



Robert L. McGee, Jr.
Regulatory & Pricing Manager

FILED OCT 12, 2016
DOCUMENT NO. 08158-16
FPSC - COMMISSION CLERK

One Energy Place
Pensacola, FL 32520-0780
850 444 6530 tel
850 444 6026 fax
rlmcgee@southernco.com

October 12, 2016

VIA ELECTRONIC FILING

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition for an increase in rates by Gulf Power Company, Docket No. 160186-EI

Re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization by Gulf Power Company, Docket No. 160170-EI

Dear Ms. Stauffer:

Attached is Gulf Power Company's Minimum Filing Requirements Section D – Cost of Capital Schedules.

(Document 24 of 29)

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." in a cursive style.

Robert L. McGee, Jr.
Regulatory & Pricing Manager

**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 160186-EI



Gulf Power

MINIMUM FILING REQUIREMENTS

SECTION D – COST OF CAPITAL SCHEDULES

GULF POWER COMPANY

Docket No. 160186-EI
Minimum Filing Requirements

Index

D. Cost of Capital Schedules

<u>Schedules</u>	<u>Witness</u>	<u>Title</u>	<u>Page</u>
D-1a	Ritenour	Cost of Capital – 13-Month Average	1
D-1b	Ritenour	Cost of Capital – Adjustments	4
D-2	Liu Ritenour	Cost of Capital – 5 Year History	8
D-3	Ritenour	Short-Term Debt	10
D-4a	Ritenour	Long-Term Debt Outstanding	11
D-4b	Ritenour	Reacquired Bonds	14
D-5	Ritenour	Preferred Stock Outstanding	15
D-6	Ritenour	Customer Deposits	18
D-7	Liu Ritenour	Common Stock Data	21
D-8	Liu Ritenour	Financial Plans – Stocks and Bond Issues	22
D-9	Liu Ritenour	Financial Indicators – Summary	23

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

COMPANY: GULF POWER COMPANY

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(1) Line No.	(2) Class of Capital	(3) Company Total Per Books (\$000s)	(4) Specific Adjustments (\$000s)	(5) Pro Rata Adjustments (\$000s)	(6) Proration Adjustments (\$000s)	(7) System Adjusted (\$000s)	(8) Jurisdictional Factor %	(9) Jurisdictional Capital Structure (\$000s)	(10) Ratio %	(11) Cost Rate %	(12) Weighted Cost Rate %
1	Long-Term Debt	1,283,949	(170,450)	(367,244)	301	746,556	0.9808683	732,273	30.27	4.40	1.33
2	Short-Term Debt	44,139	(796)	(14,295)	12	29,060	0.9808683	28,504	1.18	3.02	0.04
3	Preferred Stock	146,504	(2,642)	(47,447)	39	96,454	0.9808683	94,609	3.91	6.15	0.24
4	Common Equity	1,333,711	140,174	(486,103)	399	988,181	0.9808683	969,275	40.07	11.00	4.41
5	Customer Deposits	36,595	-	(12,069)	10	24,536	1.0000000	24,536	1.01	2.30	0.02
6	Deferred Income Taxes	932,174	(14,253)	(302,412)	(747)	614,762	0.9808683	603,001	24.93	0.00	0.00
7	ASC 740 Deferred Taxes	(52,507)	803	17,053	(14)	(34,665)	0.9808683	(34,002)	-1.40	0.00	0.00
8	Investment Credit - Weighted Cost	1,373	(277)	(361)	-	735	0.9808683	721	0.03	8.05	0.00
9	Total	3,725,938	(47,441)	(1,212,878)	-	2,465,619		2,418,917	100.00		6.04

