



Rhonda J. Alexander
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October 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 August, 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

August 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
August, 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	195,748,222	(73,582,445)	122,165,778	0	122,165,778
Average Rate Base	3,681,483,288	(1,333,802,515)	2,347,680,773	0	2,347,680,773
Average Rate of Return	5.32%		5.20%		5.20%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	195,833,114	(72,972,584)	122,860,531	0	122,860,531
Year End Rate Base	3,786,918,211	(1,341,111,736)	2,445,806,475	0	2,445,806,475
Year End Rate of Return	5.17%		5.02%		5.02%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.12%
Midpoint	5.52%
High	5.91%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.60 x (System per Books Basis)
B. Tie Without AFUDC	5.59 x (System per Books Basis)
C. AFUDC To Net Income	0.05% (System per Books Basis)
D. Internally Generated Funds	95.88% (System per Books Basis)
E. LTD To Total Investor Funds	40.54% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	3.16% (FPSC Adjusted Basis)
G. Return on Common Equity	9.47% (FPSC Adjusted Basis)
H. Return on Common Equity	9.47% (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

10/13/17

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
August, 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	5,110,231,983	1,688,892,937	3,441,339,046	14,754,000	63,074,429	0	3,519,167,475	278,059,449	3,797,226,924
JURISDICTIONAL PER BOOKS	4,885,659,778	1,616,020,918	3,269,638,860	14,342,083	60,427,761	0	3,344,408,704	337,074,583	3,681,483,288
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,514,629,109)	(267,900,306)	(1,246,728,803)		(7,918,266)		(1,254,647,069)	(25,389,353)	(1,280,036,422)
INT BEARING CWIP					(1,234,082)		(1,234,082)	0	(1,234,082)
ENERGY CONSERVATION CLAUSE	(14,984,572)	7,990,517	(22,975,089)				(22,975,089)	(548,156)	(23,523,245)
LOANS TO EMPLOYEES / RETIREES							(37,967)	(37,967)	(37,967)
INTEREST AND DIVIDENDS RECEIVABLE								(136,869)	(136,869)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,678,754)			(12,678,754)	(4,696,005)	(17,374,759)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(7,414,150)	(7,414,150)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,045,021)	(4,045,021)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,529,613,681)	(259,909,789)	(1,269,703,892)	(12,678,754)	(9,152,348)	0	(1,291,534,994)	(42,267,521)	(1,333,802,515)
FPSC ADJUSTED	3,356,046,097	1,356,111,129	1,999,934,968	1,663,329	51,275,413	0	2,052,873,710	294,807,063	2,347,680,773
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	3,356,046,097	1,356,111,129	1,999,934,968	1,663,329	51,275,413	0	2,052,873,710	294,807,063	2,347,680,773

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
August 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	1,485,718,586	575,018,509	340,086,699	144,771,286	115,767,120	27,573,816	72,921,462	(433,084)	0	1,275,705,609	210,012,778 (a)
JURISDICTIONAL PER BOOKS	1,346,409,330	471,434,416	333,148,544	139,514,854	114,697,807	27,354,789	64,955,709	(375,576)	0	1,150,730,344	195,676,985 (a)
LESS FPSC ADJUSTMENTS:	(386,224,479)	(387,401,282)				453,951				(386,947,331)	722,851
RETAIL FUEL REVENUES & EXPENSES	(82,566,398)	(84,033,135)				565,784				(83,467,341)	900,943
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,018,706)		(8,339,341)		(334,872)	(744,725)				(9,832,844)	(1,185,864)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(205,458,889)	(33,929,377)		(413,906)		(42,715,099)				(138,419,401)	(68,017,498)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,107,380)			(51,879,113)	(7,995,812)	(90,558)				(41,863,180)	(144,200)
FRANCHISE FEE REVENUE & EXPENSE	(30,957,921)				(41,872,622)	(156,905)				(30,708,073)	(249,849)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(105,728)		(30,551,166)	41,171				(65,558)	65,558
MARKETING SUPPORT ACTIVITIES			(231,130)			89,158				(141,972)	141,972
WHOLESALE EXPENSES			(145,938)			56,296				(89,642)	89,642
INSTITUTIONAL ADVERTISING EXPENSE			(56,325)			21,727				(34,598)	34,598
ECONOMIC DEVELOPMENT EXPENSE			(26,205)			10,109				(16,096)	16,096
MGMT FINANCIAL PLANNING SERVICES			(36,978)			13,879				(22,100)	22,100
DIRECTORS' & OFFICERS' INSURANCE			(1,447)			358				(889)	889
INDUSTRY ASSOCIATION DUES			(460,375)			186,112				(296,356)	296,356
TALLAHASSEE LIAISON EXPENSES					(22,093)					(893,844)	893,844
GRT/FPSC FEES ON CLAUSES & FEES					(1,406,340)	542,496				0	0
(GAIN)/LOSS ON DISPOSITION OF PROPERTY										7,070,649	(7,070,649)
INTEREST SYNCHRONIZATION										0	0
TOTAL FPSC ADJUSTMENTS	(759,311,785)	(471,434,416)	(45,232,846)	(52,293,019)	(82,182,907)	(34,655,388)	0	0	0	(685,795,577)	(73,513,208)
FPSC ADJUSTED	587,097,545	0	287,915,698	87,221,635	32,514,900	(7,300,599)	64,955,709	(375,576)	0	464,931,767	122,165,778
PRO FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	587,097,545	0	287,915,698	87,221,635	32,514,900	(7,300,599)	64,955,709	(375,576)	0	464,931,767	122,165,778
PRO FORMA ADJUSTED	147,348,267	55,582,072	27,321,868	14,150,714	11,200,551	3,177,727	10,370,180	(32,825)	0	121,770,287	25,577,979
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				70,691	AND THE JURISDICTIONAL NOI BY	69,237					
CURRENT MONTH SYSTEM PER BOOKS	134,762,680	45,882,230	25,967,549	13,848,874	11,127,282	3,445,965	9,662,057	(32,234)	0	109,901,683	24,860,996

