



Rhonda J. Alexander
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January 12, 2018

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 November, 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

November 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
November, 2017

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return <u>(Jurisdictional)</u>					
	(a)	(b)			
Net Operating Income	201,973,124	(67,284,050)	134,689,074	0	134,689,074
Average Rate Base	3,732,354,337	(1,338,279,531)	2,394,074,806	0	2,394,074,806
Average Rate of Return	5.41%		5.63%		5.63%
II. Year End Rate of Return <u>(Jurisdictional)</u>					
	(a)	(b)			
Net Operating Income	201,934,188	(66,754,038)	135,180,150	0	135,180,150
Year End Rate Base	3,821,754,947	(1,343,312,262)	2,478,442,685	0	2,478,442,685
Year End Rate of Return	5.28%		5.45%		5.45%

(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	5.55%
High	5.95%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.84 x (System per Books Basis)
B. Tie Without AFUDC	5.84 x (System per Books Basis)
C. AFUDC To Net Income	0.06% (System per Books Basis)
D. Internally Generated Funds	90.36% (System per Books Basis)
E. LTD To Total Investor Funds	41.36% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.06% (FPSC Adjusted Basis)
G. Return on Common Equity	10.44% (FPSC Adjusted Basis)
H. Return on Common Equity	10.44% (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

Signature

Date

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



1/12/18

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
November, 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	5,137,595,431	1,678,602,924	3,458,992,507	14,655,084	64,081,516	0	3,537,729,107	295,400,513	3,833,129,620
JURISDICTIONAL PER BOOKS	4,934,298,033	1,632,293,148	3,302,004,885	14,245,929	61,587,995	0	3,377,898,809	354,515,528	3,732,354,337
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,525,995,877)	(285,147,384)	(1,240,848,493)		(11,178,286)		(1,252,026,779)	(26,979,967)	(1,279,006,746)
INT BEARING CWIP					(1,740,254)		(1,740,254)	0	(1,740,254)
ENERGY CONSERVATION CLAUSE	(15,384,670)	7,924,932	(23,309,602)		(23,309,602)		(23,309,602)	(577,305)	(23,886,907)
LOANS TO EMPLOYEES / RETIREES					(35,110)		(35,110)	(278,909)	(35,110)
INTEREST AND DIVIDENDS RECEIVABLE								(4,762,440)	(278,909)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,582,600)			(12,582,600)	0	(17,345,040)
DEPRECIATION CREDIT ADJUSTMENT								(11,495,162)	0
FUEL RELATED DEFERRED DEBITS								0	(11,495,162)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,491,403)	(4,491,403)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,541,380,547)	(277,222,452)	(1,264,158,095)	(12,582,600)	(12,918,540)	0	(1,289,659,235)	(48,620,296)	(1,338,279,531)
FPSC ADJUSTED	3,392,917,486	1,355,070,696	2,037,846,790	1,663,329	48,669,455	0	2,088,179,574	305,895,232	2,394,074,806
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	3,392,917,486	1,355,070,696	2,037,846,790	1,663,329	48,669,455	0	2,088,179,574	305,895,232	2,394,074,806