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

COMPANY: GULF POWER COMPANY

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(1) Line No.	(2) Class of Capital	(3) Company Total Per Books (\$000s)	(4) Specific Adjustments (\$000s)	(5) Pro Rata Adjustments (\$000s)	(6) Proration Adjustments (\$000s)	(7) System Adjusted (\$000s)	(8) Jurisdictional Factor %	(9) Jurisdictional Capital Structure (\$000s)	(10) Ratio %	(11) Cost Rate %	(12) Weighted Cost Rate %
1	Long-Term Debt	1,291,440	(38,153)	(537,069)	-	716,218	0.9809109	702,546	34.60	4.49	1.55
2	Short-Term Debt	36,886	(1,550)	(15,142)	-	20,194	0.9809109	19,809	0.98	1.42	0.01
3	Preferred Stock	146,504	(4,328)	(60,926)	-	81,250	0.9809109	79,699	3.92	6.15	0.24
4	Common Equity	1,347,200	(26,531)	(565,944)	-	754,725	0.9809109	740,318	36.45	11.00	4.01
5	Customer Deposits	36,076	-	(15,460)	-	20,616	1.0000000	20,616	1.02	2.30	0.02
6	Deferred Income Taxes	908,834	(22,399)	(379,863)	-	506,572	0.9809109	496,902	24.47	0.00	0.00
7	ASC 740 Deferred Taxes	(54,434)	1,342	22,751	-	(30,341)	0.9809109	(29,762)	-1.47	0.00	0.00
8	Investment Credit - Weighted Cost	1,826	(563)	(541)	-	722	0.9809109	708	0.03	7.74	0.00
9	Total	3,714,332	(92,182)	(1,552,194)	-	2,069,956		2,030,836	100.00		5.83

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the company's 13-month average cost of capital for the test year, the prior year, and historical base year.

Type of Data Shown:

Projected Test Year Ended 12/31/17

Prior Year Ended 12/31/16

Historical Year Ended 12/31/15

COMPANY: GULF POWER COMPANY

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(1) Line No.	(2) Class of Capital	(3) Company Total Per Books (\$000s)	(4) Specific Adjustments (\$000s)	(5) Pro Rata Adjustments (\$000s)	(6) Proration Adjustments (\$000s)	(7) System Adjusted (\$000s)	(8) Jurisdictional Factor %	(9) Jurisdictional Capital Structure (\$000s)	(10) Ratio %	(11) Cost Rate %	(12) Weighted Cost Rate %
1	Long-Term Debt	1,336,513	(105,355)	(507,210)	-	723,948	0.9810956	710,262	35.75	4.50	1.61
2	Short-Term Debt	100,537	(33,175)	(27,752)	-	39,610	0.9810956	38,861	1.96	0.42	0.01
3	Preferred Stock	146,504	(11,549)	(55,599)	-	79,356	0.9810956	77,856	3.92	6.15	0.24
4	Common Equity	1,333,098	(96,747)	(509,351)	-	727,000	0.9810956	713,257	35.90	11.00	3.95
5	Customer Deposits	35,612	-	(14,671)	-	20,941	1.0000000	20,941	1.05	2.37	0.02
6	Deferred Income Taxes	841,601	(53,024)	(324,877)	-	463,700	0.9810956	454,934	22.90	0.00	0.00
7	ASC 740 Deferred Taxes	(55,284)	3,483	21,341	-	(30,460)	0.9810956	(29,884)	-1.50	0.00	0.00
8	Investment Credit - Weighted Cost	2,432	(1,660)	(318)	-	454	0.9810956	445	0.02	7.67	0.00
9	Total	<u>3,741,013</u>	<u>(298,027)</u>	<u>(1,418,437)</u>	-	<u>2,024,549</u>		<u>1,986,672</u>	100.00		<u>5.83</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: (1) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

 Projected Test Year Ended 12/31/17

COMPANY: GULF POWER COMPANY

(2) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

DOCKET NO.: 160186-EI

(\$000s)