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(1,558,922,737)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(489,338,982)	(188,762,512)
ACCUMULATED DEPRECIATION	275,734,750	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(212,202,218)	(81,857,006)
CWIP	(8,149,826)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(82,648,033)	(31,881,479)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,984,572)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,018,708)	(4,250,467)
ACCUMULATED DEPRECIATION	(7,990,517)	FUEL EXPENSE	(488,515,761)	188,444,955
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,489,443)	33,363,303
FAS 143 NET PLANT	(47,622,922)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,753,247)	3,376,565
INTEREST BEARING CWIP	(1,259,985)	CONSERVATION EXPENSES - OTHER TAXES	(334,872)	129,177
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,448,312)	37,976,436
		FRANCHISE FEE REVENUES	(42,107,380)	(16,242,922)
		FRANCHISE FEE	(41,872,622)	16,152,364
		GROSS RECEIPTS TAX REVENUES	(30,957,921)	(11,942,018)
		GROSS RECEIPTS TAX EXPENSE	(30,551,168)	11,785,113
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(106,729)	41,171
ECRC WORKING CAPITAL	(26,131,836)	WHOLESALE EXPENSES	(237,860)	91,754
CONSERVATION/AEM INVENTORY	(548,156)	INSTITUTIONAL ADVERTISING EXPENSE	(148,725)	57,371
FUNDED PROPERTY INSURANCE RESERVE	0	ECONOMIC DEVELOPMENT EXPENSE	(56,325)	21,727
LOANS TO EMPLOYEES AND RETIREES	(38,636)	MGMT FINANCIAL PLANNING SERVICES	(26,755)	10,321
INTEREST & DIVIDENDS RECEIVABLE	(139,281)	DIRECTORS' & OFFICERS' INSURANCE	(36,733)	14,170
NORTH ESCAMBIA SITE	(4,778,489)	INDUSTRY ASSOCIATION DUES	(1,475)	569
UNAMORTIZED RATE CASE EXPENSE	(4,116,071)	TALLAHASSEE LIAISON EXPENSE	(492,567)	190,008
FUEL RELATED DEFERRED DEBITS	(7,414,150)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,406,340)	542,496
UNREALIZED LOSS ON FWD CONTRACT	(196,777)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFRN. ESC REV	(83,390)	(32,168)
ACCUM. PROV. FOR RATE REFUNDS	0	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 143 WORKING CAPITAL	58,321,465	INTEREST SYNCHRONIZATION	7,177,196	7,177,196
FAS 158 REGULATORY ASSETS	(160,636,818)			
FAS 158 REGULATORY LIABILITIES	160,636,818			
PPA REGULATORY ASSETS	(137,424,755)			
PPA REGULATORY LIABILITIES	137,424,755			
FAS 133 REGULATORY ASSETS	(36,781,600)			
FAS 133 REGULATORY LIABILITIES	36,781,600			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
August, 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	5,159,211,657	1,664,988,472	3,494,213,184	14,754,000	61,679,103	0	3,570,646,288	278,059,449	3,848,705,737
JURISDICTIONAL PER BOOKS	5,011,000,366	1,638,818,752	3,372,181,614	14,342,083	60,312,298	0	3,446,835,995	340,082,216	3,786,918,211
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,548,798,157)	(300,822,784)	(1,247,975,373)		(12,443,173)		(1,260,418,546)	(25,389,353)	(1,285,807,899)
INT BEARING CWIP					(2,168,120)		(2,168,120)	0	(2,168,120)
ENERGY CONSERVATION CLAUSE	(15,714,576)	7,864,219	(23,578,795)				(23,578,795)	(548,156)	(24,126,951)
LOANS TO EMPLOYEES AND RETIREES								(37,967)	(37,967)
INTEREST AND DIVIDENDS RECEIVABLE								(136,869)	(136,869)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,678,754)			(12,678,754)	(4,896,005)	(17,374,759)
FUEL RELATED DEFERRED DEBITS								(7,414,150)	(7,414,150)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,045,021)	(4,045,021)
TOTAL FPSC ADJUSTMENTS	(1,564,512,739)	(292,958,565)	(1,271,554,168)	(12,678,754)	(14,611,293)	0	(1,298,844,215)	(42,267,521)	(1,341,111,736)
FPSC ADJUSTED	3,446,487,633	1,345,860,187	2,100,627,446	1,663,329	45,701,005	0	2,147,991,780	297,814,695	2,445,806,475
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	3,446,487,633	1,345,860,187	2,100,627,446	1,663,329	45,701,005	0	2,147,991,780	297,814,695	2,445,806,475

