



Gulf Power®

January 15, 2019

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, 2018.

Sincerely,

C. Shane Boyett
Regulatory Issues 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 2018

Earnings Surveillance
Report
(Rate of Return)



Gulf Power®

GULF POWER COMPANY
Earnings Surveillance Report Summary
November 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	158,672,551	(12,988,178)	145,684,373	0	145,684,373
Average Rate Base	3,770,898,695	(1,334,692,441)	2,436,206,255	0	2,436,206,255
Average Rate of Return	4.21%		5.98%		5.98%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	158,776,405	(12,775,351)	146,001,054	0	146,001,054
Year End Rate Base	3,877,428,917	(1,331,131,888)	2,546,297,029	0	2,546,297,029
Year End Rate of Return	4.09%		5.73%		5.73%

(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	6.00%

IV. Financial Integrity Indicators

A. Tie With AFUDC	3.71 x (System per Books Basis)
B. Tie Without AFUDC	3.71 x (System per Books Basis)
C. AFUDC To Net Income	0.07% (System per Books Basis)
D. Internally Generated Funds	59.17% (System per Books Basis)
E. LTD To Total Investor Funds	43.85% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.45% (FPSC Adjusted Basis)
G. Return on Common Equity	11.20% (FPSC Adjusted Basis)
H. Return on Common Equity	11.20% (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
 Mitchell P. Goldstein
 Vice President - Finance

Signature


Date
 11/15/19

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 November 2018

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,249,620,955	1,725,917,196	3,523,703,759	14,110,563	119,221,419	0	3,657,035,741	177,043,888	3,834,079,629
JURISDICTIONAL PER BOOKS	5,100,071,337	1,695,919,524	3,404,151,813	13,716,611	116,525,840	0	3,534,394,264	236,504,432	3,770,898,695
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,558,755,618)	(330,304,502)	(1,228,451,116)		(31,801,361)	(1,260,252,477)	(2,289,951)	(26,347,924)	(1,286,600,401)
INT BEARING CWP					(2,289,951)		(23,898,257)	0	(2,289,951)
ENERGY CONSERVATION CLAUSE	(16,638,270)	7,259,987	(23,898,257)				(931,077)	(24,976)	(24,829,334)
LOANS TO EMPLOYEES / RETIREES							(251,003)	(24,976)	(24,976)
INTEREST AND DIVIDENDS RECEIVABLE							(12,053,657)	(1,275,316)	(13,328,973)
FUNDED PROP. RES. N. ESCAMBIA & OTHER INV.				(12,053,657)				0	0
DEPRECIATION CREDIT ADJUSTMENT								(7,367,803)	(7,367,803)
FUEL RELATED DEFERRED DEBITS								0	0
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,575,393,886)	(323,044,515)	(1,252,349,373)	(12,053,657)	(34,091,312)	0	(1,298,494,342)	(36,198,099)	(1,334,692,441)
FPSC ADJUSTED	3,524,677,449	1,372,875,009	2,151,802,440	1,662,954	82,434,528	0	2,235,899,922	200,306,333	2,436,206,255
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	3,524,677,449	1,372,875,009	2,151,802,440	1,662,954	82,434,528	0	2,235,899,922	200,306,333	2,436,206,255

