



Rhonda J. Alexander
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November 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 September, 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

September 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
September, 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	202,965,901	(73,691,093)	129,274,807	0	129,274,807
Average Rate Base	3,694,918,274	(1,336,163,160)	2,358,755,113	0	2,358,755,113
Average Rate of Return	5.49%		5.48%		5.48%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	203,030,720	(73,088,845)	129,941,874	0	129,941,874
Year End Rate Base	3,796,003,826	(1,342,847,518)	2,453,156,308	0	2,453,156,308
Year End Rate of Return	5.35%		5.30%		5.30%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.14%
Midpoint	5.53%
High	5.93%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.82 x (System per Books Basis)
B. Tie Without AFUDC	5.82 x (System per Books Basis)
C. AFUDC To Net Income	0.05% (System per Books Basis)
D. Internally Generated Funds	76.35% (System per Books Basis)
E. LTD To Total Investor Funds	40.86% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.72% (FPSC Adjusted Basis)
G. Return on Common Equity	10.12% (FPSC Adjusted Basis)
H. Return on Common Equity	10.12% (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

11/15/17

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
September, 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	5,119,089,874	1,675,356,728	3,443,732,946	14,754,000	64,219,028	0	3,522,705,974	282,894,353	3,805,600,327
JURISDICTIONAL PER BOOKS	4,901,628,114	1,624,618,468	3,277,009,646	14,342,083	61,595,130	0	3,362,946,859	341,971,414	3,694,918,274
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,518,423,993)	(273,691,904)	(1,244,732,089)		(8,946,815)		(1,253,678,904)	(26,983,644)	(1,280,662,548)
INT BEARING CWIP					(1,401,389)		(1,401,389)	0	(1,401,389)
ENERGY CONSERVATION CLAUSE							(23,084,653)	(554,893)	(23,639,546)
LOANS TO EMPLOYEES / RETIREES	(15,116,381)	7,968,272	(23,084,653)				(37,006)	(37,006)	(37,006)
INTEREST AND DIVIDENDS RECEIVABLE							(229,244)	(229,244)	(229,244)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,678,754)			(12,678,754)	(4,721,815)	(17,400,569)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(8,413,004)	(8,413,004)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,379,854)	(4,379,854)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,533,540,374)	(265,723,632)	(1,267,816,742)	(12,678,754)	(10,348,204)	0	(1,290,843,700)	(45,319,460)	(1,336,163,160)
FPSC ADJUSTED	3,368,087,740	1,358,894,836	2,009,192,904	1,663,329	51,246,926	0	2,062,103,159	296,651,954	2,358,755,113
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	3,368,087,740	1,358,894,836	2,009,192,904	1,663,329	51,246,926	0	2,062,103,159	296,651,954	2,358,755,113

