



**Gulf Power®**

March 15, 2019

Mr. Andrew Maurey, Director  
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. Maurey:

Attached is Gulf Power Company's Jurisdictional Rate of Return Report for the month of January, 2019.

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

**January 2019**

Earnings Surveillance  
Report  
(Rate of Return)



**Gulf Power®**

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
January 2019

Schedule 1

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
Net Operating Income	(a) 144,597,199	(b) (7,999,444)	136,597,755	0	136,597,755
Average Rate Base	3,821,855,463	(1,334,468,607)	2,487,386,856	0	2,487,386,856
Average Rate of Return	3.78%		5.49%		5.49%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
Net Operating Income	(a) 141,442,656	(b) (8,059,301)	133,383,355	0	133,383,355
Year End Rate Base	3,971,112,250	(1,322,939,725)	2,648,172,525	0	2,648,172,525
Year End Rate of Return	3.56%		5.04%		5.04%

(a) Includes AFUDC Earnings  
(b) Includes Reversal of AFUDC Earnings

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

Low	5.22%
Midpoint	5.64%
High	6.06%


**IV. Financial Integrity Indicators**

A. Tie With AFUDC	3.40 x (System per Books Basis)
B. Tie Without AFUDC	3.39 x (System per Books Basis)
C. AFUDC To Net Income	0.08% (System per Books Basis)
D. Internally Generated Funds	37.86% (System per Books Basis)
E. LTD To Total Investor Funds	43.04% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.44% (FPSC Adjusted Basis)
G. Return on Common Equity	9.88% (FPSC Adjusted Basis)
H. Return on Common Equity	9.88% (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  
**March 15, 2019**

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
January 2019

	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
<b>SYSTEM PER BOOKS</b>	5,278,549,239	1,736,703,926	3,541,845,313	14,110,369	137,493,601	0	3,693,449,263	213,314,632	3,906,763,915
<b>JURISDICTIONAL PER BOOKS</b>	5,128,626,687	1,705,928,127	3,422,698,560	13,716,422	134,379,786	0	3,570,794,768	251,060,695	3,821,855,463
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,559,733,485)	(336,246,922)	(1,223,486,563)		(37,430,105)		(1,260,916,668)	(26,117,468)	(1,287,034,136)
INT BEARING CWIP					(2,438,183)		(2,438,183)	0	(2,438,183)
ENERGY CONSERVATION CLAUSE							(23,875,949)	(977,145)	(24,853,094)
LOANS TO EMPLOYEES / RETIREES	(16,791,652)	7,084,297	(23,875,949)				(22,412)	(199,668)	(22,412)
INTEREST AND DIVIDENDS RECEIVABLE				(11,126,446)			(11,126,446)	(5,329,282)	(16,455,728)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.								0	0
DEPRECIATION CREDIT ADJUSTMENT								(3,465,386)	(3,465,386)
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
<b>TOTAL FPSC ADJUSTMENTS</b>	(1,576,525,137)	(329,162,625)	(1,247,362,512)	(11,126,446)	(39,868,288)	0	(1,298,357,246)	(36,111,361)	(1,334,468,607)
<b>FPSC ADJUSTED</b>	3,552,101,550	1,376,765,502	2,175,336,048	2,589,976	94,511,498	0	2,272,437,522	214,949,334	2,487,386,856
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	0	0	0	0	0	0	0	0	0
<b>PRO FORMA ADJUSTED</b>	3,552,101,550	1,376,765,502	2,175,336,048	2,589,976	94,511,498	0	2,272,437,522	214,949,334	2,487,386,856

