2,336,358,751
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	3,344,074,818	1,352,955,811	1,991,119,007	1,663,329	51,399,600	0	2,044,181,936	292,176,815	2,336,358,751

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
July, 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
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
SYSTEM PER BOOKS	1,488,146,161	579,893,680	344,858,864	145,811,410	116,032,439	35,171,155	62,027,906	(442,860)	0	1,283,353,574	204,792,587
JURISDICTIONAL PER BOOKS	1,347,620,429	475,306,554	336,846,888	140,385,739	114,941,645	34,947,432	54,338,586	(380,224)	0	1,156,386,620	191,233,809
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(390,803,674)	(391,265,313)				178,077				(391,087,236)	283,561
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(83,320,605)	(84,041,241)				277,985				(83,763,256)	442,651
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,230,967)		(8,572,446)	(410,756)	(333,828)	(738,302)				(10,055,331)	(1,175,636)
ENVIRONMENTAL COST RECOVERY CLAUSE	(206,763,665)		(37,555,150)	(52,055,112)	(7,833,478)	(42,177,876)				(139,621,616)	(67,162,049)
FRANCHISE FEE REVENUE & EXPENSE	(42,161,202)				(41,908,273)	(97,967)				(42,005,840)	(155,361)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,062,919)				(30,659,127)	(155,763)				(30,814,890)	(248,030)
MARKETING SUPPORT ACTIVITIES						42,599				(67,833)	67,833
WHOLESALE EXPENSES			(110,432)			93,152				(148,330)	148,330
INSTITUTIONAL ADVERTISING EXPENSE			(241,482)			46,791				(74,508)	74,508
ECONOMIC DEVELOPMENT EXPENSE			(121,299)			22,022				(35,067)	35,067
MGMT FINANCIAL PLANNING SERVICES			(57,089)			9,706				(15,455)	15,455
DIRECTORS' & OFFICERS' INSURANCE			(25,161)			13,886				(22,128)	22,128
INDUSTRY ASSOCIATION DUES			(36,024)			630				(1,004)	1,004
TALLAHASSEE LIAISON EXPENSES			(1,834)			195,093				(310,656)	310,656
GRII, FPSC FEES ON CLAUSES & FEES			(483,679)		(22,070)	544,885				(867,650)	867,650
(GAIN)/ LOSS ON DISPOSITION OF PROPERTY					(1,412,535)					0	0
INTEREST SYNCHRONIZATION						7,090,584				7,090,584	(7,090,584)
TOTAL FPSC ADJUSTMENTS	(765,363,032)	(475,306,554)	(47,204,396)	(52,465,867)	(82,169,311)	(34,654,088)	0	0	0	(691,800,216)	(73,562,816)
FPSC ADJUSTED	582,257,396	0	289,642,492	87,919,872	32,772,334	293,344	54,338,586	(380,224)	0	464,586,404	117,670,992
PRO FORMA REVENUE ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	582,257,396	0	289,642,492	87,919,872	32,772,334	293,344	54,338,586	(380,224)	0	464,586,404	117,670,992
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			60,301			59,061					
CURRENT MONTH SYSTEM PER BOOKS	150,538,641	57,697,188	25,017,439	13,924,036	11,059,580	13,824,846	1,161,247	(32,825)	0	122,651,512	27,887,130
CURRENT MONTH JURISDICTIONAL PER BOOKS	136,741,097	46,884,359	23,636,826	13,629,393	10,985,260	13,425,352	1,088,462	(32,234)	0	109,617,417	27,123,680