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
November, 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	1,514,274,149	584,229,490	341,971,458	138,054,179	115,825,180	9,118,654	98,800,437	(403,696)	0	1,297,595,702	216,678,447 (a)
JURISDICTIONAL PER BOOKS	1,353,688,281	469,309,672	335,625,963	133,315,547	114,801,074	8,719,025	90,385,172	(381,631)	0	1,151,794,823	201,873,458 (a)
LESS FPSC ADJUSTMENTS:	(382,494,427)	(385,256,402)				1,065,432				(384,190,970)	1,696,543
RETAIL FUEL REVENUES & EXPENSES	(60,623,378)	(84,053,270)				1,323,081				(82,730,189)	2,106,811
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,365,098)		(8,619,553)	(423,254)	(335,264)	(766,495)				(10,144,567)	(1,226,531)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(200,906,562)		(37,208,901)	(51,242,785)	(8,523,728)	(40,091,440)				(137,066,854)	(63,539,708)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,104,688)				(41,709,355)	(152,488)				(41,861,843)	(242,816)
FRANCHISE FEE REVENUE & EXPENSE	(30,819,288)				(30,399,727)	(161,845)				(30,561,572)	(257,717)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT						42,553				(67,760)	67,760
MARKETING SUPPORT ACTIVITIES			(110,313)			88,575				(141,043)	141,043
WHOLESALE EXPENSES			(229,618)			63,417				(100,982)	100,982
INSTITUTIONAL ADVERTISING EXPENSE			(164,399)			23,647				(37,654)	37,654
ECONOMIC DEVELOPMENT EXPENSE			(61,301)			14,527				(23,131)	23,131
MGMT FINANCIAL PLANNING SERVICES			(37,659)			13,828				(22,018)	22,018
DIRECTORS' & OFFICERS' INSURANCE			(35,846)			523				(832)	832
INDUSTRY ASSOCIATION DUES			(1,355)			187,783				(299,016)	299,016
TALLAHASSEE LIAISON EXPENSES			(464,519)		(22,280)	537,637				(856,107)	856,107
GRT, FPSC FEES ON CLAUSES & FEES					(1,393,744)	5,500				(6,757)	6,757
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						6,984,289			(14,257)	6,984,289	(6,984,289)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(748,313,411)	(469,309,672)	(46,933,463)	(51,666,039)	(82,384,098)	(30,821,497)	0	0	(14,257)	(681,129,027)	(67,184,384)
FPSC ADJUSTED	805,354,870	0	288,692,500	81,649,508	32,416,976	(22,102,472)	90,385,172	(381,631)	(14,257)	470,665,796	134,689,074
PRO FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	805,354,870	0	288,692,500	81,649,508	32,416,976	(22,102,472)	90,385,172	(381,631)	(14,257)	470,665,796	134,689,074
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			101,758			99,686					
CURRENT MONTH SYSTEM PER BOOKS	120,733,836	48,839,796	39,173,083	14,011,844	8,807,357	(2,260,810)	5,415,406	(32,825)	0	113,953,854	6,779,982
CURRENT MONTH JURISDICTIONAL PER BOOKS	102,858,343	33,940,954	37,479,050	13,712,865	8,735,368	(1,832,102)	15,575,422	(32,234)	0	97,579,124	5,279,219

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
November, 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	(1,570,275,507)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(508,475,734)	(195,373,015)
ACCUMULATED DEPRECIATION	293,421,469	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,719,925)	(79,742,211)
CWIP	(11,502,645)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(80,671,411)	(31,118,997)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,384,670)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,365,098)	(4,384,087)
ACCUMULATED DEPRECIATION	(7,924,932)	FUEL EXPENSE	(507,742,301)	195,861,593
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,485,435)	33,361,757
FAS 143 NET PLANT	(47,018,626)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,042,808)	3,488,263
INTEREST BEARING CWIP	(1,776,781)	CONSERVATION EXPENSES - OTHER TAXES	(335,264)	129,328
PHFU - NORTH ESCAMBIA	(12,943,983)	ENVIRONMENTAL COST RECOVERY EXPENSE	(99,729,075)	38,470,491
		FRANCHISE FEE REVENUES	(42,104,658)	(16,241,872)
		FRANCHISE FEE	(41,709,355)	16,089,384
		GROSS RECEIPTS TAX REVENUES	(30,819,288)	(11,888,540)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(30,399,727)	11,726,695
ECRC WORKING CAPITAL	(27,762,841)	MARKETING SUPPORT ACTIVITIES	(110,313)	42,553
CONSERVATION/AEM INVENTORY	(577,305)	WHOLESALE EXPENSES	(238,304)	91,154
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(167,539)	64,628
LOANS TO EMPLOYEES AND RETIREES	(35,729)	ECONOMIC DEVELOPMENT EXPENSE	(61,301)	23,647
INTEREST & DIVIDENDS RECEIVABLE	(283,824)	MGMT FINANCIAL PLANNING SERVICES	(38,447)	14,831
NORTH ESCAMBIA SITE	(4,846,091)	DIRECTORS' & OFFICERS' INSURANCE	(36,598)	14,118
UNAMORTIZED RATE CASE EXPENSE	(4,570,294)	INDUSTRY ASSOCIATION DUES	(1,381)	533
FUEL RELATED DEFERRED DEBITS	(11,495,162)	TALLAHASSEE LIAISON EXPENSE	(496,988)	191,713
UNREALIZED LOSS ON FWD CONTRACT	(163,636)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,393,743)	537,636
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALESTRANS REV/G/L SALE GAS/PROV RT REFRN. ESC REV	(79,388)	(30,624)
FAS 143 WORKING CAPITAL	57,607,828	GAIN/LOSS ON DISPOSITION OF PROPERTY	(14,667)	5,658
FAS 158 REGULATORY ASSETS	(163,100,856)	INTEREST SYNCHRONIZATION	7,050,303	7,050,303
FAS 158 REGULATORY LIABILITIES	163,100,856			
PPA REGULATORY ASSETS	(131,927,765)			
PPA REGULATORY LIABILITIES	131,927,765			
FAS 133 REGULATORY ASSETS	(30,267,618)			
FAS 133 REGULATORY LIABILITIES	30,267,618			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
November, 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	5,187,851,993	1,692,316,248	3,495,535,745	14,111,047	78,641,295	0	3,588,288,087	295,400,513	3,883,688,600
JURISDICTIONAL PER BOOKS	5,039,051,246	1,664,676,935	3,374,374,311	13,717,080	76,868,585	0	3,464,959,956	356,794,990	3,821,754,947
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,549,348,344)	(312,338,580)	(1,237,009,764)		(19,535,293)		(1,256,545,057)	(26,979,967)	(1,283,525,024)
ENERGY CONSERVATION CLAUSE	(16,106,554)	7,764,948	(23,871,502)		(2,221,655)		(2,221,655)	0	(2,221,655)
LOANS TO EMPLOYEES AND RETIREES							(23,871,502)	(577,305)	(24,448,807)
INTEREST AND DIVIDENDS RECEIVABLE								(35,110)	(35,110)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(278,909)	(278,909)
FUEL RELATED DEFERRED DEBITS								(4,762,440)	(16,816,191)
ACCRUED PROVISION FOR REFUND								(11,495,162)	(11,495,162)
UNAMORTIZED RATE CASE EXPENSES								0	0
								(4,491,403)	(4,491,403)
TOTAL FPSC ADJUSTMENTS	(1,565,454,898)	(304,573,632)	(1,260,881,266)	(12,053,751)	(21,756,948)	0	(1,294,891,965)	(48,820,296)	(1,343,312,262)
FPSC ADJUSTED	3,473,596,348	1,360,103,303	2,113,493,045	1,663,329	55,111,617	0	2,170,267,991	308,174,694	2,478,442,685
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	3,473,596,348	1,360,103,303	2,113,493,045	1,663,329	55,111,617	0	2,170,267,991	308,174,694	2,478,442,685