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
January 2019

	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	1,438,519,865	590,265,647	342,172,457	191,372,439	116,890,675	(26,790,344)	8,962,819	(320,810)	(288)	1,222,552,595	215,967,270 (a)
JURISDICTIONAL PER BOOKS	1,273,068,792	456,957,104	335,594,426	190,967,108	116,008,656	20,973,467	8,414,958	(315,030)	(280)	1,128,690,407	144,468,384 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(900,237,402)	(370,803,758)				18,645,393				(355,158,365)	54,920,963
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,582,449)	(83,153,345)				2,177,363				(90,975,982)	6,413,533
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,292,256)		(7,853,679)	(1,327,485)	(325,522)	(452,553)				(9,959,239)	(1,333,017)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,143,478)		(38,373,209)	(57,354,086)	(7,244,619)	(21,586,733)				(124,588,647)	(63,584,831)
FRANCHISE FEE REVENUE & EXPENSE	(43,433,251)				(42,888,742)	(138,005)				(43,026,747)	(406,504)
GROSS RECEIPTS TAX, REVENUE & ADJUSTMENT	(32,113,658)				(30,867,748)	(315,776)				(31,183,524)	(930,134)
MARKETING SUPPORT ACTIVITIES			(229,820)			58,248				(171,572)	171,572
WHOLESALE EXPENSES			(115,846)			29,361				(86,485)	86,485
INSTITUTIONAL ADVERTISING EXPENSE			(272,494)			69,064				(203,430)	203,430
ECONOMIC DEVELOPMENT EXPENSE			(102,239)			25,912				(76,327)	76,327 (b)
MGMT FINANCIAL PLANNING SERVICES			(36,335)			9,209				(27,126)	27,126
DIRECTORS' & OFFICERS' INSURANCE			(33,494)			8,489				(25,005)	25,005
INDUSTRY ASSOCIATION DUES			(818)			207				(611)	611
TALLAHASSEE LIANSON EXPENSES			(451,092)			119,411				(351,731)	351,731
GRT, FPSC FEES ON CLAUSES & FEES					(1,424,092)	360,936				(1,063,156)	1,063,156
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						8,648			(34,120)	(25,472)	25,472
INTEREST SYNCHRONIZATION						4,981,554				4,981,554	(4,981,554)
TOTAL FPSC ADJUSTMENTS	(649,782,494)	(456,957,104)	(47,469,026)	(58,681,571)	(82,770,773)	4,000,728	0	0	(34,120)	(641,911,865)	(7,870,629)
FPSC ADJUSTED	623,286,297	0	288,125,400	132,285,537	33,237,883	24,974,195	8,414,958	(315,030)	(34,401)	486,688,542	136,587,755
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	623,286,297	0	288,125,400	132,285,537	33,237,883	24,974,195	8,414,958	(315,030)	(34,401)	486,688,542	136,587,755
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NO		131,518					128,815				
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:		2,044,787					2,044,787				
CURRENT MONTH SYSTEM PER BOOKS	119,013,865	44,521,623	22,223,228	16,188,192	10,090,764	1,837,546	2,576,221	(23,610)	0	97,413,964	21,559,901
CURRENT MONTH JURISDICTIONAL PER BOOKS	109,463,907	36,549,008	20,753,961	15,840,482	9,996,786	8,064,553	2,456,580	(23,185)	0	93,638,085	15,825,822

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
January 2019

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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	(1,604,691,449)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(430,838,026)	(109,195,898)
ACCUMULATED DEPRECIATION	345,938,947	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(193,574,369)	(49,061,424)
CWIP	(38,508,995)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,622,631)	(18,913,106)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,791,652)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,292,256)	(2,862,022)
ACCUMULATED DEPRECIATION	(7,084,297)	FUEL EXPENSE	(504,735,559)	127,925,227
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,563,877)	21,686,165
FAS 143 NET PLANT	(43,079,691)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,181,164)	2,326,966
INTEREST BEARING CWIP	(2,489,359)	CONSERVATION EXPENSES - OTHER TAXES	(325,522)	82,504
PHFU - NORTH ESCAMBIA	(11,446,007)	ENVIRONMENTAL COST RECOVERY EXPENSE	(105,829,480)	26,822,482
		FRANCHISE FEE REVENUES	(43,433,251)	(11,008,157)
		FRANCHISE FEE	(42,888,742)	10,870,152
		GROSS RECEIPTS TAX REVENUES	(32,113,658)	(8,139,207)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(30,867,748)	7,823,431
ECRC WORKING CAPITAL	(26,870,281)	MARKETING SUPPORT ACTIVITIES	(229,820)	58,248
CONSERVATION/AEM INVENTORY	(980,813)	WHOLESALE EXPENSES	(119,219)	30,216
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(277,697)	70,382
LOANS TO EMPLOYEES AND RETIREES	(22,807)	ECONOMIC DEVELOPMENT EXPENSE	(102,239)	25,913
INTEREST & DIVIDENDS RECEIVABLE	(203,186)	MGMT FINANCIAL PLANNING SERVICES	(37,097)	9,402
NORTH ESCAMBIA SITE	(923,138)	DIRECTORS' & OFFICERS' INSURANCE	(34,195)	8,667
UNAMORTIZED RATE CASE EXPENSE	0	INDUSTRY ASSOCIATION DUES	(834)	211
FUEL RELATED DEFERRED DEBITS	(3,465,386)	TALLAHASSEE LIAISON EXPENSE	(481,003)	121,910
UNREALIZED LOSS ON FWD CONTRACT	(28,298)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,424,092)	360,936
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFW. ESC REV	(88,380)	(22,400)
FAS 143 WORKING CAPITAL	55,397,116	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,100)	8,896
FAS 158 REGULATORY ASSETS	(166,297,560)	INTEREST SYNCHRONIZATION	4,978,347	4,978,347
FAS 158 REGULATORY LIABILITIES	166,297,560			
PPA REGULATORY ASSETS	(106,275,144)			
PPA REGULATORY LIABILITIES	106,275,144			
FAS 133 REGULATORY ASSETS	(11,607,604)			
FAS 133 REGULATORY LIABILITIES	11,607,604			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
January 2019