Witness: S. D. Ritenour

(1) Line No.	(2) Class of Capital	(3) Description	(4) Historic Base Year	(5) Prior Year	(6) Test Year
1		<u>Specific Adjustments:</u>			
2	Long-Term Debt	UPS Portion of Long-Term Debt	(105,355)	(38,153)	(20,450)
3		Equity Ratio Adjustment - LTD Reduction	-	-	(150,000)
4		Subtotal Long-Term Debt	<u>(105,355)</u>	<u>(38,153)</u>	<u>(170,450)</u>
5	Short-Term Debt	Fuel Under-Recovery Balance	(27,411)	(474)	-
6		UPS Portion of Short-Term Debt	(5,764)	(1,076)	(796)
7		Subtotal Short Term Debt	<u>(33,175)</u>	<u>(1,550)</u>	<u>(796)</u>
8	Preferred Stock	UPS Portion of Preferred Stock	(11,549)	(4,328)	(2,642)
9		Subtotal Preferred Stock	<u>(11,549)</u>	<u>(4,328)</u>	<u>(2,642)</u>
10	Common Equity	Common Dividends Declared	20,025	18,472	18,554
11		Non-Utility Property, Net	(12,560)	(12,437)	(12,374)
12		UPS Portion of Common Equity	(105,801)	(40,204)	(27,069)
13		Deferred Earnings Deferred Credit on Transmission Projects	1,589	7,638	11,063
14		Equity Ratio Adjustment - Issuance	-	-	150,000
15		Subtotal Common Equity	<u>(96,747)</u>	<u>(26,531)</u>	<u>140,174</u>
16	Deferred Taxes	UPS Portion of Deferred Taxes	(53,024)	(22,399)	(14,253)
17		Subtotal Deferred Taxes	<u>(53,024)</u>	<u>(22,399)</u>	<u>(14,253)</u>
18	Deferred Taxes (ASC 740)	UPS Portion of Deferred Taxes (ASC 740)	3,483	1,342	803
19		Subtotal Deferred Taxes (ASC 740)	<u>3,483</u>	<u>1,342</u>	<u>803</u>
20	Investment Credit - Zero Cost	UPS Portion of Investment Tax Credits	(1,660)	(563)	(277)
21		Subtotal Investment Tax Credits - Wtd Cost	<u>(1,660)</u>	<u>(563)</u>	<u>(277)</u>
22		Total Specific Adjustments	<u>(298,027)</u>	<u>(92,182)</u>	<u>(47,441)</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: (1) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

 Projected Test Year Ended 12/31/17

COMPANY: GULF POWER COMPANY

(2) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

 Prior Year Ended 12/31/16

DOCKET NO.: 160186-EI

(\$000s)

 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

(1) Line No.	(2) Class of Capital	(3) Description	(4) Historic Base Year	(5) Prior Year	(6) Test Year
1		<u>Pro Rata Adjustments:</u>			
2		Environmental Cost Recovery Clause Plant (net)	(928,802)	(1,302,589)	(1,301,367)
3		Energy Conservation Cost Recovery Clause Plant (net)	(20,112)	(21,883)	(23,505)
4		ARO Plant (net)	(54,228)	(95,838)	(96,348)
5		Plant in Service: Generation	-	-	12,603
6		Plant in Service: Power Delivery	-	-	4,994
7		Plant in Service: Community Solar	-	-	(3,000)
8		Plant in Service: Customer Service Adjustment	-	-	(5,452)
9		Plant in Service: Power Delivery Settlement Projects	(122,462)	(177,045)	-
10		Plant Smith Net Investment	-	-	(37,992)
11		Accumulated Depreciation: Generation	-	-	(313)
12		Accumulated Depreciation: Power Delivery	-	-	(112)
13		Accumulated Depreciation: COR Regulatory Asset	-	-	62,500
14		Accumulated Depreciation: Community Solar	-	-	183
15		Accumulated Depreciation: Customer Service	-	-	3
16		Accumulated Depreciation: 2016 Depreciation & Dismantlement Studies	-	-	(3,642)

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: (1) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

COMPANY: GULF POWER COMPANY

(2) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

(1) Line No.	(2) Class of Capital	(3) Description	(4) Historic Base Year	(5) Prior Year	(6) Test Year
1		<u>Pro Rata Adjustments Continued:</u>			
2		CWIP: Generation	-	-	615
3		CWIP: Power Delivery	-	-	2,901
4		CWIP: Customer Service	-	-	(1,623)
5		CWIP: Interest Bearing Projects	(318,030)	(6)	-
6		Increase in Property Damage Reserve Accrual	-	-	(2,700)
7		ARO Deferred Debit	(5,376)	(6,088)	(6,088)
8		ARO Deferred Credit	13,710	12,538	12,538
9		ARO Liability	58,060	96,567	96,567
10		Loans To Employees & Retirees	(49)	(62)	(62)
11		Energy Select Inventory (ECCR)	(1,439)	(1,520)	(2,347)
12		Environmental Allowances (ECRC)	(6,451)	(6,319)	(6,275)
13		Interest & Dividends Receivable	(49)	(24)	(50)
14		Unamortized Balance Associated with Plant Scholz Inventory	-	-	(609)
15		Plant Smith Inventory	-	-	(3,416)
16		Additional Pension Funding Required - Prepayments	-	-	71,500

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: (1) List and describe the basis for the specific adjustments appearing on Schedule D-1a.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

COMPANY: GULF POWER COMPANY

(2) List and describe the basis for the pro-rata adjustments appearing on Schedule D-1a.