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
November, 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	1,514,274,149	594,229,490	341,971,458	138,054,179	115,825,180	9,118,654	98,600,437	(403,696)	0	1,297,595,702	216,678,447 (a)
JURISDICTIONAL PER BOOKS	1,353,668,281	469,309,672	335,625,963	133,315,547	114,801,074	8,700,549	90,442,584	(361,631)	0	1,151,833,759	201,834,522 (a)
LESS FPSC ADJUSTMENTS:	(362,494,427)	(385,256,402)				1,065,432				(384,190,970)	1,696,543
RETAIL FUEL REVENUES & EXPENSES	(80,623,378)	(84,063,270)				1,323,081				(82,730,189)	2,106,811
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,365,098)		(8,619,563)	(423,254)	(335,264)	(766,495)				(10,144,567)	(1,220,531)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(200,906,562)		(37,208,901)	(51,242,785)	(8,523,728)	(40,091,440)				(137,066,854)	(63,839,708)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,104,658)				(41,709,355)	(152,488)				(41,861,843)	(242,816)
FRANCHISE FEE REVENUE & EXPENSE	(30,819,288)				(30,399,727)	(161,845)				(30,561,572)	(257,717)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(110,313)			42,553				(67,760)	67,760
MARKETING SUPPORT ACTIVITIES			(229,618)			88,575				(141,043)	141,043
WHOLESALE EXPENSES			(164,399)			63,417				(100,982)	100,982
INSTITUTIONAL ADVERTISING EXPENSE			(61,301)			23,647				(37,654)	37,654
ECONOMIC DEVELOPMENT EXPENSE			(37,658)			14,527				(23,131)	23,131
MGMT FINANCIAL PLANNING SERVICES			(35,846)			13,828				(22,018)	22,018
DIRECTORS' & OFFICERS' INSURANCE			(1,355)			523				(832)	832
INDUSTRY ASSOCIATION DUES			(464,519)		(22,280)	187,783				(299,016)	299,016
TALLAHASSEE LIAISON EXPENSES					(1,393,744)	537,637				(856,107)	856,107
GRT, FPSC FEES ON CLAUSES & FEES						5,500				(8,757)	8,757
INT. FPSC FEES ON CLAUSES & FEES						6,454,257			(14,257)	6,454,257	(6,454,257)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(748,313,411)	(469,309,672)	(46,933,463)	(51,666,039)	(82,384,098)	(31,351,509)	0	0	(14,257)	(681,659,039)	(66,654,372)
FPSC ADJUSTED	605,354,870	0	288,692,500	81,649,508	32,418,976	(22,650,960)	90,442,584	(361,631)	(14,257)	470,174,720	135,180,150
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	605,354,870	0	288,692,500	81,649,508	32,418,976	(22,650,960)	90,442,584	(361,631)	(14,257)	470,174,720	135,180,150
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				101,758			99,666				

