



Rhonda J. Alexander
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March 15, 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 January, 2018.

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

January 2018

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
January, 2018

	(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	205,161,487	(67,758,715)	137,402,772	0	137,402,772
Average Rate Base	3,745,255,902	(1,341,926,853)	2,403,329,049	0	(1,806,427,008)
Average Rate of Return	5.48%		5.72%		0.00%
II. Year End Rate of Return					
(Jurisdictional)					
	(a)	(b)			
Net Operating Income	205,059,707	(63,703,316)	141,356,391	0	141,356,391
Year End Rate Base	3,824,334,737	(1,344,449,635)	2,479,885,103	0	2,479,885,103
Year End Rate of Return	5.36%		5.70%		5.70%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

III. Required Rates of Return

Average Capital Structure
(FPSC Adjusted Basis)

Low	5.17%
Midpoint	5.58%
High	5.99%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.42 x (System per Books Basis)
B. Tie Without AFUDC	5.42 x (System per Books Basis)
C. AFUDC To Net Income	0.08% (System per Books Basis)
D. Internally Generated Funds	97.22% (System per Books Basis)
E. LTD To Total Investor Funds	42.22% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.16% (FPSC Adjusted Basis)
G. Return on Common Equity	10.58% (FPSC Adjusted Basis)
H. Return on Common Equity	10.58% (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

3/15/18

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
January, 2018

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,149,608,357	1,682,505,930	3,467,102,427	14,556,169	68,173,261	0	3,549,831,857	285,888,205	3,835,720,062
JURISDICTIONAL PER BOOKS	4,960,625,502	1,640,696,456	3,319,929,046	14,149,776	65,790,116	0	3,399,868,938	345,386,964	3,745,255,902
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING C/W/P	(1,533,693,329)	(293,793,045)	(1,239,900,284)		(13,743,945)		(1,253,644,229)	(26,978,091)	(1,280,622,320)
ENERGY CONSERVATION CLAUSE					(2,085,104)		(2,085,104)	0	(2,085,104)
LOANS TO EMPLOYEES / RETIREES	(15,613,370)	7,875,621	(23,488,991)			0	(23,488,991)	(611,863)	(24,100,854)
INTEREST AND DIVIDENDS RECEIVABLE								(33,267)	(33,267)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,486,446)			(12,486,446)	(4,188,710)	(16,675,156)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(14,017,400)	(14,017,400)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,057,300)	(4,057,300)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,549,306,699)	(285,917,424)	(1,263,389,275)	(12,486,446)	(15,829,049)	0	(1,291,704,770)	(50,222,084)	(1,341,926,853)
FPSC ADJUSTED	3,411,318,903	1,354,779,032	2,056,539,771	1,663,330	49,961,067	0	2,108,164,168	295,164,881	2,403,329,049
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	3,411,318,903	1,354,779,032	2,056,539,771	1,663,330	49,961,067	0	2,108,164,168	295,164,881	2,403,329,049

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
January, 2018

	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	1,542,063,618	600,823,715	347,469,064	159,542,789	118,187,959	43,768,790	54,260,580	(388,107)	0	1,323,664,789	218,398,829
JURISDICTIONAL PER BOOKS	1,376,350,489	469,617,677	319,395,562	155,111,013	117,194,264	40,058,324	50,285,856	(356,265)	0	1,171,306,431	205,044,057
LESS FPSC ADJUSTMENTS:	(381,576,276)	(385,570,889)				1,501,256				(384,069,633)	2,493,357
RETAIL FUEL REVENUES & EXPENSES	(79,234,354)	(84,046,788)				1,908,598				(82,238,190)	3,003,836
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,400,590)		(8,612,087)	(429,170)	(337,304)	(759,914)				(10,138,476)	(1,262,114)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(198,958,134)		(36,355,827)	(51,415,368)	(7,012,158)	(39,150,966)				(133,934,319)	(65,023,815)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,105,188)				(42,746,470)	(134,814)				(42,881,284)	(223,905)
FRANCHISE FEE REVENUE & EXPENSE	(31,663,622)				(31,241,520)	(158,635)				(31,400,155)	(263,468)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT			(110,349)			41,471				(68,878)	68,878
MARKETING SUPPORT ACTIVITIES			(228,625)			88,921				(142,704)	142,704
WHOLESALE EXPENSES			(177,405)			66,872				(110,733)	110,733
INSTITUTIONAL ADVERTISING EXPENSE			(61,870)			23,252				(38,618)	38,618
ECONOMIC DEVELOPMENT EXPENSE			(42,604)			16,011				(26,593)	26,593
MGMT FINANCIAL PLANNING SERVICES			(35,590)			13,375				(22,215)	22,215
DIRECTORS & OFFICERS INSURANCE			(1,379)			518				(861)	861
INDUSTRY ASSOCIATION DUES			(459,583)		(22,112)	181,031				(300,664)	300,664
TALLHASSEE LIAISON EXPENSES					(1,434,374)	539,066				(895,308)	895,308
GRT, FPSC FEES ON CLAUSES & FEES						12,926				(21,469)	21,469
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						7,993,213			(34,395)	7,993,213	(7,993,213)
INTEREST SYNCHRONIZATION											
TOTAL FPSC ADJUSTMENTS	(745,938,165)	(469,617,677)	(46,085,319)	(51,844,538)	(82,793,938)	(27,921,012)	0	0	(34,395)	(678,296,879)	(67,641,285)
FPSC ADJUSTED	630,412,324	0	293,310,243	103,266,475	34,400,326	12,137,312	50,285,856	(356,265)	(34,395)	493,009,552	137,402,772
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	630,412,324	0	293,310,243	103,266,475	34,400,326	12,137,312	50,285,856	(356,265)	(34,395)	493,009,552	137,402,772
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				119,895		117,430					
PRO FORMA ADJUSTED	146,247,415	58,194,958	24,024,601	15,690,219	11,024,251	10,747,036	(3,012,317)	(27,032)	0	116,641,716	29,605,699
CURRENT MONTH SYSTEM PER BOOKS	123,774,123	38,597,408	22,699,702	15,351,918	10,945,154	10,266,389	(2,771,036)	(26,545)	0	95,002,990	28,771,133