	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	5,381,258,864	1,757,054,296	3,624,204,567	14,109,788	205,277,914	0	3,843,592,269	213,314,632	4,056,906,901
JURISDICTIONAL PER BOOKS	5,229,989,629	1,724,274,027	3,505,715,602	13,715,857	200,620,096	0	3,720,051,555	251,060,695	3,971,112,250
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,558,572,777)	(355,518,841)	(1,203,053,936)		(58,035,926)		(1,259,089,862)	(26,117,468)	(1,285,207,330)
INT BEARING CWIP					(4,018,987)		(4,018,987)	0	(4,018,987)
ENERGY CONSERVATION CLAUSE	(17,164,004)	6,555,511	(23,719,515)				(23,719,515)	(977,145)	(24,696,660)
LOANS TO EMPLOYEES AND RETIREES								(22,412)	(22,412)
INTEREST AND DIVIDENDS RECEIVABLE								(199,668)	(199,668)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.								(5,329,282)	(5,329,282)
FUEL RELATED DEFERRED DEBITS								(3,465,386)	(3,465,386)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
TOTAL FPSC ADJUSTMENTS	(1,575,736,781)	(348,963,330)	(1,226,773,451)	0	(60,054,913)	0	(1,286,828,364)	(36,111,361)	(1,322,939,725)
FPSC ADJUSTED	3,654,252,848	1,375,310,697	2,278,942,151	13,715,857	140,565,183	0	2,433,223,191	214,949,334	2,648,172,525
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	3,654,252,848	1,375,310,697	2,278,942,151	13,715,857	140,565,183	0	2,433,223,191	214,949,334	2,648,172,525

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
January 2019

	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	1,438,519,865	590,265,647	342,172,457	191,372,439	116,890,675	(26,790,344)	8,962,819	(320,810)	(288)	1,222,552,595	215,967,270 (a)
JURISDICTIONAL PER BOOKS	1,273,068,792	456,957,104	335,594,426	190,967,108	116,008,656	24,071,414	8,471,554	(315,030)	(280)	1,131,754,950	141,313,841 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(300,237,402)	(373,803,758)				18,645,393				(355,158,365)	54,920,963
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,562,449)	(83,153,345)				2,177,363				(80,975,992)	6,413,533
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,292,256)		(7,853,679)	(1,327,485)	(325,522)	(452,553)				(9,959,239)	(1,333,017)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,143,478)	(38,373,209)		(57,354,086)	(7,244,619)	(21,586,733)				(124,568,647)	(63,584,831)
FRANCHISE FEE REVENUE & EXPENSE	(43,433,251)				(42,888,742)	(138,005)				(43,026,747)	(406,504)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,113,658)		(229,820)		(30,867,748)	(315,776)				(31,183,524)	(930,134)
MARKETING SUPPORT ACTIVITIES			(115,846)			58,248				(171,572)	171,572
WHOLESALE EXPENSES			(272,494)			29,361				(86,485)	86,485
INSTITUTIONAL ADVERTISING EXPENSE			(102,239)			69,064				(203,430)	203,430
ECONOMIC DEVELOPMENT EXPENSE			(36,335)			25,912				(76,327)	76,327
MGMT FINANCIAL PLANNING SERVICES			(818)			9,209				(27,126)	27,126
DIRECTORS' & OFFICERS' INSURANCE			(451,092)			8,489				(25,005)	25,005
INDUSTRY ASSOCIATION DUES						207				(611)	611
TALLAHASSEE LIAISON EXPENSES					(20,050)	119,411				(351,731)	351,731
GRT, FPSC FEES ON CLAUSES & FEES					(1,424,092)	360,936				(1,063,156)	1,063,156
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,648			(34,120)	(25,472)	25,472
INTEREST SYNCHRONIZATION						5,041,411				5,041,411	(5,041,411)
TOTAL FPSC ADJUSTMENTS	(649,782,494)	(456,957,104)	(47,469,026)	(58,681,571)	(82,770,773)	4,060,585	0	0	(34,120)	(641,852,008)	(7,930,486)
FPSC ADJUSTED	623,286,297	0	288,125,400	132,285,537	33,237,883	28,131,999	8,471,554	(315,030)	(34,401)	489,902,942	133,383,355
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	623,286,297	0	288,125,400	132,285,537	33,237,883	28,131,999	8,471,554	(315,030)	(34,401)	489,902,942	133,383,355
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY		131,518					128,815				
					AND THE JURISDICTIONAL NOI BY						