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
July, 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	(1,553,857,719)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(495,143,935)	(191,001,774)
ACCUMULATED DEPRECIATION	269,731,744	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(212,471,332)	(81,960,816)
CWIP	(8,576,976)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(83,413,030)	(32,176,576)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,850,200)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,230,967)	(4,332,346)
ACCUMULATED DEPRECIATION	(7,968,737)	FUEL EXPENSE	(493,374,324)	190,319,146
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,506,051)	33,369,709
FAS 143 NET PLANT	(51,080,556)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,983,201)	3,465,270
INTEREST BEARING CWIP	(1,089,705)	CONSERVATION EXPENSES - OTHER TAXES	(333,828)	128,774
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,235,874)	38,665,989
		FRANCHISE FEE REVENUES	(42,161,202)	(16,263,683)
		FRANCHISE FEE	(41,908,273)	16,166,116
		GROSS RECEIPTS TAX REVENUES	(31,062,919)	(11,982,521)
		GROSS RECEIPTS TAX EXPENSE	(30,659,127)	11,826,758
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(110,432)	42,599
ECRC WORKING CAPITAL	(24,492,871)	WHOLESALE EXPENSES	(248,513)	95,864
CONSERVATION/AEM INVENTORY	(616,087)	INSTITUTIONAL ADVERTISING EXPENSE	(123,616)	47,685
FUNDED PROPERTY INSURANCE RESERVE	0	ECONOMIC DEVELOPMENT EXPENSE	(57,089)	22,022
LOANS TO EMPLOYEES AND RETIREES	(39,616)	MGMT FINANCIAL PLANNING SERVICES	(25,688)	9,909
INTEREST & DIVIDENDS RECEIVABLE	0	DIRECTORS' & OFFICERS' INSURANCE	(36,779)	14,187
NORTH ESCAMBIA SITE	(4,753,161)	INDUSTRY ASSOCIATION DUES	(1,665)	642
UNAMORTIZED RATE CASE EXPENSE	(3,753,608)	TALLAHASSEE LIAISON EXPENSE	(516,335)	199,176
FUEL RELATED DEFERRED DEBITS	(6,562,961)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,412,535)	544,885
UNREALIZED LOSS ON FWD CONTRACT	(204,625)	COMP SALESTRANS REV&L SALE GAS/PROV RT REFRN, ESC REV	(64,987)	(32,784)
ACCUM. PROV. FOR RATE REFUNDS	0	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 143 WORKING CAPITAL	62,211,635	INTEREST SYNCHRONIZATION	7,206,979	7,206,979
FAS 158 REGULATORY ASSETS	(159,814,712)			
FAS 158 REGULATORY LIABILITIES	159,814,712			
PPA REGULATORY ASSETS	(139,257,085)			
PPA REGULATORY LIABILITIES	139,257,085			
FAS 133 REGULATORY ASSETS	(39,008,394)			
FAS 133 REGULATORY LIABILITIES	39,008,394			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
July, 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
5,149,843,151	1,654,462,812	3,495,380,338	14,754,000	56,921,333	0	3,567,055,672	269,177,977	3,836,233,649
5,002,620,026	1,628,951,163	3,373,668,863	14,342,083	55,665,609	0	3,443,676,555	334,827,044	3,778,503,599
(1,549,343,774)	(296,788,103)	(1,252,555,671)		(11,545,331)		(1,264,101,002)	(23,795,569)	(1,287,896,571)
(15,586,002)	7,866,210	(23,452,212)		(2,158,133)		(2,158,133)	0	(2,158,133)
				(23,452,212)		(23,452,212)	(616,087)	(24,068,299)
							(38,930)	(38,930)
			(12,678,754)			(12,678,754)	0	0
							(4,671,114)	(17,349,868)
							(6,562,961)	(6,562,961)
							0	0
							(3,688,815)	(3,688,815)
(1,564,929,776)	(288,921,893)	(1,276,007,883)	(12,678,754)	(13,703,464)	0	(1,302,390,101)	(39,373,476)	(1,341,763,577)
3,437,690,250	1,340,029,270	2,097,660,980	1,663,329	41,962,145	0	2,141,286,454	295,453,568	2,436,740,022
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
3,437,690,250	1,340,029,270	2,097,660,980	1,663,329	41,962,145	0	2,141,286,454	295,453,568	2,436,740,022

SYSTEM PER BOOKS

JURISDICTIONAL PER BOOKS

FPSC ADJUSTMENTS:

ENVIRONMENTAL RECOVERY CLAUSE
INT BEARING CWIP
ENERGY CONSERVATION CLAUSE
LOANS TO EMPLOYEES AND RETIREES
INTEREST AND DIVIDENDS RECEIVABLE
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.
FUEL RELATED DEFERRED DEBITS
ACCRUED PROVISION FOR REFUND
UNAMORTIZED RATE CASE EXPENSES