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2018

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	(1,577,918,670)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(510,951,712)	(192,024,677)
ACCUMULATED DEPRECIATION	302,264,815	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(204,942,452)	(77,020,993)
CWIP	(14,140,263)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(79,271,143)	(29,791,496)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,613,370)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,400,590)	(4,284,543)
ACCUMULATED DEPRECIATION	(7,875,621)	FUEL EXPENSE	(514,350,891)	193,302,149
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,472,643)	32,497,947
FAS 143 NET PLANT	(46,618,417)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,041,257)	3,397,864
INTEREST BEARING CWIP	(2,128,869)	CONSERVATION EXPENSES - OTHER TAXES	(337,304)	126,765
PHFU - NORTH ESCAMBIA	(12,845,067)	ENVIRONMENTAL COST RECOVERY EXPENSE	(97,460,998)	36,627,564
		FRANCHISE FEE REVENUES	(43,105,188)	(16,199,691)
		FRANCHISE FEE	(42,746,470)	16,064,878
		GROSS RECEIPTS TAX REVENUES	(31,663,622)	(11,899,749)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(31,241,520)	11,741,115
ECRC WORKING CAPITAL	(27,756,027)	MARKETING SUPPORT ACTIVITIES	(110,349)	41,471
CONSERVATION/AEM INVENTORY	(611,863)	WHOLESALE EXPENSES	(235,282)	89,423
FUNDED PROPERTY INSURANCE RESERVE	(1)	INSTITUTIONAL ADVERTISING EXPENSE	(180,793)	67,945
LOANS TO EMPLOYEES AND RETIREES	(33,853)	ECONOMIC DEVELOPMENT EXPENSE	(61,869)	23,252
INTEREST & DIVIDENDS RECEIVABLE	(341,363)	MGMT FINANCIAL PLANNING SERVICES	(43,497)	16,347
NORTH ESCAMBIA SITE	(4,262,283)	DIRECTORS' & OFFICERS' INSURANCE	(36,336)	13,656
UNAMORTIZED RATE CASE EXPENSE	(4,128,566)	INDUSTRY ASSOCIATION DUES	(1,406)	528
FUEL RELATED DEFERRED DEBITS	(14,017,400)	TALLAHASSEE LIAISON EXPENSE	(491,778)	184,819
UNREALIZED LOSS ON FWD CONTRACT	(51,634)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,434,375)	539,063
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	(68,320)	(25,676)
FAS 143 WORKING CAPITAL	57,132,377	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,383)	13,297
FAS 158 REGULATORY ASSETS	(164,943,116)	INTEREST SYNCHRONIZATION	4,727,758	4,727,758
FAS 158 REGULATORY LIABILITIES	164,943,116			
PPA REGULATORY ASSETS	(128,263,104)			
PPA REGULATORY LIABILITIES	128,263,104			
FAS 133 REGULATORY ASSETS	(27,563,193)			
FAS 133 REGULATORY LIABILITIES	27,563,193			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
January, 2018

