



**Gulf Power®**

October 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 August, 2019.

Sincerely,

C. Shane Boyett  
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

**August 2019**

Earnings Surveillance  
Report  
(Rate of Return)



**Gulf Power®**

**GULF POWER COMPANY**  
Earnings Surveillance Report Summary  
August 2019

	(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>					
	(a)	(b)			
Net Operating Income	193,435,022	(41,426,854)	152,008,168	0	152,008,168
Average Rate Base	4,077,562,186	(1,367,673,350)	2,709,888,836	0	2,709,888,836
Average Rate of Return	4.74%		5.61%		5.61%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	159,025,132	(41,772,745)	117,252,387	0	117,252,387
Year End Rate Base	4,290,104,909	(1,384,517,069)	2,905,587,840	0	2,905,587,840
Year End Rate of Return	3.71%		4.04%		4.04%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.39%
Midpoint	5.83%
High	6.28%

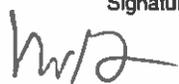
**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.29 x (System per Books Basis)
B. Tie Without AFUDC	4.27 x (System per Books Basis)
C. AFUDC To Net Income	0.61% (System per Books Basis)
D. Internally Generated Funds	-39.32% (System per Books Basis)
E. LTD To Total Investor Funds	40.36% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.32% (FPSC Adjusted Basis)
G. Return on Common Equity	9.76% (FPSC Adjusted Basis)
H. Return on Common Equity	9.76% (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  
10/14/19

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
August 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>	5,405,167,839	1,789,409,977	3,615,757,862	14,109,788	237,202,126	0	3,867,069,776	260,142,519	4,127,212,295
<b>JURISDICTIONAL PER BOOKS</b>	5,233,591,308	1,767,772,985	3,465,818,323	13,715,857	231,870,867	0	3,711,405,047	366,157,139	4,077,562,186
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,565,552,073)	(356,228,735)	(1,209,323,338)		(59,672,279)		(1,268,995,617)	(25,597,575)	(1,294,593,192)
INT BEARING CWIP					(10,266,764)		(10,266,764)	0	(10,266,764)
ENERGY CONSERVATION CLAUSE	(17,105,931)	6,449,100	(23,555,031)				(23,555,031)	(1,022,432)	(24,577,463)
LOANS TO EMPLOYEES / RETIREES								(12,962)	(12,962)
INTEREST AND DIVIDENDS RECEIVABLE								(35,569)	(35,569)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,053,751)			(12,053,751)	(25,722,750)	(37,776,501)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(410,899)	(410,899)
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>	<b>(1,582,658,004)</b>	<b>(349,779,635)</b>	<b>(1,232,878,369)</b>	<b>(12,053,751)</b>	<b>(69,939,043)</b>	<b>0</b>	<b>(1,314,871,163)</b>	<b>(52,802,187)</b>	<b>(1,367,673,350)</b>
<b>FPSC ADJUSTED</b>	<b>3,650,933,304</b>	<b>1,417,993,350</b>	<b>2,232,939,954</b>	<b>1,662,106</b>	<b>161,931,824</b>	<b>0</b>	<b>2,396,533,884</b>	<b>313,354,952</b>	<b>2,709,888,836</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>3,650,933,304</b>	<b>1,417,993,350</b>	<b>2,232,939,954</b>	<b>1,662,106</b>	<b>161,931,824</b>	<b>0</b>	<b>2,396,533,884</b>	<b>313,354,952</b>	<b>2,709,888,836</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
August 2019