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
August, 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	1,486,718,586	575,018,509	340,086,699	144,771,286	115,767,120	27,573,816	72,921,462	(433,064)	0	1,275,705,809	210,012,778 (a)
JURISDICTIONAL PER BOOKS	1,346,409,330	471,434,416	333,148,544	139,514,654	114,607,807	27,378,907	64,846,699	(375,576)	0	1,150,645,452	195,763,877 (a)
LESS FPSC ADJUSTMENTS:	(386,224,479)	(387,401,282)				453,951				(386,947,331)	722,851
RETAIL FUEL REVENUES & EXPENSES	(82,566,396)	(84,033,135)				565,794				(83,467,341)	900,943
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,018,708)		(8,339,341)	(413,906)	(334,872)	(744,725)				(9,832,844)	(1,185,864)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(206,436,889)		(35,829,377)	(51,879,113)	(7,995,812)	(42,715,099)				(138,419,401)	(68,017,488)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,107,380)				(41,872,622)	(90,558)				(41,963,180)	(144,200)
FRANCHISE FEE REVENUE & EXPENSE	(30,957,921)		(108,729)		(30,551,168)	(156,905)				(30,708,073)	(249,849)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(231,130)			41,171				(65,558)	65,558
MARKETING SUPPORT ACTIVITIES			(145,938)			89,158				(141,972)	141,972
WHOLESALE EXPENSES			(56,325)			56,296				(89,642)	89,642
INSTITUTIONAL ADVERTISING EXPENSE			(26,205)			21,727				(34,598)	34,598
ECONOMIC DEVELOPMENT EXPENSE			(35,979)			10,109				(16,096)	16,096
MGMT FINANCIAL PLANNING SERVICES			(1,447)			13,879				(22,100)	22,100
DIRECTORS' & OFFICERS' INSURANCE			(460,375)			558				(889)	889
INDUSTRY ASSOCIATION DUES					(22,093)	186,112				(296,356)	296,356
TALLAHASSEE LIAISON EXPENSES					(1,406,340)	542,496				(863,844)	863,844
GRT, FPSC FEES ON CLAUSES & FEES										0	0
(GAIN)/LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION										6,460,788	(6,460,788)
TOTAL FPSC ADJUSTMENTS	(759,311,785)	(471,434,416)	(45,232,846)	(52,293,019)	(82,182,907)	(35,265,249)	0	0	0	(866,408,438)	(72,903,347)
FPSC ADJUSTED	587,097,545	0	287,915,698	87,221,635	32,514,900	(7,886,342)	64,846,699	(375,576)	0	464,237,014	122,860,531
PRO FORMA REVENUE ANNUALIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	587,097,545	0	287,915,698	87,221,635	32,514,900	(7,886,342)	64,846,699	(375,576)	0	464,237,014	122,860,531
PRO FORMA ADJUSTED	587,097,545	0	287,915,698	87,221,635	32,514,900	(7,886,342)	64,846,699	(375,576)	0	464,237,014	122,860,531
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				70,691	AND THE JURISDICTIONAL NOI BY		69,237				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(1,593,863,280)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(489,338,982)	(188,762,512)
ACCUMULATED DEPRECIATION	309,575,775	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(212,202,218)	(81,857,006)
CWIP	(12,805,230)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(82,648,033)	(31,881,479)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,714,576)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,018,708)	(4,250,467)
ACCUMULATED DEPRECIATION	(7,864,219)	FUEL EXPENSE	(488,515,781)	188,444,955
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,489,443)	33,363,303
FAS 143 NET PLANT	(46,312,072)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,753,247)	3,376,565
INTEREST BEARING CWIP	(2,213,628)	CONSERVATION EXPENSES - OTHER TAXES	(334,872)	129,177
PHFU - NORTH ESCAMBIA	(13,042,898)	ENVIRONMENTAL COST RECOVERY EXPENSE	(98,448,312)	37,976,436
		FRANCHISE FEE REVENUES	(42,107,380)	(16,242,922)
		FRANCHISE FEE	(41,872,622)	16,152,364
		GROSS RECEIPTS TAX REVENUES	(30,957,921)	(11,942,018)
		GROSS RECEIPTS TAX EXPENSE	(30,551,168)	11,785,113
		MARKETING SUPPORT ACTIVITIES	(106,729)	41,171
		WHOLESALE EXPENSES	(237,860)	91,754
		INSTITUTIONAL ADVERTISING EXPENSE	(148,725)	57,371
		ECONOMIC DEVELOPMENT EXPENSE	(56,325)	21,727
		MGMT FINANCIAL PLANNING SERVICES	(26,755)	10,321
		DIRECTORS' & OFFICERS' INSURANCE	(36,733)	14,170
		INDUSTRY ASSOCIATION DUES	(1,475)	569
		TALLAHASSEE LIAISON EXPENSE	(492,567)	190,008
		GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,406,340)	542,496
		COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPM. ESC REV	(83,390)	(32,168)
		GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
		INTEREST SYNCHRONIZATION	6,718,353	6,718,353
WORKING CAPITAL:				
ECRC WORKING CAPITAL	(26,131,836)			
CONSERVATION/AEM INVENTORY	(548,156)			
FUNDED PROPERTY INSURANCE RESERVE	0			
LOANS TO EMPLOYEES AND RETIREES	(38,636)			
INTEREST & DIVIDENDS RECEIVABLE	(139,281)			
NORTH ESCAMBIA SITE	(4,778,489)			
UNAMORTIZED RATE CASE EXPENSE	(4,116,071)			
FUEL RELATED DEFERRED DEBITS	(7,414,150)			
UNREALIZED LOSS ON FWD CONTRACT	(196,777)			
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	58,321,465			
FAS 158 REGULATORY ASSETS	(160,636,818)			
FAS 158 REGULATORY LIABILITIES	160,636,818			
PPA REGULATORY ASSETS	(137,424,755)			
PPA REGULATORY LIABILITIES	137,424,755			
FAS 133 REGULATORY ASSETS	(36,781,600)			
FAS 133 REGULATORY LIABILITIES	36,781,600			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
August, 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 (%)	COST RATE (%)	WEIGHTED COST (%)			
LONG TERM DEBT	1,163,040,777	1,125,807,526	(407,880,409)	0	717,927,117	30.58	4.10	1.25	4.10	1.25	4.10	1.25	4.10	1.25	4.10	1.25			
SHORT TERM DEBT	98,590,336	87,859,921	(31,831,676)	0	56,028,245	2.39	0.35	0.01	0.35	0.01	0.35	0.01	0.35	0.01	0.35	0.01			
PREFERENCE STOCK	112,695,630	108,730,057	(39,392,933)	0	69,337,124	2.95	6.14	0.18	6.14	0.18	6.14	0.18	6.14	0.18	6.14	0.18			
CUSTOMER DEPOSITS	35,361,395	35,251,670	(12,771,691)	0	22,479,979	0.96	2.35	0.02	2.35	0.02	2.35	0.02	2.35	0.02	2.35	0.02			
COMMON EQUITY	1,483,744,291	1,454,653,145	(527,021,277)	0	927,631,868	39.51	9.25	3.65	10.25	4.05	11.25	4.05	11.25	4.45	11.25	4.45			
DEFERRED INCOME TAXES	947,117,422	919,710,607	(333,211,433)	0	586,499,174	24.98													
FASB 109 DEFERRED TAXES	(53,306,399)	(51,763,868)	18,754,066	0	(53,009,802)	(1.41)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,511,883	1,234,230	(447,162)	0	787,068	0.03	6.97	0.00	7.51	0.00	8.05	0.00	8.05	0.00	8.05	0.00			
TOTAL	3,788,745,335	3,681,483,288	(1,333,602,515)	0	2,347,680,773	100.00 %		5.12 %		5.52 %		5.91 %							

