



Gulf Power®

Mitchell P. Goldstein

Vice President, Finance

July 15, 2020

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 May 2020.

Sincerely,

Mitchell P. Goldstein
Vice President, Finance

md

Attachment

cc/att.: Office of the Public Counsel
c/o Florida Legislature
111 W. Madison, Rm. 801
Tallahassee, FL 32399-1400

May 2020

Earnings Surveillance
Report
(Rate of Return)



Gulf Power[®]

GULF POWER COMPANY
Earnings Surveillance Report Summary
May 2020

	(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	235,416,826	(82,330,987)	153,085,840	0	153,085,840
Average Rate Base	4,876,766,682	(2,104,783,704)	2,771,982,978	0	2,771,982,978
Average Rate of Return	4.83%		5.52%		5.52%
II. Year End Rate of Return					
(Jurisdictional)					
	(a)	(b)			
Net Operating Income	235,322,037	(83,971,651)	151,350,387	0	151,350,387
Year End Rate Base	5,219,507,881	(2,255,461,610)	2,964,046,271	0	2,964,046,271
Year End Rate of Return	4.51%		5.11%		5.11%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

III. Required Rates of Return

Average Capital Structure
(FPSC Adjusted Basis)

Low	5.18%
Midpoint	5.60%
High	6.02%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.35	x (System per Books Basis)
B. Tie Without AFUDC	4.06	x (System per Books Basis)
C. AFUDC To Net Income	9.08%	(System per Books Basis)
D. Internally Generated Funds	-9.88%	(System per Books Basis)
E. LTD To Total Investor Funds	40.02%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	6.46%	(FPSC Adjusted Basis)
G. Return on Common Equity	10.07%	(FPSC Adjusted Basis)
H. Return on Common Equity	10.07%	(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
Mitchell P. Goldstein Vice President - Finance		July 15, 2020

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
May 2020

	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	5,835,678,973	1,861,888,206	3,973,790,767	14,109,788	541,700,152	0	4,529,600,707	455,652,218	4,985,252,925
JURISDICTIONAL PER BOOKS	5,646,133,636	1,814,105,701	3,832,027,935	13,715,857	530,077,772	0	4,375,821,564	500,945,118	4,876,766,682
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,582,704,792)	(396,122,674)	(1,186,582,118)		(74,888,831)		(1,261,470,949)	(34,505,276)	(1,295,976,225)
INT BEARING CWIP					(320,766,727)		(320,766,727)	0	(320,766,727)
ENERGY CONSERVATION CLAUSE	(17,405,243)	5,903,255	(23,308,498)				(23,308,498)	(764,710)	(24,073,208)
LOANS TO EMPLOYEES / RETIREES								(10,154)	(10,154)
INTEREST AND DIVIDENDS RECEIVABLE								(35,567)	(35,567)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,053,751)			(12,053,751)	(51,246,300)	(63,300,051)
INTERCOMPANY RECEIVABLES AND PAYABLES								14,149,006	14,149,006
MICHAEL STORM RECOVERY								(202,742,942)	(202,742,942)
FUEL RELATED DEFERRED DEBITS								(1,619,172)	(1,619,172)
LEASES	(196,750,216)	(50,380,759)	(146,369,457)				(146,369,457)	(64,039,207)	(210,408,664)
TOTAL FPSC ADJUSTMENTS	(1,796,860,251)	(440,600,178)	(1,356,260,073)	(12,053,751)	(395,655,558)	0	(1,763,969,382)	(340,814,322)	(2,104,783,704)
FPSC ADJUSTED	3,849,273,385	1,373,505,523	2,475,767,862	1,662,106	134,422,214	0	2,611,852,182	160,130,796	2,771,982,978
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	3,849,273,385	1,373,505,523	2,475,767,862	1,662,106	134,422,214	0	2,611,852,182	160,130,796	2,771,982,978