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
November 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	1,465,762,130	594,734,750	344,263,394	188,784,454	118,785,221	(16,719,819)	8,207,837	(330,039)	(206)	1,237,725,592	228,036,538 (a)
JURISDICTIONAL PER BOOKS	1,295,802,156	458,376,243	337,896,240	188,437,661	117,900,593	27,441,883	7,728,877	(324,093)	(200)	1,137,257,204	158,544,952 (a)
LESS FPSC ADJUSTMENTS:	(306,435,546)	(375,300,467)				18,305,613				(356,994,854)	50,559,308
RETAIL FUEL REVENUES & EXPENSES	(74,526,114)	(83,075,776)				2,272,664				(80,803,112)	6,276,999
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(10,953,124)		(7,604,367)	(1,246,002)	(326,703)	(472,109)				(9,649,181)	(1,303,943)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(189,896,731)		(37,986,034)	(56,711,015)	(7,234,430)	(23,382,846)				(125,314,325)	(64,582,406)
ENVIRONMENTAL COST RECOVERY CLAUSE	(44,311,299)				(43,808,836)	(133,565)				(43,942,401)	(368,899)
FRANCHISE FEE REVENUE & EXPENSE	(32,142,946)				(31,666,482)	(126,653)				(31,793,135)	(349,811)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT						35,134				(97,040)	97,040
MARKETING SUPPORT ACTIVITIES			(132,174)							(96,651)	96,651
WHOLESALE EXPENSES			(131,645)			34,994				(96,651)	96,651
INSTITUTIONAL ADVERTISING EXPENSE			(247,146)			65,696				(181,450)	181,450
ECONOMIC DEVELOPMENT EXPENSE			(82,431)			21,912				(60,519)	60,519
MGMT FINANCIAL PLANNING SERVICES			(41,220)			10,957				(30,263)	30,263
DIRECTORS' & OFFICERS' INSURANCE			(36,092)			9,594				(26,498)	26,498
INDUSTRY ASSOCIATION DUES			(1,121)			288				(823)	823
TALLAHASSEE LIAISON EXPENSES			(465,269)		(21,342)	129,350				(357,260)	357,260
GRT FPSC FEES ON CLAUSES & FEES					(1,462,797)	388,839				(1,073,958)	1,073,958
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						12,907			(48,555)	(35,648)	35,648
INTEREST SYNCHRONIZATION						5,051,936				5,051,936	(5,051,936)
TOTAL FPSC ADJUSTMENTS	(658,265,760)	(458,376,243)	(46,727,497)	(57,957,017)	(84,520,590)	2,224,721	0	0	(48,555)	(645,405,181)	(12,860,579)
FPSC ADJUSTED	637,536,396	0	290,968,743	130,480,644	33,380,003	29,666,604	7,728,877	(324,093)	(48,755)	491,852,023	145,684,373
PRO-FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO-FORMA ADJUSTMENTS	637,536,396	0	290,968,743	130,480,644	33,380,003	29,666,604	7,728,877	(324,093)	(48,755)	491,852,023	145,684,373
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 130,278 AND THE JURISDICTIONAL NOI BY 127,599											
CURRENT MONTH SYSTEM PER BOOKS	118,458,769	54,793,803	41,125,313	16,027,014	8,558,549	(7,011,384)	(2,187,706)	(27,018)	0	111,278,571	7,180,198
CURRENT MONTH JURISDICTIONAL PER BOOKS	95,826,145	34,980,673	39,513,532	15,665,036	8,486,649	(568,129)	(2,521,924)	(26,531)	0	95,549,306	276,839