	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	5,188,257,391	1,692,323,027	3,495,934,364	14,111,047	90,055,318	0	3,600,100,729	285,886,205	3,885,988,934
JURISDICTIONAL PER BOOKS	5,039,505,661	1,864,048,963	3,375,456,698	13,717,080	88,011,733	0	3,477,185,511	347,149,226	3,824,334,737
<u>EPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,552,679,897)	(321,016,228)	(1,231,663,669)		(24,238,910)		(1,255,902,579)	(26,978,091)	(1,282,880,670)
INT BEARING CWIP					(2,246,598)	0	(2,246,598)	0	(2,246,598)
ENERGY CONSERVATION CLAUSE						0	(24,024,623)	(611,863)	(24,636,486)
LOANS TO EMPLOYEES AND RETIREES	(16,318,640)	7,705,983	(24,024,623)					(33,267)	(33,267)
INTEREST AND DIVIDENDS RECEIVABLE								(335,452)	(335,452)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(4,188,710)	(16,242,461)
FUEL RELATED DEFERRED DEBITS								(14,017,400)	(14,017,400)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,057,300)	(4,057,300)
TOTAL FPSC ADJUSTMENTS	(1,568,998,537)	(313,310,245)	(1,255,688,292)	(12,053,751)	(26,485,508)	0	(1,294,227,551)	(50,222,083)	(1,344,449,635)
FPSC ADJUSTED	3,470,507,124	1,350,738,718	2,119,768,406	1,663,329	61,526,225	0	2,182,957,960	296,927,143	2,479,885,103
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	3,470,507,124	1,350,738,718	2,119,768,406	1,663,329	61,526,225	0	2,182,957,960	296,927,143	2,479,885,103

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
January, 2018

	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	1,542,063,618	600,823,715	347,469,064	159,542,789	118,187,959	43,768,790	54,260,580	(388,107)	0	1,323,664,789	218,398,829 (a)
JURISDICTIONAL PER BOOKS	1,376,350,489	489,617,677	339,385,562	155,111,013	117,194,284	40,066,073	50,379,887	(356,265)	0	1,171,408,211	204,942,277 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(381,576,276)	(385,570,889)				1,501,256				(384,069,633)	2,493,957
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(79,234,954)	(84,046,788)			(337,304)	1,808,998				(82,238,190)	3,003,836
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,400,590)		(8,612,087)	(429,170)	(337,304)	(759,914)				(10,138,476)	(1,262,114)
ENVIRONMENTAL COST RECOVERY CLAUSE	(198,958,134)		(36,355,827)	(51,415,368)	(7,012,158)	(39,150,866)				(133,934,319)	(65,023,815)
FRANCHISE FEE REVENUE & EXPENSE	(43,105,188)				(42,746,470)	(134,814)				(42,881,284)	(223,905)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,663,622)				(31,241,520)	(158,635)				(31,400,155)	(263,468)
MARKETING SUPPORT ACTIVITIES			(110,349)			41,471				(68,878)	68,878
WHOLESALE EXPENSES			(228,625)			85,921				(142,704)	142,704
INSTITUTIONAL ADVERTISING EXPENSE			(177,405)			66,672				(110,733)	110,733
ECONOMIC DEVELOPMENT EXPENSE			(61,870)			23,252				(38,618)	38,618
MGMT FINANCIAL PLANNING SERVICES			(42,604)			16,011				(26,593)	26,593
DIRECTORS' & OFFICERS' INSURANCE			(35,590)			13,375				(22,215)	22,215
INDUSTRY ASSOCIATION DUES			(1,379)			518				(861)	861
TALLAHASSEE LIAISON EXPENSES			(459,583)		(22,112)	181,031				(300,664)	300,664
GRT, FPSC FEES ON CLAUSES & FEES					(1,434,374)	539,066				(895,308)	895,308
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						12,926			(34,395)	(21,469)	21,469
INTEREST SYNCHRONIZATION						3,937,814				3,937,814	(3,937,814)
TOTAL FPSC ADJUSTMENTS	(745,938,165)	(469,617,677)	(46,085,319)	(51,844,538)	(82,793,938)	(31,976,411)	0	0	(34,395)	(682,352,278)	(63,585,886)
FPSC ADJUSTED	630,412,324	0	293,310,243	103,266,475	34,400,326	8,089,662	50,379,887	(356,265)	(34,395)	489,055,933	141,356,391
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	630,412,324	0	293,310,243	103,266,475	34,400,326	8,089,662	50,379,887	(356,265)	(34,395)	489,055,933	141,356,391

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 119,895 AND THE JURISDICTIONAL NOI BY 117,430