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
May 2020

SCHEDULE 2
PAGE 2 OF 3

	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	1,466,342,751	513,164,338	289,846,581	275,081,175	114,332,531	23,991,689	(2,442,740)	24,610,311	(3,426)	1,238,580,459	227,762,292 (a)
JURISDICTIONAL PER BOOKS	1,353,399,645	423,496,015	284,380,416	270,732,143	113,502,189	19,386,934	(46,822)	24,166,882	(3,330)	1,135,614,427	217,785,217 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(336,250,795)	(340,756,993)				1,105,010				(339,651,983)	3,401,188
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(77,986,609)	(82,739,022)				1,165,387				(81,573,635)	3,587,026
ENERGY CONSERVATION COST REVENUES & EXPENSES	(7,859,953)		(4,539,465)	(1,376,992)	(291,332)	(405,143)				(6,612,933)	(1,247,020)
ENVIRONMENTAL COST RECOVERY CLAUSE	(179,397,337)		(24,805,703)	(58,226,717)	(6,960,212)	(21,923,822)				(111,916,454)	(67,480,883)
FRANCHISE FEE REVENUE & EXPENSE	(43,109,737)				(41,988,165)	(275,032)				(42,263,197)	(846,540)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,710,066)				(31,447,539)	180,843				(31,266,696)	556,630
ECONOMIC DEVELOPMENT EXPENSE			(86,278)			21,157				(65,121)	65,121 (b)
GRT, FPSC FEES ON CLAUSES & FEES					(1,384,920)	339,610				(1,045,310)	1,045,310
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,391			(34,218)	(25,827)	25,827
MICHAEL STORM RECOVERY INTEREST SYNCHRONIZATION	(65,237,677)			(67,072,830)		450,016				(66,622,814)	1,385,137
						5,191,174				5,191,174	(5,191,174)
TOTAL FPSC ADJUSTMENTS	(740,552,174)	(423,496,015)	(29,431,446)	(126,676,539)	(82,072,168)	(14,142,410)	0	0	(34,218)	(675,852,796)	(64,699,378)
FPSC ADJUSTED	612,847,471	0	254,948,970	144,055,604	31,430,021	5,244,524	(46,822)	24,166,882	(37,548)	459,761,631	153,085,840
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	612,847,471	0	254,948,970	144,055,604	31,430,021	5,244,524	(46,822)	24,166,882	(37,548)	459,761,631	153,085,840
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTE		18,001,688									17,631,609
AND THE JURISDICTIONAL NOI BY											1,725,560
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE		1,725,560									1,725,560
ON A JURISDICTIONAL BASIS											
CURRENT MONTH SYSTEM PER BOOKS	112,515,248	34,584,982	23,100,876	24,194,507	6,391,223	706,324	3,991,531	(93,145)	0	92,876,298	19,638,950
CURRENT MONTH JURISDICTIONAL PER BOOKS	107,776,700	30,575,629	22,025,700	23,806,239	6,322,486	971,797	3,950,019	(91,467)	0	87,560,403	20,216,298

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
May 2020

SCHEDULE 2
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	(1,626,414,046)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(424,795,371)	(107,664,387)
ACCUMULATED DEPRECIATION	407,062,318	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(182,308,620)	(46,206,120)
CWIP	(76,957,021)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(78,022,901)	(19,774,904)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,405,243)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(7,990,731)	(2,025,251)
ACCUMULATED DEPRECIATION	(5,903,255)	FUEL EXPENSE	(428,045,577)	108,488,151
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,118,760)	21,573,350
FAS 143 NET PLANT	(59,942,722)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(5,916,458)	1,499,526
INTEREST BEARING CWIP	(327,499,461)	CONSERVATION EXPENSES - OTHER TAXES	(291,332)	73,838
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(92,322,760)	23,399,203
LEASES	(149,072,393)	FRANCHISE FEE REVENUES	(43,109,737)	(10,926,163)
		FRANCHISE FEE	(41,988,165)	10,641,900
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(95,947,743)	(24,317,955)
ECRC WORKING CAPITAL	(35,458,201)	GROSS RECEIPTS TAX EXPENSE	(31,447,539)	7,970,379
CONSERVATION/AEM INVENTORY	(764,694)	ECONOMIC DEVELOPMENT EXPENSE	(86,278)	21,867
TEMPORARY CASH INVESTMENT	(51,757,692)	MICHAEL STORM RECOVERY	(67,072,830)	16,999,609
LOANS TO EMPLOYEES AND RETIREES	(10,333)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,384,920)	351,008
INTERCOMPANY PAYABLES	14,398,320	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REF\N. ESC REV	(94,661)	(23,992)
INTEREST & DIVIDENDS RECEIVABLE	(36,194)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
NORTH ESCAMBIA SITE	(391,577)	INTEREST SYNCHRONIZATION	5,193,049	5,193,049
MICHAEL STORM RECOVERY	(202,742,942)			
FUEL RELATED DEFERRED DEBITS	(1,619,172)			
UNREALIZED LOSS ON FWD CONTRACT	(38,963)			
LEASES	(65,221,789)			
FAS 143 WORKING CAPITAL	66,422,890			
FAS 158 REGULATORY ASSETS	(3,918,750)			
FAS 158 REGULATORY LIABILITIES	1,385,820			
FAS 133 REGULATORY ASSETS	(2,222,885)			
FAS 133 REGULATORY LIABILITIES	2,222,885			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
May 2020