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

SCHEDULE 3
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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	(1,594,502,320)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(506,475,734)	(195,373,015)
ACCUMULATED DEPRECIATION	321,441,329	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(206,719,925)	(79,742,211)
CWIP	(20,104,627)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(80,671,411)	(31,118,997)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,106,554)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,365,098)	(4,384,087)
ACCUMULATED DEPRECIATION	(7,764,948)	FUEL EXPENSE	(507,742,301)	195,861,593
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,485,435)	33,361,757
FAS 143 NET PLANT	(45,458,738)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,042,808)	3,488,263
INTEREST BEARING CWIP	(2,268,286)	CONSERVATION EXPENSES - OTHER TAXES	(335,264)	129,328
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(99,729,075)	38,470,491
		FRANCHISE FEE REVENUES	(42,104,658)	(16,241,872)
		FRANCHISE FEE	(41,709,355)	16,089,384
		GROSS RECEIPTS TAX REVENUES	(30,819,288)	(11,888,540)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(30,399,727)	11,726,695
ECRC WORKING CAPITAL	(27,762,841)	MARKETING SUPPORT ACTIVITIES	(110,313)	42,553
CONSERVATION/AEM INVENTORY	(577,305)	WHOLESALE EXPENSES	(236,304)	91,154
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(167,539)	64,628
LOANS TO EMPLOYEES AND RETIREES	(35,729)	ECONOMIC DEVELOPMENT EXPENSE	(61,301)	23,647
INTEREST & DIVIDENDS RECEIVABLE	(283,824)	MGMT FINANCIAL PLANNING SERVICES	(38,447)	14,831
NORTH ESCAMBIA SITE	(4,846,091)	DIRECTORS' & OFFICERS' INSURANCE	(36,598)	14,118
UNAMORTIZED RATE CASE EXPENSE	(4,570,294)	INDUSTRY ASSOCIATION DUES	(1,381)	533
FUEL RELATED DEFERRED DEBITS	(11,495,162)	TALLAHASSEE LIAISON EXPENSE	(496,986)	191,713
UNREALIZED LOSS ON FWD CONTRACT	(163,636)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,393,743)	537,636
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFVN. ESC REV	(79,388)	(30,624)
FAS 143 WORKING CAPITAL	57,607,828	GAIN/LOSS ON DISPOSITION OF PROPERTY	(14,667)	5,658
FAS 158 REGULATORY ASSETS	(163,100,856)	INTEREST SYNCHRONIZATION	6,590,312	6,590,312
FAS 158 REGULATORY LIABILITIES	163,100,856			
PPA REGULATORY ASSETS	(131,927,765)			
PPA REGULATORY LIABILITIES	131,927,765			
FAS 133 REGULATORY ASSETS	(30,267,618)			
FAS 133 REGULATORY LIABILITIES	30,267,618			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
November, 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 (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,189,879,633	1,158,416,940	(415,364,014)	0	743,052,926	31.04	3.98	1.24	3.98	1.24	3.98	1.24	3.98	1.24	3.98	1.24	3.98	1.24	
SHORT TERM DEBT	71,517,606	57,825,377	(20,733,969)	0	37,091,408	1.55	1.10	0.02	1.10	0.02	1.10	0.02	1.10	0.02	1.10	0.02	1.10	0.02	
PREFERENCE STOCK	78,886,941	76,223,352	(27,330,779)	0	48,892,573	2.04	6.14	0.13	6.14	0.13	6.14	0.13	6.14	0.13	6.14	0.13	6.14	0.13	
CUSTOMER DEPOSITS	35,184,384	35,110,897	(12,589,425)	0	22,521,472	0.94	2.32	0.02	2.32	0.02	2.32	0.02	2.32	0.02	2.32	0.02	2.32	0.02	
COMMON EQUITY	1,530,126,479	1,508,421,842	(540,862,387)	0	967,559,455	40.41	9.25	3.74	10.25	4.14	10.25	4.14	11.25	4.55	11.25	4.55	11.25	4.55	
DEFERRED INCOME TAXES	970,359,181	946,536,224	(339,391,692)	0	607,144,532	25.36													
FASB 109 DEFERRED TAXES	(52,678,839)	(51,385,538)	18,424,889	0	(32,960,649)	(1.38)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,406,627	1,205,243	(432,154)	0	773,089	0.03	6.94	0.00	7.49	0.00	7.49	0.00	8.04	0.00	8.04	0.00	8.04	0.00	
TOTAL	3,824,682,012	3,732,354,337	(1,338,279,531)	0	2,394,074,806	100.00		5.14		5.55		5.55		5.95		5.95		5.95	