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

(1) Line No.	(2) Class of Capital	(3) Description	(4) Historic Base Year	(5) Prior Year	(6) Test Year
1		<u>Pro Rata Adjustments Continued:</u>			
2		Deferred Nuclear Charges	(973)	(973)	(973)
3		Unamortized 2013 Rate Case Expenses	(3,100)	(2)	-
4		Current Unrealized Gain on Forward Contracts	(4)	-	-
5		Non-Current Unrealized Gain on Forward Contracts	3	-	-
6		Temporary Cash Investments	-	(2,455)	-
7		Deferred Earnings on Transmission Settlement Projects	(3,730)	(18,000)	-
8		Plant Smith Regulatory Asset NBV	-	-	40,320
9		Unamortized Balance Associated with Plant Scholz Inventory	-	-	533
10		COR Regulatory Asset	(25,468)	(28,500)	(28,500)
11		Environmental Allowance & Deferred Gain (ECRC)	63	5	1
12		Additional Pension Funding Required - Current Liability	-	-	9,500
13		Deferred Earnings - Transm Proj 2013 RC Settlement	-	-	(3,262)
14		Total Pro Rata Adjustments	<u>(1,418,437)</u>	<u>(1,552,194)</u>	<u>(1,212,878)</u>
15		Total Specific and Pro Rata Adjustments	<u>(1,716,464)</u>	<u>(1,644,376)</u>	<u>(1,260,319)</u>

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

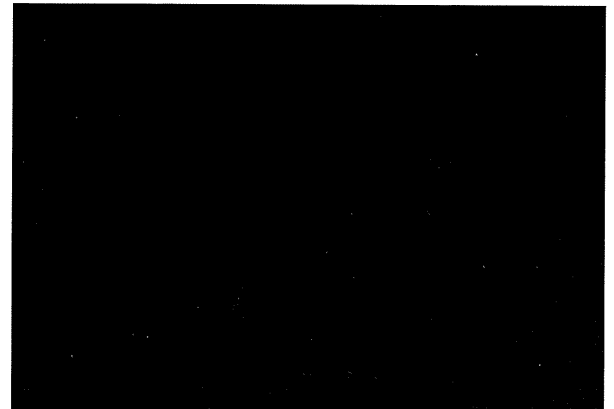
Type of Data Shown:

- Projected Test Year Ended 12/31/17
 - Prior Year Ended 12/31/16
 - Historical Year Ended 12/31/13 - 12/31/15
- Witness: X. Liu, S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1) Line No.	(2) Class of Capital	(3) 2013		(5) 2014		(7) 2015		(9) 2016		(11) 2017	
		(4) Amount (000s)	(6) Percent of Total	(8) Amount (000s)	(10) Percent of Total	(12) Amount (000s)	(13) Percent of Total	(14) Amount (000s)	(15) Percent of Total	(16) Amount (000s)	(17) Percent of Total
1	<u>Gulf Power Company</u>										
2	Common Stock Equity	1,235,126	44.90	1,309,590	44.61	1,354,665	45.99	1,351,701	47.32	1,340,230	47.33
3	Preference Stock	146,504	5.33	146,504	4.99	146,504	4.97	146,504	5.13	146,504	5.17
4	Long-Term Debt	1,158,163	42.10	1,369,594	46.65	1,192,927	40.49	1,350,923	47.29	1,266,393	44.72
5	Short-Term Debt	210,878	7.67	109,977	3.75	251,834	8.55	7,605	0.26	78,596	2.78
6	Total	2,750,671	100.00	2,935,665	100.00	2,945,930	100.00	2,856,733	100.00	2,831,723	100.00
7	<u>Other Regulated Utility Operations</u>										
8	Common Stock Equity	19,296,057	47.13	20,518,746	47.56	22,152,887	46.32				
9	Preferred (Preference) Stock	983,825	2.40	1,203,464	2.79	1,360,643	2.84				
10	Noncontrolling Interest	0	0.00	39,241	0.09	42,677	0.09				
11	Long-Term Debt	18,785,588	45.88	17,721,974	41.07	21,006,398	43.92				
12	Short-Term Debt	1,876,965	4.59	3,663,287	8.49	3,264,506	6.83				
13	Total	40,942,435	100.00	43,146,712	100.00	47,827,111	100.00				
14	<u>Non-Regulated Operations Combined (All other Subsidiaries)</u>										
15	Common Stock Equity	664,617	99.97	669,606	99.85	691,795	99.38				
16	Preference Stock	0	0.00	1,016	0.15	326	0.05				
17	Noncontrolling Interest	0	0.00	0	0.00	0	0.00				
18	Long-Term Debt	0	0.00	0	0.00	0	0.00				
19	Short-Term Debt	178	0.03	0	0.00	4,000	0.57				
20	Total	664,795	100.00	670,622	100.00	696,121	100.00				