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
January 2019

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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	(1,603,716,508)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(430,838,026)	(109,195,898)
ACCUMULATED DEPRECIATION	365,816,369	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(193,574,369)	(49,061,424)
CWIP	(57,658,995)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,622,631)	(18,913,106)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,164,004)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,292,256)	(2,862,022)
ACCUMULATED DEPRECIATION	(6,555,511)	FUEL EXPENSE	(504,735,559)	127,925,227
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,563,877)	21,686,165
FAS 143 NET PLANT	(40,929,061)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,181,164)	2,326,966
INTEREST BEARING CWIP	(4,103,344)	CONSERVATION EXPENSES - OTHER TAXES	(325,522)	82,504
PHFU - NORTH ESCAMBIA	0	ENVIRONMENTAL COST RECOVERY EXPENSE	(105,829,480)	26,822,482
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(43,433,251)	(11,008,157)
ECRC WORKING CAPITAL	(26,870,281)	FRANCHISE FEE	(42,888,742)	10,870,152
CONSERVATION/AEM INVENTORY	(980,813)	GROSS RECEIPTS TAX REVENUES	(32,113,658)	(8,139,207)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,867,748)	7,823,431
LOANS TO EMPLOYEES AND RETIREES	(22,807)	MARKETING SUPPORT ACTIVITIES	(229,820)	58,248
INTEREST & DIVIDENDS RECEIVABLE	(203,186)	WHOLESALE EXPENSES	(119,219)	30,216
NORTH ESCAMBIA SITE	(923,138)	INSTITUTIONAL ADVERTISING EXPENSE	(277,697)	70,382
UNAMORTIZED RATE CASE EXPENSE	0	ECONOMIC DEVELOPMENT EXPENSE	(102,239)	25,913
FUEL RELATED DEFERRED DEBITS	(3,465,386)	MGMT FINANCIAL PLANNING SERVICES	(37,097)	9,402
UNREALIZED LOSS ON FWD CONTRACT	(28,298)	DIRECTORS' & OFFICERS' INSURANCE	(34,195)	8,667
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(834)	211
FAS 143 WORKING CAPITAL	55,397,116	TALLAHASSEE LIAISON EXPENSE	(481,003)	121,910
FAS 158 REGULATORY ASSETS	(166,297,560)	GRT/PPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,424,092)	360,936
FAS 158 REGULATORY LIABILITIES	166,297,560	COMP SALES/TRANS REV/L SALE GAS/PROV RT REFN. ESC REV	(88,380)	(22,400)
PPA REGULATORY ASSETS	(106,275,144)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,100)	8,896
PPA REGULATORY LIABILITIES	106,275,144	INTEREST SYNCHRONIZATION	5,138,224	5,138,224
FAS 133 REGULATORY ASSETS	(11,607,604)			
FAS 133 REGULATORY LIABILITIES	11,607,604			

GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 January 2019

SCHEDULE 4

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 (%)
LONG TERM DEBT	1,270,802,696	1,244,663,943	(434,596,487)	0	810,067,456	32.57	3.94	1.28	3.94	1.28	3.94	1.28	3.94	1.28
SHORT TERM DEBT	45,899,283	41,561,086	(14,511,790)	0	27,049,296	1.09	2.94	0.03	2.94	0.03	2.94	0.03	2.94	0.03
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
CUSTOMER DEPOSITS	34,853,888	34,463,580	(12,033,570)	0	22,430,010	0.90	2.37	0.02	2.37	0.02	2.37	0.02	2.37	0.02
COMMON EQUITY	1,618,498,234	1,605,985,649	(560,758,368)	0	1,045,227,281	42.02	9.25	3.89	10.25	4.31	11.25	4.31	11.25	4.73
DEFERRED INCOME TAXES	562,123,148	550,561,006	(192,238,138)	0	358,322,868	14.41								
FASB 109 DEFERRED TAXES	350,835,095	343,618,873	(119,980,623)	0	223,638,250	8.99								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	1,022,354	1,001,326	(349,631)	0	651,695	0.03	6.93	0.00	7.49	0.00	8.06	0.00	8.06	0.00
<b>TOTAL</b>	<b>3,884,034,698</b>	<b>3,821,855,463</b>	<b>(1,334,468,607)</b>	<b>0</b>	<b>2,487,386,856</b>	<b>100.00</b>	<b>5.22</b>	<b>5.22</b>	<b>5.22</b>	<b>5.22</b>	<b>5.64</b>	<b>5.64</b>	<b>5.64</b>	<b>6.06</b>