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
November 2018

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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	(1,603,715,174)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(440,135,897)	(116,996,540)
ACCUMULATED DEPRECIATION CWIP	339,831,553	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(195,538,357)	(51,977,835)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(32,718,615)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,586,369)	(19,826,483)
ACCUMULATED DEPRECIATION CWIP	(16,638,270)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(10,953,124)	(2,911,550)
FAS 143 NET PLANT	(43,754,684)	FUEL EXPENSE	(509,286,053)	135,377,973
INTEREST BEARING CWIP	(2,338,016)	PURCHASED POWER CAPACITY COST EXPENSE	(85,484,059)	22,723,298
PHFU - NORTH ESCAMBIA	(12,399,848)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,850,369)	2,352,597
		CONSERVATION EXPENSES - OTHER TAXES	(326,703)	86,844
		ENVIRONMENTAL COST RECOVERY EXPENSE	(104,765,255)	27,848,609
		FRANCHISE FEE REVENUES	(44,311,299)	(11,778,791)
		FRANCHISE FEE	(43,808,836)	11,645,226
		GROSS RECEIPTS TAX REVENUES	(32,142,946)	(8,544,210)
		GROSS RECEIPTS TAX EXPENSE	(31,666,482)	8,417,557
		MARKETING SUPPORT ACTIVITIES	(132,174)	35,134
		WHOLESALE EXPENSES	(135,478)	36,013
		INSTITUTIONAL ADVERTISING EXPENSE	(251,866)	66,951
		ECONOMIC DEVELOPMENT EXPENSE	(82,431)	21,912
		MGMT FINANCIAL PLANNING SERVICES	(42,084)	11,187
		DIRECTORS' & OFFICERS' INSURANCE	(36,848)	9,795
		INDUSTRY ASSOCIATION DUES	(1,142)	304
		TALLAHASSEE LIAISON EXPENSE	(496,796)	132,058
		GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,462,797)	388,839
		COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFW ESC REV	(78,874)	(20,966)
		GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	13,277
		INTEREST SYNCHRONIZATION	5,053,376	5,053,376
WORKING CAPITAL:				
ECRC WORKING CAPITAL	(27,107,883)			
CONSERVATION/AEM INVENTORY	(931,077)			
FUNDED PROPERTY INSURANCE RESERVE	1			
LOANS TO EMPLOYEES AND RETIREES	(25,416)			
INTEREST & DIVIDENDS RECEIVABLE	(255,426)			
NORTH ESCAMBIA SITE	(1,297,719)			
UNAMORTIZED RATE CASE EXPENSE	0			
FUEL RELATED DEFERRED DEBITS	(7,367,803)			
UNREALIZED LOSS ON FWD CONTRACT	(24,208)			
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	53,804,528			
FAS 158 REGULATORY ASSETS	(165,817,047)			
FAS 158 REGULATORY LIABILITIES	165,817,047			
PPA REGULATORY ASSETS	(109,939,804)			
PPA REGULATORY LIABILITIES	109,939,804			
FAS 133 REGULATORY ASSETS	(13,718,187)			
FAS 133 REGULATORY LIABILITIES	13,718,187			

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 RATE BASE
 November 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	5,333,337,172	1,764,371,857	3,568,965,315	14,109,788	180,814,625	0	3,763,889,728	177,043,888	3,940,933,616
JURISDICTIONAL PER BOOKS	5,182,322,878	1,731,870,347	3,450,452,531	13,715,866	176,756,098	0	3,640,924,485	236,504,432	3,877,428,917
<u>FPSC ADJUSTMENTS</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,558,899,175)	(346,671,477)	(1,212,227,698)		(44,551,828)		(1,256,779,526)	(26,347,924)	(1,283,127,450)
ENERGY CONSERVATION CLAUSE					(2,355,177)		(2,355,177)	0	(2,355,177)
LOANS TO EMPLOYEES AND RETIREES	(17,015,646)	6,729,689	(23,745,335)				(23,745,335)	(931,077)	(24,676,412)
INTEREST AND DIVIDENDS RECEIVABLE								(24,976)	(24,976)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(251,003)	(251,003)
FUEL RELATED DEFERRED DEBITS								(1,275,316)	(13,329,067)
ACCRUED PROVISION FOR REFUND								(7,367,803)	(7,367,803)
UNAMORTIZED RATE CASE EXPENSES								0	0
								0	0
TOTAL FPSC ADJUSTMENTS	(1,575,914,821)	(339,941,788)	(1,235,973,033)	(12,053,751)	(46,907,005)	0	(1,294,933,789)	(36,198,099)	(1,331,131,888)
FPSC ADJUSTED	3,606,408,057	1,391,928,559	2,214,479,498	1,662,105	129,849,093	0	2,345,990,696	200,306,333	2,546,297,029
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	3,606,408,057	1,391,928,559	2,214,479,498	1,662,105	129,849,093	0	2,345,990,696	200,306,333	2,546,297,029