8

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: For the subject Florida utility, all other regulated utility operations combined, all non-regulated operations combined, the parent company, and on a consolidated basis, provide the year-end capital structure for investor capital (i.e. common equity, preferred stock, long-term debt, and short-term debt) for the five years through the end of the projected test year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/13 - 12/31/15

Witness: X. Liu, S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1) Line No.	(2) Class of Capital	(3) 2013		(5) 2014		(7) 2015		(9) 2016		(11) 2017	
		(4) Amount (000s)	(4) Percent of Total	(5) Amount (000s)	(6) Percent of Total	(7) Amount (000s)	(8) Percent of Total	(9) Amount (000s)	(10) Percent of Total	(11) Amount (000s)	(12) Percent of Total
1	<u>Parent Company</u>										
2	Common Stock Equity	19,096,212	90.30	20,092,225	89.13	20,739,710	83.50				
3	Preference Stock	0	0.00	0	0.00	0	0.00				
4	Long-Term Debt	1,400,000	6.62	1,749,857	7.76	3,211,485	12.93				
5	Short-Term Debt	651,131	3.08	699,933	3.11	887,416	3.57				
6	Total	<u>21,147,343</u>	<u>100.00</u>	<u>22,542,015</u>	<u>100.00</u>	<u>24,838,611</u>	<u>100.00</u>				
7	<u>Eliminations</u>										
8	Common Stock Equity	(21,284,221)	96.43	(22,640,468)	98.53	(24,346,861)	95.75				
9	Preference Stock	0	0.00	0	0.00	0	0.00				
10	Long-Term Debt	0	0.00	0	0.00	(722,360)	2.84				
11	Short-Term Debt	(788,305)	3.57	(337,728)	1.47	(357,768)	1.41				
12	Total	<u>(22,072,526)</u>	<u>100.00</u>	<u>(22,978,196)</u>	<u>100.00</u>	<u>(25,426,989)</u>	<u>100.00</u>				
13	<u>Consolidated Basis</u>										
14	Common Stock Equity	19,007,790	43.77	19,949,700	43.07	20,592,194	40.47				
15	Preference Stock	1,130,329	2.60	1,350,984	2.92	1,507,473	2.96				
16	Noncontrolling Interest	0	0.00	39,241	0.08	42,677	0.09				
17	Long-Term Debt	21,343,752	49.14	20,841,424	45.00	24,688,450	48.52				
18	Short-Term Debt	1,950,846	4.49	4,135,470	8.93	4,049,988	7.96				
19	Total	<u>43,432,717</u>	<u>100.00</u>	<u>46,316,819</u>	<u>100.00</u>	<u>50,880,782</u>	<u>100.00</u>				

FLORIDA PUBLIC SERVICE COMMISSION
 COMPANY: GULF POWER COMPANY
 DOCKET NO.: 160186-EI

EXPLANATION: (1) Provide the specified data on short-term debt issues on a 13-month average basis for the test year, prior year, and historical base year.
 (2) Provide a narrative description of the Company's policies regarding short-term financing. The following topics should be covered: ratio of short-term debt to total capital, plant expansion, working capital, timing of long-term financing, method of short-term financing (bank loans, commercial paper, etc.) and other uses of short-term financing.