TOTAL FPSC ADJUSTMENTS

FPSC ADJUSTED

PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS

TOTAL PRO FORMA ADJUSTMENTS

PRO FORMA ADJUSTED

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
July, 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	1,488,146,161	579,893,680	344,859,864	145,811,410	116,032,439	35,171,155	62,027,906	(442,880)	0	1,283,353,574	204,792,587 (a)
JURISDICTIONAL PER BOOKS	1,347,620,429	475,306,554	336,846,888	140,385,739	114,941,645	34,939,643	54,400,850	(380,224)	0	1,156,441,095	191,179,334 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(390,803,674)	(391,265,313)				178,077				(391,087,236)	283,561
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(83,320,605)	(84,041,241)				277,985				(83,763,256)	442,651
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,230,967)		(8,572,446)	(410,755)	(333,828)	(738,302)				(10,055,331)	(1,175,636)
ENVIRONMENTAL COST RECOVERY CLAUSE	(206,783,665)		(37,555,190)	(52,065,112)	(7,833,478)	(42,177,876)				(139,621,616)	(67,162,049)
FRANCHISE FEE REVENUE & EXPENSE	(42,161,202)				(41,908,273)	(97,567)				(42,005,640)	(155,361)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,062,919)				(30,659,127)	(155,763)				(30,814,890)	(248,030)
MARKETING SUPPORT ACTIVITIES			(110,432)			42,599				(67,833)	67,833
WHOLESALE EXPENSES			(241,482)			98,152				(148,330)	148,330
INSTITUTIONAL ADVERTISING EXPENSE			(121,299)			46,791				(74,508)	74,508
ECONOMIC DEVELOPMENT EXPENSE			(57,089)			22,022				(35,067)	35,067
MGMT FINANCIAL PLANNING SERVICES			(25,161)			9,706				(15,455)	15,455
DIRECTORS' & OFFICERS' INSURANCE			(36,024)			13,896				(22,128)	22,128
INDUSTRY ASSOCIATION DUES			(1,634)			630				(1,004)	1,004
TALLAHASSEE LIAISON EXPENSES			(483,679)		(22,070)	195,093				(310,656)	310,656
GRT, FPSC FEES ON CLAUSES & FEES					(1,412,535)	544,885				(867,650)	867,650
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						6,242,290				6,242,290	(6,242,290)
TOTAL FPSC ADJUSTMENTS	(765,363,032)	(475,306,554)	(47,204,396)	(52,465,867)	(82,169,311)	(35,502,382)	0	0	0	(692,648,510)	(72,714,522)
FPSC ADJUSTED	582,257,396	0	289,642,492	87,919,872	32,772,334	(562,739)	54,400,850	(380,224)	0	463,792,585	118,464,811
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	582,257,396	0	289,642,492	87,919,872	32,772,334	(562,739)	54,400,850	(380,224)	0	463,792,585	118,464,811
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				60,301	AND THE JURISDICTIONAL NOI BY		59,061				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
July, 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	(1,593,583,188)	FUEL & IC FUEL REVENUES AND ECONOMY PROFITS	(495,143,935)	(191,001,774)
ACCUMULATED DEPRECIATION	305,262,485	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(212,471,332)	(81,960,816)
CWIP	(11,874,992)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(83,413,030)	(32,176,576)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,586,002)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,230,967)	(4,332,346)
ACCUMULATED DEPRECIATION	(7,966,210)	FUEL EXPENSE	(493,374,324)	190,319,146
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,506,051)	33,369,709
FAS 143 NET PLANT	(46,596,526)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,983,201)	3,465,270
INTEREST BEARING CWIP	(2,203,432)	CONSERVATION EXPENSES - OTHER TAXES	(333,828)	128,774
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,235,874)	38,665,989
		FRANCHISE FEE REVENUES	(42,161,202)	(16,263,683)
		FRANCHISE FEE	(41,908,273)	16,166,116
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,062,919)	(11,982,521)
ECRC WORKING CAPITAL	(24,492,871)	GROSS RECEIPTS TAX EXPENSE	(30,659,127)	11,826,758
CONSERVATION/AEM INVENTORY	(616,087)	MARKETING SUPPORT ACTIVITIES	(110,432)	42,599
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSES	(248,513)	95,864
LOANS TO EMPLOYEES AND RETIREES	(39,616)	INSTITUTIONAL ADVERTISING EXPENSE	(123,616)	47,685
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(57,089)	22,022
NORTH ESCAMBIA SITE	(4,753,161)	MGMT FINANCIAL PLANNING SERVICES	(25,688)	9,909
UNAMORTIZED RATE CASE EXPENSE	(3,753,608)	DIRECTORS' & OFFICERS' INSURANCE	(36,779)	14,187
FUEL RELATED DEFERRED DEBITS	(6,562,961)	INDUSTRY ASSOCIATION DUES	(1,665)	642
UNREALIZED LOSS ON FWD CONTRACT	(204,625)	TALLAHASSEE LIAISON EXPENSE	(516,335)	199,176
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,412,535)	544,885
FAS 143 WORKING CAPITAL	62,211,635	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFM. ESC REV	(84,987)	(32,784)
FAS 158 REGULATORY ASSETS	(159,814,712)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY LIABILITIES	159,814,712	INTEREST SYNCHRONIZATION	6,563,232	6,563,232
PPA REGULATORY ASSETS	(139,257,085)			
PPA REGULATORY LIABILITIES	139,257,085			
FAS 133 REGULATORY ASSETS	(39,008,394)			
FAS 133 REGULATORY LIABILITIES	39,008,394			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
July, 2017