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
November 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	1,465,762,130	594,734,750	344,263,394	186,784,454	118,785,221	(16,719,819)	8,207,837	(330,039)	(206)	1,237,725,592	228,036,538 (a)
JURISDICTIONAL PER BOOKS	1,295,802,156	458,376,243	337,696,240	188,437,661	117,900,593	27,362,820	7,704,086	(324,093)	(200)	1,137,153,350	158,648,806 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(306,435,546)	(375,300,467)				18,305,613				(356,994,854)	50,559,308
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,526,114)	(83,075,776)				2,272,664				(80,803,112)	6,276,999
ENERGY CONSERVATION COST REVENUES & EXPENSES	(10,953,124)	(7,604,367)	(1,246,002)	(326,703)		(472,109)				(9,648,181)	(1,303,943)
ENVIRONMENTAL COST RECOVERY CLAUSE	(189,896,731)	(37,986,034)	(56,711,015)	(7,234,430)		(23,382,846)				(125,314,325)	(64,582,406)
FRANCHISE FEE REVENUE & EXPENSE	(44,311,299)			(43,808,836)		(133,565)				(43,942,401)	(368,899)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,142,946)			(31,666,482)		(126,853)				(31,793,135)	(349,811)
MARKETING SUPPORT ACTIVITIES			(132,174)			35,134				(97,040)	97,040
WHOLESALE EXPENSES			(131,645)			34,994				(96,651)	96,651
INSTITUTIONAL ADVERTISING EXPENSE			(247,146)			65,696				(181,450)	181,450
ECONOMIC DEVELOPMENT EXPENSE			(82,431)			21,912				(60,519)	60,519
MGMT FINANCIAL PLANNING SERVICES			(41,220)			10,957				(30,263)	30,263
DIRECTORS & OFFICERS' INSURANCE			(36,092)			9,594				(26,498)	26,498
INDUSTRY ASSOCIATION DUES			(1,121)			298				(823)	823
TALLAHASSEE LIAISON EXPENSES			(465,268)		(21,342)	129,350				(357,260)	357,260
GRT, FPSC FEES ON CLAUSES & FEES				(1,462,797)		388,839				(1,073,958)	1,073,958
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						12,907			(48,555)	(35,648)	35,648
INTEREST SYNCHRONIZATION						4,839,109				4,839,109	(4,839,109)
TOTAL FPSC ADJUSTMENTS	(658,265,760)	(458,376,243)	(46,727,497)	(57,957,017)	(84,520,590)	2,011,894	0	0	(48,555)	(645,618,008)	(12,647,752)
FPSC ADJUSTED	637,536,396	0	290,968,743	130,480,644	33,380,003	29,374,714	7,704,086	(324,093)	(48,755)	491,535,342	146,001,054
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	637,536,396	0	290,968,743	130,480,644	33,380,003	29,374,714	7,704,086	(324,093)	(48,755)	491,535,342	146,001,054

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 130,278 AND THE JURISDICTIONAL NOI BY 127,599