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 (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,275,265,851	1,252,278,783	(440,164,654)	0	812,114,129	32.77	3.87	1.27	3.87	1.27	3.87	1.27	3.87	1.27	3.87	1.27	3.87	1.27	
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
CUSTOMER DEPOSITS	34,939,310	35,127,368	(12,346,952)	0	22,780,416	0.92	2.11	0.02	2.11	0.02	2.11	0.02	2.11	0.02	2.11	0.02	2.11	0.02	
COMMON EQUITY	1,565,212,641	1,580,128,504	(555,400,863)	0	1,024,727,641	41.35	9.25	3.82	10.25	4.24	10.25	4.24	11.25	4.65	11.25	4.65	11.25	4.65	
DEFERRED INCOME TAXES	1,012,204,399	1,003,000,072	(352,545,444)	0	650,454,628	26.24													
FASB 109 DEFERRED TAXES	(50,436,345)	(49,977,709)	17,566,712	0	(32,410,997)	(1.31)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,208,923	1,197,929	(421,061)	0	776,868	0.03	6.87	0.00	7.43	0.00	7.43	0.00	7.99	0.00	7.99	0.00	7.99	0.00	
TOTAL	3,838,394,779	3,821,754,947	(1,343,312,262)	0	2,478,442,685	100.00		5.11		5.53		5.53		5.94		5.94		5.94	

GULF POWER COMPANY
Financial Integrity Indicators
November, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	194,733,326
AFUDC - Debt	31,433
Income Taxes	96,929,441
	<hr/>
Total	291,694,200
Interest Charges (Before Deducting AFUDC - Debt)	49,921,015
	<hr/>
T.I.E. With AFUDC	5.84311442 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	194,733,326
AFUDC - Other	(70,325)
Income Taxes	96,929,441
	<hr/>
Total	291,592,442
Interest Charges (Before Deducting AFUDC - Debt)	49,921,015
	<hr/>
T.I.E. Without AFUDC	5.84 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	31,433
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	19,308
AFUDC - Other	70,325
	<hr/>
Total	89,633
	<hr/>
Net Income Available for Common Stockholders	139,892,369
Percent AFUDC to Available Net Income	0.06%

D. Percent Internally Generated Funds

Net Income	144,843,745
Preference Dividends	(4,951,376)
Common Dividends	(125,000,000)
AFUDC (Debt & Other)	(101,758)
Depreciation & Amortization	147,753,415
Deferred Income Taxes	98,800,437
Investment Tax Credits	0
Other	(78,380,924)
	<hr/>
Total	182,963,539
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	202,485,965
	<hr/>
Percent Internally Generated Funds	90.36%

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	743,052,926
Short Term Debt	37,091,408
Preference Stock	48,892,573
Common Equity	967,559,455
	<hr/>
Total	1,796,596,362
	<hr/>
% Long Term Debt To Total	41.36%
	<hr/>
% Short Term Debt To Total	2.06%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.63%	5.63%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.24)	(1.24)
Short Term Debt	(0.02)	(0.02)
Preference Stock	(0.13)	(0.13)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.40)	(1.40)
	<hr/>	<hr/>
Total	4.22	4.22
Divided by Common Equity Ratio	40.41	40.41
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.44%	10.44%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
October	2017	0
November	2017	0
12 - M-T-D		<u><u>1,166,664</u></u>