	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	6,091,283,882	1,940,044,428	4,151,239,454	14,109,788	723,563,349	0	4,888,912,591	455,652,218	5,344,564,809
JURISDICTIONAL PER BOOKS	5,899,888,475	1,894,176,133	4,005,712,342	13,715,857	708,283,022	0	4,727,711,221	491,796,660	5,219,507,881
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,590,302,172)	(420,999,902)	(1,169,302,270)		(79,440,642)		(1,248,742,912)	(34,505,276)	(1,283,248,188)
INT BEARING CWIP					(509,778,520)		(509,778,520)	0	(509,778,520)
ENERGY CONSERVATION CLAUSE	(17,567,316)	5,643,956	(23,211,272)				(23,211,272)	(764,710)	(23,975,982)
LOANS TO EMPLOYEES AND RETIREES								(10,154)	(10,154)
INTEREST AND DIVIDENDS RECEIVABLE								(35,567)	(35,567)
INTERCOMPANY RECEIVABLES AND PAYABLES								14,149,006	14,149,006
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER IN				(12,053,751)			(12,053,751)	(51,246,300)	(63,300,051)
LEASES	(208,224,070)	(78,214,779)	(130,009,291)				(130,009,291)	(54,890,749)	(184,900,040)
FUEL RELATED DEFERRED DEBITS								(1,619,172)	(1,619,172)
MICHAEL STORM RECOVERY								(202,742,942)	(202,742,942)
TOTAL FPSC ADJUSTMENTS	(1,816,093,558)	(493,570,725)	(1,322,522,833)	(12,053,751)	(589,219,162)	0	(1,923,795,746)	(331,665,864)	(2,255,461,610)
FPSC ADJUSTED	4,083,794,917	1,400,605,408	2,683,189,509	1,662,106	119,063,860	0	2,803,915,475	160,130,796	2,964,046,271
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	4,083,794,917	1,400,605,408	2,683,189,509	1,662,106	119,063,860	0	2,803,915,475	160,130,796	2,964,046,271

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
May 2020

SCHEDULE 3
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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	1,466,342,751	513,164,338	289,846,581	275,081,175	114,332,531	23,991,689	(2,442,740)	24,610,311	(3,426)	1,238,580,459	227,762,292 (a)
JURISDICTIONAL PER BOOKS	1,353,399,645	423,496,015	284,380,416	270,732,143	113,502,189	20,161,594	(726,693)	24,166,882	(3,330)	1,135,709,216	217,690,428 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(336,250,795)	(340,756,993)				1,105,010				(339,651,983)	3,401,188
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(77,986,609)	(82,739,022)				1,165,387				(81,573,635)	3,587,026
ENERGY CONSERVATION COST REVENUES & EXPENSES	(7,859,953)		(4,539,465)	(1,376,992)	(291,332)	(405,143)				(6,612,933)	(1,247,020)
ENVIRONMENTAL COST RECOVERY CLAUSE	(179,397,337)		(24,805,703)	(58,226,717)	(6,960,212)	(21,923,822)				(111,916,454)	(67,480,883)
FRANCHISE FEE REVENUE & EXPENSE	(43,109,737)				(41,988,165)	(275,032)				(42,263,197)	(846,540)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,710,066)				(31,447,539)	180,843				(31,266,696)	556,630
ECONOMIC DEVELOPMENT EXPENSE			(86,278)			21,157				(65,121)	65,121
GRT, FPSC FEES ON CLAUSES & FEES					(1,384,920)	339,610				(1,045,310)	1,045,310
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,391			(34,218)	(25,827)	25,827
MICHAEL STORM RECOVERY	(65,237,677)			(67,072,830)		450,016				(66,622,814)	1,385,137
INTEREST SYNCHRONIZATION						6,831,838				6,831,838	(6,831,838)
TOTAL FPSC ADJUSTMENTS	(740,552,174)	(423,496,015)	(29,431,446)	(126,676,539)	(82,072,168)	(12,501,746)	0	0	(34,218)	(674,212,132)	(66,340,042)
FPSC ADJUSTED	612,847,471	0	254,948,970	144,055,604	31,430,021	7,659,848	(726,693)	24,166,882	(37,548)	461,497,084	151,350,387
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	612,847,471	0	254,948,970	144,055,604	31,430,021	7,659,848	(726,693)	24,166,882	(37,548)	461,497,084	151,350,387