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	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	1,480,832,818	582,424,874	322,481,312	196,350,502	113,722,120	(30,961,932)	45,511,391	(296,953)	(165)	1,229,231,150	251,601,668	(a)
JURISDICTIONAL PER BOOKS	1,302,018,888	456,442,502	321,244,995	195,847,815	112,855,641	(4,873,550)	28,434,675	(291,602)	(160)	1,109,660,316	192,358,572	(a)
LESS FPSC ADJUSTMENTS:												
RETAIL FUEL REVENUES & EXPENSES	(335,900,374)	(376,012,675)				10,166,463				(365,846,212)	29,945,838	
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,698,558)	(80,429,827)				1,199,140				(79,230,687)	3,532,129	
ENERGY CONSERVATION COST REVENUES & EXPENSES	(8,718,174)		(6,432,724)	(1,353,978)	(311,650)	(157,094)				(8,255,445)	(462,729)	
ENVIRONMENTAL COST RECOVERY CLAUSE	(189,998,441)		(32,194,496)	(57,446,727)	(8,385,673)	(23,310,188)				(121,337,084)	(68,661,357)	
FRANCHISE FEE REVENUE & EXPENSE	(42,632,612)				(41,678,822)	(241,738)				(41,920,560)	(712,052)	
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,850,101)				(30,209,791)	(162,286)				(30,372,077)	(478,024)	
MARKETING SUPPORT ACTIVITIES			(112,809)			28,591				(84,218)	84,218	
WHOLESALE EXPENSES			(41,335)			10,476				(30,859)	30,859	
INSTITUTIONAL ADVERTISING EXPENSE			(133,894)			33,935				(99,959)	99,959	
ECONOMIC DEVELOPMENT EXPENSE			(111,456)			28,249				(83,207)	83,207	(b)
MGMT FINANCIAL PLANNING SERVICES			(8,554)			2,168				(6,386)	6,386	
DIRECTORS' & OFFICERS' INSURANCE			(12,598)			3,193				(9,405)	9,405	
INDUSTRY ASSOCIATION DUES			(1,172)			297				(875)	875	
TALLAHASSEE LIAISON EXPENSES			(359,086)		(2,548)	91,656				(269,978)	269,978	
GRT, FPSC FEES ON CLAUSES & FEES					(1,399,303)	354,653				(1,044,650)	1,044,650	
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546	
INTEREST SYNCHRONIZATION						5,169,291				5,169,291	(5,169,291)	
TOTAL FPSC ADJUSTMENTS	(683,798,260)	(456,442,502)	(39,408,124)	(58,800,705)	(81,987,787)	(6,774,521)	0	0	(34,218)	(643,447,856)	(40,350,404)	
FPSC ADJUSTED	618,220,628	0	281,836,871	137,047,111	30,867,854	(11,648,071)	28,434,675	(291,602)	(34,378)	466,212,460	152,008,168	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	618,220,628	0	281,836,871	137,047,111	30,867,854	(11,648,071)	28,434,675	(291,602)	(34,378)	466,212,460	152,008,168	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM AND THE JURISDICTIONAL NOI BY		1,099,044					1,076,450					
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE ON A JURISDICTIONAL BASIS		2,229,125					2,229,125					
CURRENT MONTH SYSTEM PER BOOKS	141,725,606	49,072,964	20,108,994	16,680,936	11,022,488	15,288,932	(8,337,596)	(23,610)	0	103,813,108	37,912,498	
CURRENT MONTH JURISDICTIONAL PER BOOKS	125,083,664	40,882,425	19,824,135	16,325,144	10,952,820	9,968,531	(4,975,525)	(23,185)	0	92,954,346	32,129,318	