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
September, 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	1,492,855,285	576,344,056	340,023,510	138,851,039	115,147,861	6,713,958	99,003,313	(423,268)	0	1,275,640,449	217,214,837 (e)
JURISDICTIONAL PER BOOKS	1,347,641,584	466,835,428	332,980,991	133,746,159	114,102,697	7,966,947	89,493,709	(370,928)	0	1,144,755,003	202,886,581 (e)
LESS FPSC ADJUSTMENTS:	(380,958,048)	(382,810,518)								(382,095,928)	1,137,881
RETAIL FUEL REVENUES & EXPENSES	(81,877,236)	(84,024,910)								(83,196,445)	1,319,209
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,211,337)				(334,822)	(75,716)				(10,014,340)	(1,196,987)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(210,297,249)		(8,510,900)	(417,002)	(8,159,170)	(43,236,834)				(141,448,965)	(59,849,284)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,018,340)		(38,385,706)	(51,667,255)	(41,641,026)	(145,549)				(41,786,575)	(231,765)
FRANCHISE FEE REVENUE & EXPENSE	(30,856,961)				(30,442,903)	(159,723)				(30,602,626)	(254,386)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT						41,669				(86,384)	66,384
MARKETING SUPPORT ACTIVITIES			(108,073)			83,722				(133,315)	133,315
WHOLESALE EXPENSES			(217,037)			58,199				(92,673)	92,673
INSTITUTIONAL ADVERTISING EXPENSE			(150,872)			21,847				(34,787)	34,787
ECONOMIC DEVELOPMENT EXPENSE			(56,634)			10,487				(16,698)	16,698
MGMT FINANCIAL PLANNING SERVICES			(27,185)			13,862				(22,073)	22,073
DIRECTORS' & OFFICERS' INSURANCE			(85,935)			533				(850)	850
INDUSTRY ASSOCIATION DUES			(1,383)			182,551				(290,666)	290,666
TALLAHASSEE LIAISON EXPENSES			(451,285)		(21,952)	538,932				(858,169)	858,169
GRT, FPSC FEES ON CLAUSES & FEES					(1,397,101)	3,300			(8,554)	(5,254)	5,254
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						7,056,370				7,056,370	(7,056,370)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(757,219,172)	(466,835,428)	(47,944,909)	(52,084,257)	(81,996,974)	(34,737,275)	0	0	(8,554)	(683,607,398)	(73,611,773)
FPSC ADJUSTED	590,422,412	0	285,036,082	81,661,901	32,105,723	(26,770,328)	89,493,709	(370,928)	(8,554)	461,147,605	129,274,807
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	590,422,412	0	285,036,082	81,661,901	32,105,723	(26,770,328)	89,493,709	(370,928)	(8,554)	461,147,605	129,274,807
PRO FORMA ADJUSTED	1,338,892,470	52,830,948	27,792,440	13,973,515	10,866,083	(15,326,796)	28,535,387	(32,825)	0	116,638,752	22,253,718
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			60,985			79,320					
CURRENT MONTH SYSTEM PER BOOKS	123,976,796	40,931,185	26,349,187	13,676,095	10,793,429	(13,469,943)	24,246,011	(32,234)	0	102,493,730	21,483,065
CURRENT MONTH JURISDICTIONAL PER BOOKS											

TOTALS MAY NOT ADD DUE TO ROUNDING.

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

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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	(1,562,697,829)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(489,782,715)	(188,833,682)
ACCUMULATED DEPRECIATION	281,672,145	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(216,050,361)	(83,341,427)
CWIP	(9,207,684)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(81,947,670)	(31,611,314)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,116,381)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,211,337)	(4,324,773)
ACCUMULATED DEPRECIATION	(7,968,272)	FUEL EXPENSE	(489,859,417)	188,963,270
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,472,713)	33,356,849
FAS 143 NET PLANT	(47,436,326)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,927,802)	3,443,900
INTEREST BEARING CWIP	(1,430,803)	CONSERVATION EXPENSES - OTHER TAXES	(334,822)	129,158
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(101,012,806)	38,965,690
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,018,340)	(16,208,575)
ECRC WORKING CAPITAL	(27,770,427)	FRANCHISE FEE	(41,641,026)	16,063,026
CONSERVATION/AEM INVENTORY	(554,893)	GROSS RECEIPTS TAX REVENUES	(30,856,961)	(11,903,073)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,442,903)	11,743,350
LOANS TO EMPLOYEES AND RETIREES	(37,658)	MARKETING SUPPORT ACTIVITIES	(108,073)	41,689
INTEREST & DIVIDENDS RECEIVABLE	(233,283)	WHOLESALE EXPENSES	(223,356)	86,160
NORTH ESCAMBIA SITE	(4,804,753)	INSTITUTIONAL ADVERTISING EXPENSE	(153,753)	59,310
UNAMORTIZED RATE CASE EXPENSE	(4,456,785)	ECONOMIC DEVELOPMENT EXPENSE	(56,634)	21,846
FUEL RELATED DEFERRED DEBITS	(8,413,004)	MGMT FINANCIAL PLANNING SERVICES	(27,755)	10,706
UNREALIZED LOSS ON FWD CONTRACT	(195,242)	DIRECTORS' & OFFICERS' INSURANCE	(36,688)	14,152
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,410)	544
FAS 143 WORKING CAPITAL	58,086,525	TALLAHASSEE LIAISON EXPENSE	(483,142)	186,372
FAS 158 REGULATORY ASSETS	(161,458,544)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,397,101)	536,932
FAS 158 REGULATORY LIABILITIES	161,458,544	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	(80,497)	(31,052)
PPA REGULATORY ASSETS	(135,592,425)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(8,800)	3,395
PPA REGULATORY LIABILITIES	135,592,425	INTEREST SYNCHRONIZATION	7,154,034	7,154,034
FAS 133 REGULATORY ASSETS	(34,532,717)			
FAS 133 REGULATORY LIABILITIES	34,532,717			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
September, 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	5,165,250,810	1,675,576,176	3,489,674,634	14,754,000	70,471,020	0	3,574,899,654	282,894,353	3,857,794,007
JURISDICTIONAL PER BOOKS	5,017,259,479	1,649,232,376	3,368,027,103	14,342,083	68,909,225	0	3,451,278,411	344,725,415	3,796,003,826
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,549,110,180)	(304,731,389)	(1,244,378,791)		(14,629,212)		(1,259,008,003)	(26,983,644)	(1,285,991,647)
INT BEARING CWIP					(2,174,991)		(2,174,991)	0	(2,174,991)
ENERGY CONSERVATION CLAUSE	(15,833,660)	7,832,650	(23,666,310)				(23,666,310)	(554,893)	(24,221,203)
LOANS TO EMPLOYEES AND RETIREES								(37,006)	(37,006)
INTEREST AND DIVIDENDS RECEIVABLE								(229,244)	(229,244)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,678,754)			(12,678,754)	(4,721,815)	(17,400,569)
FUEL RELATED DEFERRED DEBITS								(8,413,004)	(8,413,004)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,379,854)	(4,379,854)
TOTAL FPSC ADJUSTMENTS	(1,564,943,840)	(296,898,739)	(1,268,045,101)	(12,678,754)	(16,804,203)	0	(1,297,528,058)	(45,319,460)	(1,342,847,518)
FPSC ADJUSTED	3,452,315,639	1,352,333,637	2,099,982,002	1,663,329	52,105,022	0	2,153,750,353	299,405,955	2,453,156,308
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	3,452,315,639	1,352,333,637	2,099,982,002	1,663,329	52,105,022	0	2,153,750,353	299,405,955	2,453,156,308