AVERAGE	ADJUSTMENTS				LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,153,940,834	1,114,950,485	(404,813,046)	0	710,137,439	30.40	4.14	1.26	4.14	1.26	4.14	1.26	4.14	1.26
SHORT TERM DEBT	110,154,272	99,829,722	(36,245,891)	0	63,583,831	2.72	0.33	0.01	0.33	0.01	0.33	0.01	0.33	0.01
PREFERENCE STOCK	123,965,193	119,565,707	(43,411,576)	0	76,154,131	3.26	6.14	0.20	6.14	0.20	6.14	0.20	6.14	0.20
CUSTOMER DEPOSITS	35,443,778	35,331,231	(12,827,963)	0	22,503,268	0.96	2.38	0.02	2.38	0.02	2.38	0.02	2.38	0.02
COMMON EQUITY	1,467,106,238	1,435,926,070	(521,351,947)	0	914,574,123	39.15	9.25	3.62	10.25	4.01	11.25	4.40	11.25	4.40
DEFERRED INCOME TAXES	941,724,284	913,212,555	(331,566,613)	0	581,645,942	24.90								
FASB 109 DEFERRED TAXES	(53,482,345)	(51,863,108)	18,830,309	0	(33,032,799)	(1.41)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	1,548,476	1,244,760	(451,944)	0	792,816	0.03	6.98	0.00	7.51	0.00	8.05	0.00	8.05	0.00
TOTAL	3,780,400,830	3,668,197,422	(1,331,838,671)	0	2,336,358,751	100.00 %		5.11 %		5.51 %		5.90 %		5.90 %

YEAR-END	ADJUSTMENTS				LOW POINT			MIDPOINT			HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,274,480,825	1,255,535,247	(445,846,198)	0	809,689,049	33.23	3.88	1.2879	3.88	1.29	3.88	1.29	3.88	1.29
SHORT TERM DEBT	38,989,232	31,944,243	(11,343,544)	0	20,600,699	0.85	2.06	0.0175	2.06	0.02	2.06	0.02	2.06	0.02
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.0000	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	35,153,791	35,140,679	(12,478,613)	0	22,662,066	0.93	2.32	0.0216	2.32	0.02	2.32	0.02	2.32	0.02
COMMON EQUITY	1,547,363,922	1,553,362,892	(551,606,127)	0	1,001,756,755	41.11	9.25	3.8027	10.25	4.21	11.25	4.82	11.25	4.82
DEFERRED INCOME TAXES	967,141,860	952,764,975	(338,331,116)	0	614,433,859	25.21								
FASB 109 DEFERRED TAXES	(52,342,821)	(51,564,728)	18,310,866	0	(33,253,862)	(1.36)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	1,340,223	1,320,301	(468,845)	0	851,456	0.03	6.85	0.0021	7.40	0.00	7.95	0.00	7.95	0.00
TOTAL	3,812,127,021	3,778,503,599	(1,341,763,577)	0	2,436,740,022	100.00 %		5.1317 %		5.54 %		5.95 %		5.95 %

GULF POWER COMPANY
Financial Integrity Indicators
July, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	182,344,308
AFUDC - Debt	18,622
Income Taxes	<u>87,432,304</u>
Total	269,795,234
Interest Charges (Before Deducting AFUDC - Debt)	<u>50,131,927</u>
T.I.E. With AFUDC	<u>5.38170484</u> x

B. Times Interest Earned without AFUDC

Earnings Before Interest	182,344,308
AFUDC - Other	(41,679)
Income Taxes	<u>87,432,304</u>
Total	269,734,933
Interest Charges (Before Deducting AFUDC - Debt)	<u>50,131,927</u>
T.I.E. Without AFUDC	<u>5.38</u> x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	18,622
X (1 - Income Tax Rate)	0.61425
Subtotal	11,438
AFUDC - Other	<u>41,679</u>
Total	<u>53,117</u>
Net Income Available for Common Stockholders	<u>124,278,793</u>
Percent AFUDC to Available Net Income	<u>0.04%</u>

D. Percent Internally Generated Funds

Net Income	132,231,003
Preference Dividends	(7,952,209)
Common Dividends	(123,767,000)
AFUDC (Debt & Other)	(60,301)
Depreciation & Amortization	155,334,760
Deferred Income Taxes	62,027,906
Investment Tax Credits	0
Other	<u>(38,449,108)</u>
Total	179,365,051
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>227,539,805</u>
Percent Internally Generated Funds	<u>78.83%</u>

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	710,137,439
Short Term Debt	63,583,831
Preference Stock	76,154,131
Common Equity	<u>914,574,123</u>
Total	<u>1,764,449,524</u>
% Long Term Debt To Total	<u>40.25%</u>
% Short Term Debt To Total	<u>3.60%</u>

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	(1.26)	(1.26)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.20)	(0.20)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	<u>(1.49)</u>	<u>(1.49)</u>
Total	3.54	3.54
Divided by Common Equity Ratio	<u>39.15</u>	<u>39.15</u>
Jurisdictional Return on Common Equity	<u>9.04%</u>	<u>9.04%</u>

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
April	2017	0
May	2017	0
June	2017	0
July	2017	0
12 - M-T-D		<u><u>2,333,332</u></u>