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
August 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	(1,610,596,296)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(460,505,290)	(116,715,066)
ACCUMULATED DEPRECIATION	366,478,184	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(194,783,227)	(49,367,809)
CWIP	(61,389,175)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,759,155)	(19,201,158)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,105,931)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(8,718,174)	(2,209,621)
ACCUMULATED DEPRECIATION	(6,449,100)	FUEL EXPENSE	(499,921,833)	126,705,189
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(82,761,406)	20,975,878
FAS 143 NET PLANT	(73,261,026)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(7,786,701)	1,973,539
INTEREST BEARING CWIP	(10,482,258)	CONSERVATION EXPENSES - OTHER TAXES	(311,650)	78,988
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,747,196)	25,534,377
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,632,612)	(10,805,235)
ECRC WORKING CAPITAL	(26,334,071)	FRANCHISE FEE	(41,678,822)	10,563,497
CONSERVATION/AEM INVENTORY	(1,037,995)	GROSS RECEIPTS TAX REVENUES	(30,850,101)	(7,818,958)
TEMPORARY CASH INVESTMENT	(25,153,846)	GROSS RECEIPTS TAX EXPENSE	(30,209,791)	7,656,672
LOANS TO EMPLOYEES AND RETIREES	(13,190)	MARKETING SUPPORT ACTIVITIES	(112,809)	28,591
INTEREST & DIVIDENDS RECEIVABLE	(36,196)	WHOLESALE EXPENSES	(42,538)	10,781
NORTH ESCAMBIA SITE	(1,022,098)	INSTITUTIONAL ADVERTISING EXPENSE	(136,451)	34,584
UNAMORTIZED RATE CASE EXPENSE	0	ECONOMIC DEVELOPMENT EXPENSE	(111,456)	28,249
FUEL RELATED DEFERRED DEBITS	(410,899)	MGMT FINANCIAL PLANNING SERVICES	(8,733)	2,213
UNREALIZED LOSS ON FWD CONTRACT	(42,665)	DIRECTORS' & OFFICERS' INSURANCE	(12,862)	3,260
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,194)	303
FAS 143 WORKING CAPITAL	78,594,716	TALLAHASSEE LIAISON EXPENSE	(369,211)	93,576
FAS 158 REGULATORY ASSETS	(89,961,321)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,399,303)	354,653
FAS 158 REGULATORY LIABILITIES	88,894,032	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFIN. ESC REV	(533,217)	(135,144)
PPA REGULATORY ASSETS	(88,067,584)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
PPA REGULATORY LIABILITIES	89,542,151	INTEREST SYNCHRONIZATION	5,105,762	5,105,762
FAS 133 REGULATORY ASSETS	(6,521,027)			
FAS 133 REGULATORY LIABILITIES	6,521,027			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
August 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	5,548,035,156	1,808,300,826	3,739,734,330	14,109,788	349,781,336	0	4,103,625,454	260,142,519	4,363,767,973
JURISDICTIONAL PER BOOKS	5,369,223,619	1,801,047,422	3,568,176,197	13,715,856	342,055,717	0	3,923,947,770	366,157,139	4,290,104,909
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,580,983,653)	(385,297,997)	(1,195,685,656)		(69,705,614)		(1,265,391,270)	(25,597,575)	(1,290,988,845)
ENERGY CONSERVATION CLAUSE LOANS TO EMPLOYEES AND RETIREES	(17,235,594)	5,952,966	(23,188,560)		(31,081,301)		(31,081,301)	0	(31,081,301)
INTEREST AND DIVIDENDS RECEIVABLE								(12,962)	(12,962)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(25,722,750)	(37,776,501)
FUEL RELATED DEFERRED DEBITS								(410,899)	(410,899)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,598,219,247)</b>	<b>(379,345,031)</b>	<b>(1,218,874,216)</b>	<b>(12,053,751)</b>	<b>(100,786,915)</b>	<b>0</b>	<b>(1,331,714,882)</b>	<b>(52,802,187)</b>	<b>(1,384,517,069)</b>
<b>FPSC ADJUSTED</b>	<b>3,771,004,372</b>	<b>1,421,702,391</b>	<b>2,349,301,981</b>	<b>1,662,105</b>	<b>241,268,802</b>	<b>0</b>	<b>2,592,232,888</b>	<b>313,354,952</b>	<b>2,905,587,840</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>3,771,004,372</b>	<b>1,421,702,391</b>	<b>2,349,301,981</b>	<b>1,662,105</b>	<b>241,268,802</b>	<b>0</b>	<b>2,592,232,888</b>	<b>313,354,952</b>	<b>2,905,587,840</b>

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

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	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	1,480,832,818	582,424,874	322,481,312	196,350,502	113,722,120	(30,961,932)	45,511,391	(296,953)	(165)	1,229,231,150	251,601,668 (a)
JURISDICTIONAL PER BOOKS	1,302,018,888	456,442,502	321,244,995	195,847,815	112,855,641	18,510,057	39,460,958	(291,602)	(160)	1,144,070,206	157,948,682 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(335,900,374)	(376,012,675)				10,166,463				(365,846,212)	29,945,838
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,698,558)	(80,429,827)				1,199,140				(79,230,687)	3,532,129
ENERGY CONSERVATION COST REVENUES & EXPENSES	(8,718,174)		(6,432,724)	(1,353,978)	(311,650)	(157,094)				(8,255,445)	(462,729)
ENVIRONMENTAL COST RECOVERY CLAUSE	(189,998,441)		(32,194,496)	(57,446,727)	(8,385,673)	(23,310,188)				(121,337,084)	(68,661,357)
FRANCHISE FEE REVENUE & EXPENSE	(42,632,612)				(41,678,822)	(241,738)				(41,920,560)	(712,052)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,850,101)				(30,209,791)	(162,286)				(30,372,077)	(478,024)
MARKETING SUPPORT ACTIVITIES			(112,809)			28,591				(84,218)	84,218
WHOLESALE EXPENSES			(41,335)			10,476				(30,859)	30,859
INSTITUTIONAL ADVERTISING EXPENSE			(133,894)			33,935				(99,959)	99,959
ECONOMIC DEVELOPMENT EXPENSE			(111,456)			28,249				(83,207)	83,207
MGMT FINANCIAL PLANNING SERVICES			(8,554)			2,168				(6,386)	6,386
DIRECTORS' & OFFICERS' INSURANCE			(12,598)			3,193				(9,405)	9,405
INDUSTRY ASSOCIATION DUES			(1,172)			297				(875)	875
TALLAHASSEE LIAISON EXPENSES			(359,086)		(2,548)	91,656				(269,978)	269,978
GRT, FPSC FEES ON CLAUSES & FEES					(1,399,303)	354,653				(1,044,650)	1,044,650
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546
INTEREST SYNCRONIZATION						5,515,182				5,515,182	(5,515,182)
TOTAL FPSC ADJUSTMENTS	(683,798,260)	(456,442,502)	(39,408,124)	(58,800,705)	(81,987,787)	(6,428,630)	0	0	(34,218)	(643,101,965)	(40,696,295)
FPSC ADJUSTED	618,220,628	0	281,836,871	137,047,111	30,867,854	12,081,427	39,460,958	(291,602)	(34,378)	500,968,241	117,252,387
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	618,220,628	0	281,836,871	137,047,111	30,867,854	12,081,427	39,460,958	(291,602)	(34,378)	500,968,241	117,252,387
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			1,099,044								
AND THE JURISDICTIONAL NOI BY							1,076,450				