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
September, 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	1,492,855,285	576,344,056	340,023,510	138,831,039	115,147,861	6,713,958	99,003,313	(423,288)	0	1,275,640,449	217,214,837 (a)
JURISDICTIONAL PER BOOKS	1,347,641,584	466,835,428	332,980,991	133,746,159	114,102,697	8,006,338	89,389,499	(370,928)	0	1,144,690,184	202,951,400 (a)
LESS FPSC ADJUSTMENTS:	(380,958,048)	(382,810,518)				714,590				(382,095,928)	1,137,881
RETAIL FUEL REVENUES & EXPENSES	(81,877,236)	(84,024,910)				828,465				(83,196,445)	1,319,209
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,211,337)		(8,510,800)	(417,002)	(334,822)	(751,716)				(10,014,340)	(1,196,987)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(210,297,249)	(42,018,340)	(38,385,706)	(51,687,255)	(8,159,170)	(43,236,834)				(141,448,965)	(88,846,284)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,018,340)				(41,641,026)	(145,549)				(41,786,575)	(231,765)
FRANCHISE FEE REVENUE & EXPENSE	(30,856,961)				(30,442,903)	(159,723)				(30,602,626)	(254,336)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(108,073)			41,689				(66,384)	66,384
MARKETING SUPPORT ACTIVITIES			(217,037)			83,722				(133,315)	133,315
WHOLESALE EXPENSES			(150,872)			58,199				(92,673)	92,673
INSTITUTIONAL ADVERTISING EXPENSE			(56,634)			21,847				(34,787)	34,787
ECONOMIC DEVELOPMENT EXPENSE			(27,185)			10,487				(16,698)	16,698
MGMT FINANCIAL PLANNING SERVICES			(35,935)			13,862				(22,073)	22,073
DIRECTORS' & OFFICERS' INSURANCE			(1,383)			533				(850)	850
INDUSTRY ASSOCIATION DUES			(451,285)			182,551				(269,686)	269,686
TALLAHASSEE LIAISON EXPENSES					(21,952)					(858,169)	858,169
GRT, FPSC FEES ON CLAUSES & FEES					(1,397,101)	3,300			(8,554)	(5,254)	5,254
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						6,456,122				6,456,122	(6,456,122)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(757,219,172)	(466,835,428)	(47,944,909)	(52,084,257)	(81,996,974)	(35,339,523)	0	0	(8,554)	(684,209,646)	(73,009,525)
FPSC ADJUSTED	590,422,412	0	285,036,082	81,661,901	32,105,723	(27,333,185)	89,389,499	(370,928)	(8,554)	460,480,538	129,941,874
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	590,422,412	0	285,036,082	81,661,901	32,105,723	(27,333,185)	89,389,499	(370,928)	(8,554)	460,480,538	129,941,874