Type of Data Shown:
 Projected Test Year Ended 12/31/17
 Prior Year Ended 12/31/16
 Historical Year Ended 12/31/15
 Witness: S. D. Ritenour

(1) Line No.	(2) Maturity Date	(3) Interest Rate	(4) Interest Expense	(5) 13-Month Average Amount Outstanding During the Year (\$000's)	(6) Weighted Avg. Cost of Short-Term Debt
1	2015				
2	Various Dates	Various	425	100,537	0.42%
3	2016				
4	Various Dates	Various	524	36,886	1.42%
5	2017				
6	Various Dates	Various	1332	44,139	3.02%

7 In determining the appropriate level of short-term debt to include in its capital structure, Gulf attempts to achieve the most cost-effective balance between interest rates and
 8 liquidity. During the test year, Gulf's short-term debt as a percent of total capitalization (debt, preferred and common equity) is 1.6%. Most of the short-term borrowing is in the
 9 form of commercial paper. Gulf has bank lines of credit totaling \$280 million to support its commercial paper program, daily rate pollution control bonds and other borrowing
 10 needs. Short-term debt is used for the ongoing operating needs of the Company, rather than being related to a specific project. Gulf's policy reflects the inclusion of some
 11 short-term debt. The amount varies due to a number of factors including seasonality. The timing of long-term financing is dependent on several factors, including market conditions,
 12 projected levels of short-term debt and projected capital needs.

10

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds).

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(\$000s)

Thirteen Month Average Long-Term Debt for the Prior Year Ended 12/31/17

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold- (Face Value)	13-Month Average Principal Amount Outstanding	Discount (Premium) on Principal Amt. Sold	Issuing Expense on Principal Amt Sold	Life (Years)	Annual Amortization (7 + 8) / 9	Interest Expense (Coupon Rate) (2) X (6)	Total Annual Cost (10) + (11)	Unamortized Discount (Premium) Assoc. with (6)	Unamort. Issuing Expense & Loss on Reacquired Debt Assoc. with (6)
<u>Senior Notes and Other Long Term Debt</u>													
1	5.90% Senior Note Series 2007A	6/12/2007	6/15/2017	85,000	39,231	39	(2,273)	10	(108)	2,315	2,207	7	(30)
2	4.75% Senior Note Series 2010A	4/13/2010	4/15/2020	175,000	175,000	28	(196)	10	(20)	8,313	8,293	323	(377)
3	5.10% Senior Note Series 2010B	9/17/2010	10/1/2040	125,000	125,000	80	1,278	30	43	6,375	6,418	909	80
4	5.75% Senior Note Series 2011A	5/18/2011	6/1/2051	125,000	125,000	0	4,129	40	103	7,188	7,291	3,336	172
5	3.10% Senior Note Series 2012A	5/18/2012	5/15/2022	100,000	100,000	187	743	10	93	3,100	3,193	409	50
6	5.00% Senior Note Series 2013A	6/18/2013	6/15/2043	90,000	90,000	139	970	30	37	4,500	4,537	801	161
7	4.55% Senior Note Series 2014A	9/23/2014	10/1/2044	200,000	200,000	392	1,949	30	78	9,100	9,178	1,944	187
8	5.14% Senior Note Series 2016	12/1/2016	11/30/2046	150,000	150,000	0	1,200	30	40	7,710	7,750	-	1,180
<u>Pollution Control Bonds</u>													
9	2.10% Escambia County Series 1997	7/1/1997	7/1/2022	37,000	37,000	0	1,456	14	104	777	881	-	520
10	Variable Jackson County Series 1997	7/1/1997	7/1/2022	3,930	3,930	57	0	25	2	81	83	2	9
11	2.00% Monroe County Series 2002	9/26/2002	9/1/2037	42,000	42,000	0	2,175	29	75	840	915	-	1,512
12	2.00% Escambia County Series 2003	4/15/2003	6/1/2023	32,550	32,550	0	1,125	15	75	651	726	-	445
13	Variable Escambia County 1st Series 2009	3/31/2009	4/1/2039	65,400	65,400	0	1,770	30	59	1,350	1,409	-	1,276
14	1.60% Escambia County 2nd Series 2009 (a)	3/31/2009	4/1/2039	65,000	65,000	0	630	30	21	1,040	1,061	-	456
15	2.53% Monroe County Series 2010 PCB (b)	6/3/2010	6/1/2049	21,000	21,000	11	619	30	21	531	552	59	475
16	Variable Jackson County MBFC Series 2012	11/20/2012	11/1/2042	13,000	13,000	0	690	30	23	275	298	-	576
17	4.45% Jackson County MBFC Series 2014	4/15/2014	4/1/2044	29,075	29,075	0	900	30	30	1,294	1,324	-	810
18	Unamortized Loss on Reacq. Debt								1,633	0	1,633	-	13,945
19	Total Long-Term Debt			1,313,186	933	17,165	2,309	55,440	57,749	7,790	21,447		
20	Less: Adjustment to Long-Term Debt												
21	5.14% Senior Note Series 2016			150,000	0	1,200	30	40	7,710	7,750	0	1,180	
22	Adjusted Total Long-Term Debt			1,163,186	933	15,965	2,269	47,730	49,999	7,790	20,267		
23	Issuance Expense (13+14)			28,057									
24	Net			1,135,129									
25	Embedded Cost of Long-Term Debt (Colmun 12 / Net)			4.40%									