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

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	(1,626,552,355)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(460,505,290)	(116,715,066)
ACCUMULATED DEPRECIATION	396,403,444	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(194,783,227)	(49,367,809)
CWIP	(71,714,740)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,759,155)	(19,201,158)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,235,594)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(8,718,174)	(2,209,621)
ACCUMULATED DEPRECIATION	(5,952,966)	FUEL EXPENSE	(499,921,833)	126,705,189
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(82,761,406)	20,975,878
FAS 143 NET PLANT	(93,060,637)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(7,786,701)	1,973,539
INTEREST BEARING CWIP	(31,733,682)	CONSERVATION EXPENSES - OTHER TAXES	(311,650)	78,988
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,747,196)	25,534,377
		FRANCHISE FEE REVENUES	(42,632,612)	(10,805,235)
		FRANCHISE FEE	(41,678,822)	10,563,497
		GROSS RECEIPTS TAX REVENUES	(30,850,101)	(7,818,958)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(30,209,791)	7,656,672
ECRC WORKING CAPITAL	(26,334,071)	MARKETING SUPPORT ACTIVITIES	(112,809)	28,591
CONSERVATION/AEM INVENTORY	(1,037,995)	WHOLESALE EXPENSES	(42,538)	10,781
TEMPORARY CASH INVESTMENT	(25,153,846)	INSTITUTIONAL ADVERTISING EXPENSE	(136,451)	34,584
LOANS TO EMPLOYEES AND RETIREES	(13,190)	ECONOMIC DEVELOPMENT EXPENSE	(111,456)	28,249
INTEREST & DIVIDENDS RECEIVABLE	(36,196)	MGMT FINANCIAL PLANNING SERVICES	(8,733)	2,213
NORTH ESCAMBIA SITE	(1,022,098)	DIRECTORS' & OFFICERS' INSURANCE	(12,862)	3,260
UNAMORTIZED RATE CASE EXPENSE	0	INDUSTRY ASSOCIATION DUES	(1,194)	303
FUEL RELATED DEFERRED DEBITS	(410,899)	TALLAHASSEE LIAISON EXPENSE	(369,211)	93,576
UNREALIZED LOSS ON FWD CONTRACT	(42,665)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,399,303)	354,653
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/IL SALE GAS/PROV RT REFN. ESC RE	(533,217)	(135,144)
FAS 143 WORKING CAPITAL	78,594,716	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
FAS 158 REGULATORY ASSETS	(89,961,321)	INTEREST SYNCHRONIZATION	5,499,232	5,499,232
FAS 158 REGULATORY LIABILITIES	88,894,032			
PPA REGULATORY ASSETS	(88,067,584)			
PPA REGULATORY LIABILITIES	89,542,151			
FAS 133 REGULATORY ASSETS	(6,521,027)			
FAS 133 REGULATORY LIABILITIES	6,521,027			

GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 August 2019

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,295,724,025	1,257,772,964	(421,875,249)	0	835,897,715	30.85	3.92	1.21	3.92	1.21	3.92	1.21
SHORT TERM DEBT	42,758,515	41,107,276	(13,787,975)	0	27,319,301	1.01	2.98	0.03	2.98	0.03	2.98	0.03
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,382,518	33,106,554	(11,104,417)	0	22,002,137	0.81	2.66	0.02	2.66	0.02	2.66	0.02
COMMON EQUITY	1,859,998,033	1,817,371,734	(609,572,773)	0	1,207,798,961	44.57	9.25	4.12	10.25	4.57	11.25	5.01
DEFERRED INCOME TAXES	610,341,186	592,464,622	(198,721,206)	0	393,743,416	14.53						
FASB 109 DEFERRED TAXES	344,965,465	334,861,612	(112,317,429)	0	222,544,183	8.21						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	903,898	877,424	(294,301)	0	583,123	0.02	7.07	0.00	7.66	0.00	8.25	0.00
<b>TOTAL</b>	<b>4,189,073,640</b>	<b>4,077,562,186</b>	<b>(1,367,673,350)</b>	<b>0</b>	<b>2,709,888,836</b>	<b>100.00 %</b>		<b>5.39 %</b>		<b>5.83 %</b>		<b>6.28 %</b>

58.32%

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,270,882,119	1,217,203,058	(392,819,860)	0	824,383,198	28.37	3.88	1.10	3.88	1.10	3.88	1.10
SHORT TERM DEBT	115,000,000	109,757,459	(35,421,296)	0	74,336,163	2.56	0.00	0.00	0.00	0.00	0.00	0.00
PREFERENCE STOCK	0	(18,363)	5,926	0	(12,437)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,153,022	32,709,960	(10,556,268)	0	22,153,692	0.76	1.98	0.02	1.98	0.02	1.98	0.02
COMMON EQUITY	2,089,136,495	2,009,212,754	(648,419,890)	0	1,360,792,864	46.83	9.25	4.33	10.25	4.80	11.25	5.27
DEFERRED INCOME TAXES	622,004,897	595,778,101	(192,271,510)	0	403,506,591	13.89						
FASB 109 DEFERRED TAXES	339,011,939	324,717,523	(104,793,930)	0	219,923,593	7.57						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	777,185	744,417	(240,241)	0	504,176	0.02	7.22	0.00	7.85	0.00	8.47	0.00
<b>TOTAL</b>	<b>4,470,965,657</b>	<b>4,290,104,909</b>	<b>(1,384,517,069)</b>	<b>0</b>	<b>2,905,587,840</b>	<b>100.00 %</b>		<b>5.45 %</b>		<b>5.92 %</b>		<b>6.39 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
August 2019

## A. Times Interest Earned with AFUDC

Earnings Before Interest	223,931,324
AFUDC - Debt	339,495
Income Taxes	<u>9,778,671</u>
Total	234,049,490
Interest Charges (Before Deducting AFUDC - Debt)	<u>54,506,859</u>
T.I.E. With AFUDC	<u>4.29</u> x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	223,931,324
AFUDC - Other	(759,550)
Income Taxes	<u>9,778,671</u>
Total	232,950,446
Interest Charges (Before Deducting AFUDC - Debt)	<u>54,506,859</u>
T.I.E. Without AFUDC	<u>4.27</u> x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	339,495
X (1 - Income Tax Rate)	0.74655
Subtotal	253,450
AFUDC - Other	<u>759,550</u>
Total	<u>1,013,000</u>
Net Income Available for Common Stockholders	<u>165,342,124</u>
Percent AFUDC to Available Net Income	<u>0.61%</u>

## D. Percent Internally Generated Funds

Net Income	165,342,124
Preference Dividends	0
Common Dividends	(38,201,000)
AFUDC (Debt & Other)	(1,099,044)
Depreciation & Amortization	201,564,399
Deferred Income Taxes	45,490,163
Investment Tax Credits	0
Other	<u>(516,405,844)</u>
Total	(143,309,203)
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>364,440,828</u>
Percent Internally Generated Funds	<u>-39.32%</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	835,897,715
Short Term Debt	27,319,301
Preference Stock	0
Common Equity	<u>1,207,798,961</u>
Total	<u>2,071,015,977</u>
% Long Term Debt To Total	<u>40.36%</u>
% Short Term Debt To Total	<u>1.32%</u>

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.61%	5.61%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.21)	(1.21)
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>(1.26)</u>	<u>(1.26)</u>
Total	4.35	4.35
Divided by Common Equity Ratio	<u>44.57</u>	<u>44.57</u>
Jurisdictional Return on Common Equity	<u>9.76%</u>	<u>9.76%</u>

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

**Supplemental 1**

<u>Month</u>	<u>Year</u>	<u>\$</u>
September	2018	0
October	2018	0
November	2018	10,900,000
December	2018	7,444,428
January	2019	0
February	2019	0
March	2019	291,663
April	2019	291,667
May	2019	291,667
June	2019	291,667
July	2019	291,667
<b>August</b>	<b>2019</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>20,094,426</u></u></b>