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2018

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	(1,597,841,903)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(510,951,712)	(192,024,677)
ACCUMULATED DEPRECIATION	330,353,463	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(204,942,452)	(77,020,993)
CWIP	(24,943,935)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(79,271,143)	(29,791,496)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,318,640)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,400,590)	(4,284,543)
ACCUMULATED DEPRECIATION	(7,705,983)	FUEL EXPENSE	(514,350,891)	193,302,149
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,472,643)	32,497,947
FAS 143 NET PLANT	(44,889,828)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,041,257)	3,397,864
INTEREST BEARING CWIP	(2,293,759)	CONSERVATION EXPENSES - OTHER TAXES	(337,304)	126,765
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(97,460,998)	36,627,564
		FRANCHISE FEE REVENUES	(43,105,188)	(16,199,691)
		FRANCHISE FEE	(42,746,470)	16,064,878
		GROSS RECEIPTS TAX REVENUES	(31,663,622)	(11,899,749)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(31,241,520)	11,741,115
ECRC WORKING CAPITAL	(27,756,027)	MARKETING SUPPORT ACTIVITIES	(110,349)	41,471
CONSERVATION/AEM INVENTORY	(611,863)	WHOLESALE EXPENSES	(235,282)	88,423
FUNDED PROPERTY INSURANCE RESERVE	(1)	INSTITUTIONAL ADVERTISING EXPENSE	(180,793)	67,945
LOANS TO EMPLOYEES AND RETIREES	(33,853)	ECONOMIC DEVELOPMENT EXPENSE	(61,869)	23,252
INTEREST & DIVIDENDS RECEIVABLE	(341,363)	MGMT FINANCIAL PLANNING SERVICES	(43,497)	16,347
NORTH ESCAMBIA SITE	(4,262,283)	DIRECTORS' & OFFICERS' INSURANCE	(36,336)	13,656
UNAMORTIZED RATE CASE EXPENSE	(4,128,566)	INDUSTRY ASSOCIATION DUES	(1,406)	528
FUEL RELATED DEFERRED DEBITS	(14,017,400)	TALLAHASSEE LIAISON EXPENSE	(491,778)	184,819
UNREALIZED LOSS ON FWD CONTRACT	(51,634)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,434,375)	539,063
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFUN. ESC REV	(68,320)	(25,676)
FAS 143 WORKING CAPITAL	57,132,377	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,383)	13,297
FAS 158 REGULATORY ASSETS	(164,943,116)	INTEREST SYNCHRONIZATION	3,972,081	3,972,081
FAS 158 REGULATORY LIABILITIES	164,943,116			
PPA REGULATORY ASSETS	(128,263,104)			
PPA REGULATORY LIABILITIES	128,263,104			
FAS 133 REGULATORY ASSETS	(27,563,193)			
FAS 133 REGULATORY LIABILITIES	27,563,193			

GULF POWER COMPANY
Financial Integrity Indicators
January, 2018

A. Times Interest Earned with AFUDC

Earnings Before Interest	191,682,759
AFUDC - Debt	37,035
Income Taxes	82,588,605
	<hr/>
Total	274,308,400
Interest Charges (Before Deducting AFUDC - Debt)	50,634,596
	<hr/>
T.I.E. With AFUDC	5.42 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	191,682,759
AFUDC - Other	(82,859)
Income Taxes	82,588,605
	<hr/>
Total	274,188,505
Interest Charges (Before Deducting AFUDC - Debt)	50,634,596
	<hr/>
T.I.E. Without AFUDC	5.42 x

**C. Percent AFUDC To Net Income Available
for Common Stockholders**

AFUDC - Debt	37,035
X (1 - Income Tax Rate)	0.62528
	<hr/>
Subtotal	23,157
AFUDC - Other	82,859
	<hr/>
Total	106,017
	<hr/>
Net Income Available for Common Stockholders	137,634,239
Percent AFUDC to Available Net Income	0.08%

D. Percent Internally Generated Funds

Net Income	141,085,199
Preference Dividends	(3,450,959)
Common Dividends	(132,517,000)
AFUDC (Debt & Other)	(119,895)
Depreciation & Amortization	169,225,359
Deferred Income Taxes	54,260,580
Investment Tax Credits	0
Other	(33,807,613)
	<hr/>
Total	194,675,671
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	200,236,037
	<hr/>
Percent Internally Generated Funds	97.22%

**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	761,138,250
Short Term Debt	20,843,238
Preference Stock	34,977,963
Common Equity	985,738,332
	<hr/>
Total	1,802,697,783
	<hr/>
% Long Term Debt To Total	42.22%
	<hr/>
% Short Term Debt To Total	1.16%

**G. FPSC Adjusted Average Jurisdictional Return
On Common Equity**

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.72%	5.72%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.25)	(1.25)
Short Term Debt	(0.02)	(0.02)
Preference Stock	(0.09)	(0.09)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.38)	(1.38)
	<hr/>	<hr/>
Total	4.34	4.34
Divided by Common Equity Ratio	41.02	41.02
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.58%	10.58%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
January, 2018

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
December	2017	2,624,999
January	2018	0
12 - M-T-D		<u><u>3,208,333</u></u>