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 (%)	COST RATE (%)	WEIGHTED COST (%)			
LONG TERM DEBT	1,274,710,449	1,253,500,902	(443,918,954)	0	809,581,948	33.10	3.86	1.2765	3.86	1.2765	3.86	1.28	3.86	1.28	3.86	1.28			
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.0000	0.00	0.0000	0.00	0.00	0.00	0.00	0.00	0.00			
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.0000	0.00	0.0000	0.00	0.00	0.00	0.00	0.00	0.00			
CUSTOMER DEPOSITS	35,139,707	35,266,938	(12,489,550)	0	22,777,388	0.93	2.16	0.0201	2.16	0.0201	2.16	0.02	2.16	0.02	2.16	0.02			
COMMON EQUITY	1,569,726,941	1,581,759,095	(560,169,396)	0	1,021,589,699	41.77	9.25	3.8637	10.25	4.28	11.25	4.28	11.25	4.70	11.25	4.70			
DEFERRED INCOME TAXES	977,981,977	966,742,497	(342,365,384)	0	624,377,113	25.53													
FASB 109 DEFERRED TAXES	(52,212,759)	(51,644,367)	18,289,514	0	(53,354,873)	(1.36)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,307,398	1,293,166	(457,966)	0	835,200	0.03	6.87	0.0021	7.42	0.00	7.98	0.00	7.98	0.00	7.98	0.00			
TOTAL	3,806,053,713	3,786,918,211	(1,341,111,736)	0	2,445,806,475	100.00 %		5.1624 %		5.58 %		6.00 %							