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
November 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	(1,603,814,126)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(440,135,897)	(116,996,540)
ACCUMULATED DEPRECIATION CWP	356,659,763	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(195,538,357)	(51,977,835)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(45,835,454)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,586,369)	(19,826,483)
ACCUMULATED DEPRECIATION CWP	(17,015,646)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(10,953,124)	(2,911,550)
FAS 143 NET PLANT INTEREST BEARING CWP	(2,404,611)	FUEL EXPENSE	(509,286,053)	135,377,973
PHFU - NORTH ESCAMBIA	(12,399,945)	PURCHASED POWER CAPACITY COST EXPENSE	(85,484,059)	22,723,298
WORKING CAPITAL:		CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,850,369)	2,352,597
ECRC WORKING CAPITAL	(27,107,883)	CONSERVATION EXPENSES - OTHER TAXES	(326,703)	86,844
CONSERVATION/AEM INVENTORY	(931,077)	ENVIRONMENTAL COST RECOVERY EXPENSE	(104,765,255)	27,848,609
FUNDED PROPERTY INSURANCE RESERVE	1	FRANCHISE FEE REVENUES	(44,311,299)	(11,778,791)
LOANS TO EMPLOYEES AND RETIREES	(25,416)	FRANCHISE FEE	(43,808,836)	11,645,226
INTEREST & DIVIDENDS RECEIVABLE	(255,426)	GROSS RECEIPTS TAX REVENUES	(32,142,946)	(8,544,210)
NORTH ESCAMBIA SITE	(1,297,719)	GROSS RECEIPTS TAX EXPENSE	(31,666,482)	8,417,557
UNAMORTIZED RATE CASE EXPENSE	0	MARKETING SUPPORT ACTIVITIES	(132,174)	35,134
FUEL RELATED DEFERRED DEBITS	(7,367,803)	WHOLESALE EXPENSES	(135,478)	36,013
UNREALIZED LOSS ON FWD CONTRACT	(24,208)	INSTITUTIONAL ADVERTISING EXPENSE	(251,866)	66,951
ACCUM. PROV. FOR RATE REFUNDS	0	ECONOMIC DEVELOPMENT EXPENSE	(82,431)	21,912
FAS 143 WORKING CAPITAL	53,804,528	MGMT FINANCIAL PLANNING SERVICES	(42,084)	11,187
FAS 158 REGULATORY ASSETS	(165,817,047)	DIRECTORS' & OFFICERS' INSURANCE	(36,848)	9,795
FAS 158 REGULATORY LIABILITIES	165,817,047	INDUSTRY ASSOCIATION DUES	(1,142)	304
PPA REGULATORY ASSETS	(109,939,804)	TALLAHASSEE LIAISON EXPENSE	(496,796)	132,058
PPA REGULATORY LIABILITIES	109,939,804	GRT/PPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,462,797)	388,839
FAS 133 REGULATORY ASSETS	(13,718,187)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFW ESC RE	(78,874)	(20,966)
FAS 133 REGULATORY LIABILITIES	13,718,187	GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	13,277
		INTEREST SYNCHRONIZATION	4,820,415	4,820,415

GULF POWER COMPANY
Financial Integrity Indicators
November 2018

A. Times Interest Earned with AFUDC

Earnings Before Interest	212,358,805
AFUDC - Debt	40,243
Income Taxes	<u>(16,478,346)</u>
Total	195,920,701
Interest Charges (Before Deducting AFUDC - Debt)	<u>52,812,055</u>
T.I.E. With AFUDC	3.71 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	212,358,805
AFUDC - Other	(90,035)
Income Taxes	<u>(16,478,346)</u>
Total	195,790,423
Interest Charges (Before Deducting AFUDC - Debt)	<u>52,812,055</u>
T.I.E. Without AFUDC	3.71 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	40,243
X (1 - Income Tax Rate)	0.72450
Subtotal	29,156
AFUDC - Other	<u>90,035</u>
Total	119,191
Net Income Available for Common Stockholders	159,586,992
Percent AFUDC to Available Net Income	0.07%

D. Percent Internally Generated Funds

Net Income	159,586,992
Preference Dividends	0
Common Dividends	(153,370,000)
AFUDC (Debt & Other)	(130,278)
Depreciation & Amortization	199,785,904
Deferred Income Taxes	8,207,837
Investment Tax Credits	0
Other	<u>(14,244,647)</u>
Total	199,835,809
Construction Expenditures (Excluding AFUDC Other & Debt)	337,735,040
Percent Internally Generated Funds	59.17%

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	805,613,673
Short Term Debt	26,654,878
Preference Stock	0
Common Equity	<u>1,004,888,868</u>
Total	1,837,157,419
% Long Term Debt To Total	43.85%
% Short Term Debt To Total	1.45%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.98%	5.98%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.30)	(1.30)
Short Term Debt	(0.03)	(0.03)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	(1.36)	(1.36)
Total	4.62	4.62
Divided by Common Equity Ratio	41.25	41.25
Jurisdictional Return on Common Equity	11.20%	11.20%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
November 2018

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
December	2017	2,624,999
January	2018	0
February	2018	0
March	2018	0
April	2018	0
May	2018	4,200,000
June	2018	5,700,000
July	2018	0
September	2018	0
September	2018	0
November	2018	0
November	2018	10,900,000
12 - M-T-D		<u>23,424,999</u>