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 (%)
LONG TERM DEBT	1,294,873,914	1,211,660,052	(403,653,464)	0	808,006,588	30.51	3.95	1.21	3.95	1.21	3.95	1.21	3.95	1.21
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
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
CUSTOMER DEPOSITS	34,176,009	32,746,352	(10,909,148)	0	21,837,204	0.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMON EQUITY	1,940,308,354	1,818,167,815	(605,705,978)	0	1,212,461,837	45.78	9.25	4.23	10.25	4.69	11.25	4.69	11.25	5.15
DEFERRED INCOME TAXES	621,342,274	582,972,466	(194,211,945)	0	388,760,521	14.69								
FASB 109 DEFERRED TAXES	346,051,072	324,681,347	(108,164,621)	0	216,516,726	8.18								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	942,414	884,218	(294,569)	0	589,649	0.02	7.13	0.00	7.73	0.00	8.33	0.00	8.33	0.00
<b>TOTAL</b>	<b>4,237,694,039</b>	<b>3,971,112,250</b>	<b>(1,322,939,725)</b>	<b>0</b>	<b>2,648,172,525</b>	<b>100.00</b>	<b>5.46</b>	<b>5.46</b>	<b>5.46</b>	<b>5.92</b>	<b>5.92</b>	<b>5.92</b>	<b>5.92</b>	<b>6.37</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
January 2019

## A. Times Interest Earned with AFUDC

Earnings Before Interest	204,630,922
AFUDC - Debt	40,626
Income Taxes	<u>(23,207,135)</u>
 Total	 181,464,413
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,419,204</u>
T.I.E. With AFUDC	<u>3.40 x</u>

## B. Times Interest Earned without AFUDC

Earnings Before Interest	204,630,922
AFUDC - Other	(90,892)
Income Taxes	<u>(23,207,135)</u>
 Total	 181,332,895
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,419,204</u>
T.I.E. Without AFUDC	<u>3.39 x</u>

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	40,626
X (1 - Income Tax Rate)	0.74655
 Subtotal	 30,329
AFUDC - Other	<u>90,892</u>
 Total	 <u>121,222</u>
 Net Income Available for Common Stockholders	 <u>151,252,344</u>
Percent AFUDC to Available Net Income	<u>0.08%</u>

## D. Percent Internally Generated Funds

Net Income	151,252,344
Preference Dividends	0
Common Dividends	(114,603,000)
AFUDC (Debt & Other)	(131,518)
Depreciation & Amortization	186,447,662
Deferred Income Taxes	8,962,819
Investment Tax Credits	0
Other	<u>(78,775,573)</u>
 Total	 153,152,734
 Construction Expenditures (Excluding AFUDC Other & Debt)	 <u>404,562,527</u>
 Percent Internally Generated Funds	 <u>37.86%</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	810,067,456
Short Term Debt	27,049,296
Preference Stock	0
Common Equity	<u>1,045,227,281</u>
 Total	 <u>1,882,344,033</u>
 % Long Term Debt To Total	 <u>43.04%</u>
 % Short Term Debt To Total	 <u>1.44%</u>

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.49%	5.49%
 Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.28)	(1.28)
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	 <u>(1.34)</u>	 <u>(1.34)</u>
 Total	 4.15	 4.15
Divided by Common Equity Ratio	<u>42.02</u>	<u>42.02</u>
 Jurisdictional Return on Common Equity	 <u>9.88%</u>	 <u>9.88%</u>

GULF POWER COMPANY  
Storm Accrual - Twelve Month to Date  
January 2019

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
February	2018	0
March	2018	0
April	2018	0
May	2018	4,200,000
June	2018	5,700,000
July	2018	0
August	2018	0
September	2018	0
October	2018	0
November	2018	10,900,000
December	2018	7,444,428
January	2019	0
<b>12 - M-T-D</b>		<b><u><u>28,244,428</u></u></b>