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 80,985 AND THE JURISDICTIONAL NOI BY 79,320

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
September, 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	(1,593,847,720)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(489,782,715)	(188,933,682)
ACCUMULATED DEPRECIATION	313,531,881	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(218,050,361)	(83,341,427)
CWIP	(15,051,697)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(81,947,670)	(31,611,314)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,833,660)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,211,337)	(4,324,773)
ACCUMULATED DEPRECIATION	(7,832,650)	FUEL EXPENSE	(489,859,417)	188,963,270
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,472,713)	33,356,849
FAS 143 NET PLANT	(46,312,072)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,927,802)	3,443,900
INTEREST BEARING CWIP	(2,220,643)	CONSERVATION EXPENSES - OTHER TAXES	(334,822)	129,158
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(101,012,806)	38,965,690
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,018,340)	(16,208,575)
ECRC WORKING CAPITAL	(27,770,427)	FRANCHISE FEE	(41,641,026)	16,063,026
CONSERVATION/AEM INVENTORY	(554,893)	GROSS RECEIPTS TAX REVENUES	(30,856,961)	(11,903,073)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,442,903)	11,743,350
LOANS TO EMPLOYEES AND RETIREES	(37,658)	MARKETING SUPPORT ACTIVITIES	(108,073)	41,689
INTEREST & DIVIDENDS RECEIVABLE	(233,283)	WHOLESALE EXPENSES	(223,356)	86,160
NORTH ESCAMBIA SITE	(4,804,753)	INSTITUTIONAL ADVERTISING EXPENSE	(153,753)	59,310
UNAMORTIZED RATE CASE EXPENSE	(4,456,785)	ECONOMIC DEVELOPMENT EXPENSE	(56,634)	21,846
FUEL RELATED DEFERRED DEBITS	(8,413,004)	MGMT FINANCIAL PLANNING SERVICES	(27,755)	10,706
UNREALIZED LOSS ON FWD CONTRACT	(195,242)	DIRECTORS' & OFFICERS' INSURANCE	(36,688)	14,152
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,410)	544
FAS 143 WORKING CAPITAL	58,086,525	TALLAHASSEE LIAISON EXPENSE	(483,142)	186,372
FAS 158 REGULATORY ASSETS	(161,458,544)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,397,101)	538,932
FAS 158 REGULATORY LIABILITIES	161,458,544	COMP SALES/TRANS REV/CL SALE GAS/PROV RT REFIN. ESC REV	(80,497)	(31,052)
PPA REGULATORY ASSETS	(135,592,425)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(8,800)	3,395
PPA REGULATORY LIABILITIES	135,592,425	INTEREST SYNCHRONIZATION	6,776,606	6,776,606
FAS 133 REGULATORY ASSETS	(34,532,717)			
FAS 133 REGULATORY LIABILITIES	34,532,717			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
September, 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 (%)
LONG TERM DEBT	1,172,082,395	1,136,632,874	(411,031,276)	0	725,601,598	30.76	4.06	1.25	4.06	1.25	4.06	1.25
SHORT TERM DEBT	87,043,048	75,775,202	(27,401,968)	0	48,373,234	2.05	0.75	0.02	0.75	0.02	0.75	0.02
PREFERENCE STOCK	101,426,067	97,890,549	(35,399,361)	0	62,491,188	2.65	6.14	0.16	6.14	0.16	6.14	0.16
CUSTOMER DEPOSITS	35,261,562	35,159,926	(12,714,597)	0	22,445,329	0.95	2.35	0.02	2.35	0.02	2.35	0.02
COMMON EQUITY	1,500,743,890	1,471,617,446	(532,169,015)	0	939,448,431	39.83	9.25	3.68	10.25	4.08	11.25	4.48
DEFERRED INCOME TAXES	954,593,681	928,286,046	(335,688,512)	0	592,597,534	25.12						
FASB 109 DEFERRED TAXES	(53,132,130)	(51,667,863)	18,684,228	0	(32,983,635)	(1.40)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,476,044	1,224,093	(442,659)	0	781,434	0.03	6.96	0.00	7.50	0.00	8.05	0.00
TOTAL	3,799,494,557	3,694,918,274	(1,336,163,160)	0	2,358,755,113	100.00		5.14		5.53		5.93