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 18,001,688 AND THE JURISDICTIONAL NOI BY 17,631,609

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
May 2020

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	(1,844,035,208)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(424,795,371)	(107,664,387)
ACCUMULATED DEPRECIATION	432,029,536	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(182,308,620)	(46,206,120)
CWIP	(81,521,880)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(78,022,901)	(19,774,904)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,567,316)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(7,990,731)	(2,025,251)
ACCUMULATED DEPRECIATION	(5,643,956)	FUEL EXPENSE	(428,045,577)	108,488,151
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,118,760)	21,573,350
FAS 143 NET PLANT	(62,301,811)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(5,916,458)	1,499,526
INTEREST BEARING CWIP	(520,478,518)	CONSERVATION EXPENSES - OTHER TAXES	(291,332)	73,838
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(92,322,760)	23,399,203
LEASES	(132,410,111)	FRANCHISE FEE REVENUES	(43,109,737)	(10,926,163)
		FRANCHISE FEE	(41,988,165)	10,641,900
		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(95,947,743)	(24,317,955)
		GROSS RECEIPTS TAX EXPENSE	(31,447,539)	7,970,379
WORKING CAPITAL:		ECONOMIC DEVELOPMENT EXPENSE	(86,278)	21,867
ECRC WORKING CAPITAL	(35,458,201)	MICHAEL STORM RECOVERY	(67,072,830)	16,999,609
CONSERVATION/AEM INVENTORY	(764,694)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,384,920)	351,008
TEMPORARY CASH INVESTMENT	(51,757,692)	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFIN. ESC REV	(94,661)	(23,992)
LOANS TO EMPLOYEES AND RETIREES	(10,333)	GAIN\LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
INTERCOMPANY PAYABLES	14,398,320	INTEREST SYNCHRONIZATION	6,949,650	6,949,650
INTEREST & DIVIDENDS RECEIVABLE	(36,194)			
NORTH ESCAMBIA SITE	(391,577)			
MICHAEL STORM RECOVERY	(202,742,942)			
FUEL RELATED DEFERRED DEBITS	(1,619,172)			
UNREALIZED LOSS ON FWD CONTRACT LEASES	(38,963)			
FAS 143 WORKING CAPITAL	(65,221,789)			
FAS 158 REGULATORY ASSETS	66,422,890			
FAS 158 REGULATORY LIABILITIES	(3,918,750)			
FAS 133 REGULATORY ASSETS	1,385,820			
FAS 133 REGULATORY LIABILITIES	(2,222,885)			
	2,222,885			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
May 2020

SCHEDULE 4

AVERAGE	ADJUSTMENTS		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	1,723,040,540	1,686,039,390	(599,053,482)	(210,408,663)	876,577,245	31.62	3.76	1.19	3.76	1.19	3.76	1.19
SHORT TERM DEBT	245,780,769	238,176,153	(96,691,029)	0	141,485,124	5.10	0.92	0.05	0.92	0.05	0.92	0.05
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,455,633	33,693,116	(13,678,204)	0	20,014,912	0.72	2.69	0.02	2.69	0.02	2.69	0.02
COMMON EQUITY	2,014,633,769	1,973,562,715	(801,196,122)	0	1,172,366,593	42.29	9.25	3.91	10.25	4.34	11.25	4.76
DEFERRED INCOME TAXES	628,905,731	613,488,570	(249,054,494)	0	364,434,076	13.15						
FASB 109 DEFERRED TAXES	335,603,651	327,376,575	(132,903,222)	0	194,473,353	7.02						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	4,541,494	4,430,163	(1,798,488)	0	2,631,675	0.09	6.90	0.01	7.48	0.01	8.05	0.01
TOTAL	4,986,961,587	4,876,766,682	(1,894,375,041)	(210,408,663)	2,771,982,978	100.00 %		5.18 %		5.60 %		6.02 %