(a) Rate effective beginning December 2017 is projected to be 3.8%. Previous rate was 1.4%

(b) Rate effective beginning June 2017 is projected to be 3.35%. Previous rate was 1.7%

²⁶ Totals may not add due to rounding.

Supporting Schedules:

Recap Schedules: D-1a

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds).

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(\$000s)

Thirteen Month Average Long-Term Debt for the Prior Year Ended 12/31/16

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Amount Sold- (Face Value)	13-Month Average Principal Amount Outstanding	Discount (Premium) on Principal Amt. Sold	Issuing Expense on Principal Amt Sold	Life (Years)	Annual Amortization (7 + 8) / 9	Interest Expense (Coupon Rate) (2) X (6)	Total Annual Cost (10) + (11)	Unamortized Discount (Premium) Assoc. with (6)	Unamort. Issuing Expense & Loss on Recquired Debt Assoc. with (6)
Senior Notes and Other Long Term Debt													
1	5.30% Senior Note Series M	12/6/2006	12/1/2016	110,000	101,539	24	6,294	10	579	5,382	5,961	31	246
2	5.90% Senior Note Series 2007A	6/12/2007	6/15/2017	85,000	85,000	39	(2,273)	10	(223)	5,015	4,792	58	(264)
3	4.75% Senior Note Series 2010A	4/13/2010	4/15/2020	175,000	175,000	28	(196)	10	(20)	8,313	8,293	439	(513)
4	5.10% Senior Note Series 2010B	9/17/2010	10/1/2040	125,000	125,000	80	1,278	30	43	6,375	6,418	948	84
5	5.75% Senior Note Series 2011A	5/18/2011	6/1/2051	125,000	125,000	0	4,129	40	103	7,188	7,291	3,434	177
6	3.10% Senior Note Series 2012A	5/18/2012	5/15/2022	100,000	100,000	187	743	10	93	3,100	3,193	492	60
7	5.00% Senior Note Series 2013A	6/18/2013	6/15/2043	90,000	90,000	139	970	30	37	4,500	4,537	832	167
8	4.55% Senior Note Series 2014A	9/23/2014	10/1/2044	200,000	200,000	392	1,949	30	78	9,100	9,178	2,016	194
9	5.14% Senior Note Series 2016	12/1/2016	11/30/2046	150,000	11,538	0	1,200	30	40	593	633	0	92
Pollution Control Bonds													
10	2.10% Escambia County Series 1997	7/1/1997	7/1/2022	37,000	37,000	0	1,420	14	104	777	881	0	623
11	Variable Jackson County Series 1997	7/1/1997	7/1/2022	3,930	3,930	57	0	25	2	46	48	2	11
12	2.00% Monroe County Series 2002	9/26/2002	9/1/2037	42,000	42,000	0	2,206	29	75	840	915	0	1,588
13	1.79% Escambia County Series 2003 (a)	4/15/2003	6/1/2023	32,550	32,550	0	1,141	15	75	583	658	0	520
14	Variable Escambia County 1st Series 2009	3/31/2009	4/1/2039	65,400	65,400	0	1,764	30	59	761	820	0	1,335
15	1.40% Escambia County 2nd Series 2009	3/31/2009	4/1/2039	65,000	65,000	0	631	30	21	910	931	0	477
16	1.70% Monroe County Series 2010 PCB	6/3/2010	6/1/2049	21,000	21,000	11	687	30	23	357	380	62	496
17	Variable Jackson County MBFC Series 2012	11/20/2012	11/1/2042	13,000	13,000	0	682	30	22	158	180	0	598
18	4.45% Jackson County MBFC Series 2014	4/15/2014	4/1/2044	29,075	29,075	0	909	30	30	1,294	1,324	0	840
19	Unamortized Loss on Reacq. Debt								1,685	0	1,685	0	15,547
20	Total Long-Term Debt				1,322,032	957	23,534		2,826	55,292	58,118	8,314	22,278
21	Less: Adjustment to Long-Term Debt												
22	5.14% Senior Note Series 2016				11,538	0	1,200	30	40	593	633	0	92
23	Adjusted Total Long-Term Debt				1,310,494	957	22,334		2,786	54,699	57,485	8,314	22,186
26	Issuance Expense (13+14)				30,500								
27	Net				1,279,994								
28	Embedded Cost of Long-Term Debt (Colmun 12 / Net)				4.49%								