YEAR-END	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,274,870,863	1,250,878,166	(442,501,830)	0	808,376,336	32.95	3.89	1.2801	3.89	1.28	3.89	1.28
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.0000	0.00	0.00	0.00	0.00
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.0000	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,962,886	35,038,128	(12,394,841)	0	22,643,287	0.92	0.00	0.0201	0.00	0.02	0.00	0.02
COMMON EQUITY	1,590,205,382	1,568,831,695	(554,978,826)	0	1,013,852,869	41.33	9.25	3.8230	10.25	4.24	11.25	4.65
DEFERRED INCOME TAXES	1,003,787,319	991,438,945	(350,724,443)	0	640,714,502	26.13						
FASB 109 DEFERRED TAXES	(52,082,714)	(51,442,003)	18,197,760	0	(33,244,243)	(1.36)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,274,573	1,258,895	(445,338)	0	813,557	0.03	6.87	0.0021	7.43	0.00	7.98	0.00
TOTAL	3,853,018,309	3,796,003,826	(1,342,847,518)	0	2,453,156,308	100.00		5.1254		5.54		5.95

GULF POWER COMPANY
Financial Integrity Indicators
September, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	196,006,966
AFUDC - Debt	25,016
Income Taxes	95,363,646
	<hr/>
Total	291,395,629
Interest Charges (Before Deducting AFUDC - Debt)	50,092,870
	<hr/>
T.I.E. With AFUDC	5.81710787 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	196,006,966
AFUDC - Other	(55,969)
Income Taxes	95,363,646
	<hr/>
Total	291,314,644
Interest Charges (Before Deducting AFUDC - Debt)	50,092,870
	<hr/>
T.I.E. Without AFUDC	5.82 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	25,016
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	15,366
AFUDC - Other	55,969
	<hr/>
Total	71,335
	<hr/>
Net Income Available for Common Stockholders	139,487,320
Percent AFUDC to Available Net Income	0.05%

D. Percent Internally Generated Funds

Net Income	145,939,113
Preference Dividends	(6,451,793)
Common Dividends	(123,767,000)
AFUDC (Debt & Other)	(80,985)
Depreciation & Amortization	148,651,968
Deferred Income Taxes	99,003,313
Investment Tax Credits	0
Other	(85,408,906)
	<hr/>
Total	177,885,710
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	232,980,910
	<hr/>
Percent Internally Generated Funds	76.35%

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	725,601,598
Short Term Debt	48,373,234
Preference Stock	62,491,188
Common Equity	939,448,431
	<hr/>
Total	1,775,914,451
	<hr/>
% Long Term Debt To Total	40.86%
	<hr/>
% Short Term Debt To Total	2.72%

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	(1.25)	(1.25)
Short Term Debt	(0.02)	(0.02)
Preference Stock	(0.16)	(0.16)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.45)	(1.45)
	<hr/>	<hr/>
Total	4.03	4.03
Divided by Common Equity Ratio	39.83	39.83
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.12%	10.12%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
September	2017	0
12 - M-T-D		<u>1,749,998</u>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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8 Seventy Second Quarterly Report

9 Report Period: Third Quarter, 2017

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13 <u>Rate Class</u>	14 <u>Third Quarter Total Revenue</u>	15 <u>Third Quarter Total KWH Sales</u>	16 <u>Third Quarter ¢/KWH</u>	17 <u>12-Month Rolling Average ¢/KWH</u>
18 RTP	\$36,154,211.93	420,606,722	8.596	8.076
19 PX/PXT	\$1,200,658.30	15,837,827	7.581	7.581
20 LP/LPT	\$21,107,505.77	237,577,802	8.884	8.930

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25 Notes to Quarterly
26 Real Time Pricing Report

- 27
28 1. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective July 1, 2017.
29 The reason for this change was to reflect a change in the long-term system lambdas.

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32 <u>Multipliers</u>	
33 <u>Effective 7/1/2017</u>	
34 On-Peak	2.024
35 Intermediate	0.726
36 Off-Peak	0.560

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