GULF POWER COMPANY
Financial Integrity Indicators
August, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	188,891,540
AFUDC - Debt	21,836
Income Taxes	<u>90,845,152</u>
Total	279,758,528
Interest Charges (Before Deducting AFUDC - Debt)	<u>49,996,972</u>
T.I.E. With AFUDC	<u>5.59550939</u> x

B. Times Interest Earned without AFUDC

Earnings Before Interest	188,891,540
AFUDC - Other	(48,854)
Income Taxes	<u>90,845,152</u>
Total	279,687,838
Interest Charges (Before Deducting AFUDC - Debt)	<u>49,996,972</u>
T.I.E. Without AFUDC	<u>5.59</u> x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	21,836
X (1 - Income Tax Rate)	0.61425
Subtotal	13,413
AFUDC - Other	<u>48,854</u>
Total	<u>62,267</u>
Net Income Available for Common Stockholders	<u>131,714,403</u>
Percent AFUDC to Available Net Income	<u>0.05%</u>

D. Percent Internally Generated Funds

Net Income	138,916,404
Preference Dividends	(7,202,001)
Common Dividends	(123,767,000)
AFUDC (Debt & Other)	(70,691)
Depreciation & Amortization	154,432,727
Deferred Income Taxes	72,921,462
Investment Tax Credits	0
Other	<u>(12,669,122)</u>
Total	222,561,780
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>232,130,489</u>
Percent Internally Generated Funds	<u>95.88%</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	717,927,117
Short Term Debt	56,028,245
Preference Stock	69,337,124
Common Equity	<u>927,631,868</u>
Total	<u>1,770,924,354</u>
% Long Term Debt To Total	<u>40.54%</u>
% Short Term Debt To Total	<u>3.16%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.20%	5.20%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.25)	(1.25)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.18)	(0.18)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	<u>(1.47)</u>	<u>(1.47)</u>
Total	3.74	3.74
Divided by Common Equity Ratio	<u>39.51</u>	<u>39.51</u>
Jurisdictional Return on Common Equity	<u>9.47%</u>	<u>9.47%</u>

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
August	2017	0
12 - M-T-D		<u>2,041,665</u>