YEAR-END	ADJUSTMENTS		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	1,677,950,677	1,626,858,915	(593,028,241)	(184,900,040)	848,930,634	28.64	1.47	0.42	1.47	0.42	1.47	0.42
SHORT TERM DEBT	200,000,000	191,186,287	(78,628,364)	0	112,557,923	3.80	12.26	0.47	12.26	0.47	12.26	0.47
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	35,626,322	35,108,094	(14,438,755)	0	20,669,339	0.70	4.66	0.03	4.66	0.03	4.66	0.03
COMMON EQUITY	2,484,744,169	2,402,655,425	(988,129,790)	0	1,414,525,635	47.72	9.25	4.41	10.25	4.89	11.25	5.37
DEFERRED INCOME TAXES	643,937,612	620,584,374	(255,225,074)	0	365,359,300	12.32						
FASB 109 DEFERRED TAXES	330,568,228	318,579,740	(131,020,923)	0	187,558,817	6.33						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	25,458,326	24,535,046	(10,090,423)	0	14,444,623	0.49	6.33	0.03	6.96	0.03	7.58	0.04
TOTAL	5,398,285,334	5,219,507,881	(2,070,561,570)	(184,900,040)	2,964,046,271	100.00 %		5.36 %		5.85 %		6.33 %

GULF POWER COMPANY
Financial Integrity Indicators
May 2020

A. Times Interest Earned with AFUDC

Earnings Before Interest	238,626,157
AFUDC - Debt	5,575,080
Income Taxes	<u>21,497,588</u>
Total	265,698,825
Interest Charges (Before Deducting AFUDC - Debt)	<u>61,075,785</u>
T.I.E. With AFUDC	<u>4.35 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	238,626,157
AFUDC - Other	(12,426,607)
Income Taxes	<u>21,497,588</u>
Total	247,697,138
Interest Charges (Before Deducting AFUDC - Debt)	<u>61,075,785</u>
T.I.E. Without AFUDC	<u>4.06 x</u>

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	5,575,080
X (1 - Income Tax Rate)	0.75478
Subtotal	4,207,959
AFUDC - Other	<u>12,426,607</u>
Total	<u>16,634,566</u>
Net Income Available for Common Stockholders	<u>183,125,452</u>
Percent AFUDC to Available Net Income	<u>9.08%</u>

D. Percent Internally Generated Funds

Net Income	183,125,452
Preference Dividends	0
Common Dividends	(420,000,000)
AFUDC (Debt & Other)	(18,001,688)
Depreciation & Amortization	277,716,908
Deferred Income Taxes	(2,489,100)
Investment Tax Credits	(24,610,311)
Other	<u>(87,409,214)</u>
Total	(91,667,953)
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>927,424,307</u>
Percent Internally Generated Funds	<u>-9.88%</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	876,577,245
Short Term Debt	141,485,124
Preference Stock	0
Common Equity	<u>1,172,366,593</u>
Total	<u>2,190,428,962</u>
% Long Term Debt To Total	<u>40.02%</u>
% Short Term Debt To Total	<u>6.46%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.52%	5.52%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.19)	(1.19)
Short Term Debt	(0.05)	(0.05)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.01)</u>	<u>(0.01)</u>
Subtotal	<u>(1.26)</u>	<u>(1.26)</u>
Total	4.26	4.26
Divided by Common Equity Ratio	<u>42.29</u>	<u>42.29</u>
Jurisdictional Return on Common Equity	<u>10.07%</u>	<u>10.07%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
May 2020

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
June	2019	291,667
July	2019	291,667
August	2019	291,667
September	2019	291,667
October	2019	875,001
November	2019	291,667
December	2019	291,667
January	2020	291,667
February	2020	291,677
March	2020	291,677
April	2020	291,677
May	2020	291,677
12 - M-T-D		<u><u>4,083,378</u></u>