(a) Rate effective beginning June 2016 is projected to be 2.0%. Previous rate was 1.55%

29 Totals may not add due to rounding.

Supporting Schedules:

Recap Schedules: D-1a

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the specified data on long-term debt issues on a 13-month average basis for the test year, prior year, and historical base year. Arrange by type of issue (i.e., first mortgage bonds).

Type of Data Shown:

Projected Test Year Ended 12/31/17

Prior Year Ended 12/31/16

Historical Year Ended 12/31/15

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

Thirteen Month Average Long-Term Debt for the Historical Year Ended 12/31/15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Line No.	Description, Coupon Rate	Issue Date	Maturity Date	Principal Sold- (Face Value)	13-Month Average Principal Amount Outstanding	Discount (Premium) on Principal Amt. Sold	Issuing Expense on Principal Amt. Sold	Life (Years)	Annual Amortization (Coupon Rate) (7 + 8) / 9	Interest Expense (Coupon Rate) (2) X (6)	Total Annual Cost (10) + (11)	Unamortized Discount (Premium) Assoc. with (6)	Unamort. Issuing Expense & Loss on Reacquired Debt Assoc. with (6)
<u>Senior Notes and Other Long Term Debt</u>													
1	5.65% Senior Note Series L (a)	8/30/2005	9/1/2035	60,000	50,769	226	709	10	22	2,868	2,890	125	335
2	5.30% Senior Note Series M	12/6/2006	12/1/2016	110,000	110,000	24	6,294	10	632	5,830	6,462	105	807
3	5.90% Senior Note Series 2007A	6/12/2007	6/15/2017	85,000	85,000	39	(2,273)	10	(223)	5,015	4,792	118	(546)
4	4.75% Senior Note Series 2010A	4/13/2010	4/15/2020	175,000	175,000	28	(196)	10	(20)	8,313	8,293	556	(649)
5	5.10% Senior Note Series 2010B	9/17/2010	10/1/2040	125,000	125,000	80	1,278	30	43	6,375	6,418	987	87
6	5.75% Senior Note Series 2011A	5/18/2011	6/1/2051	125,000	125,000	0	4,129	40	103	7,188	7,291	3,532	181
7	3.10% Senior Note Series 2012A	5/18/2012	5/15/2022	100,000	100,000	187	743	10	93	3,100	3,193	576	64
8	5.00% Senior Note Series 2013A	6/18/2013	6/15/2043	90,000	90,000	139	970	30	37	4,500	4,537	863	173
9	4.55% Senior Note Series 2014A	9/23/2014	10/1/2044	200,000	200,000	392	1,949	30	78	9,100	9,178	2,086	196
<u>Pollution Control Bonds</u>													
10	2.10% Escambia County Series 1997	7/1/1997	7/1/2022	37,000	37,000	0	1,445	14	103	777	880	0	728
11	Variable Jackson County Series 1997	7/1/1997	7/1/2022	3,930	3,930	57	121	25	7	4	11	3	13
12	2.00% Monroe County Series 2002	9/26/2002	9/1/2037	42,000	42,000	0	2,235	29	77	840	917	0	1,663
13	1.55% Escambia County Series 2003	4/15/2003	6/1/2023	32,550	32,550	0	1,140	15	76	505	581	0	596
14	Variable Escambia County 1st Series 2009	3/31/2009	4/1/2039	65,400	65,400	0	2,599	30	87	29	116	0	1,226
15	1.38% Escambia County 2nd Series 2009 (b)	3/31/2009	4/1/2039	65,000	65,000	0	1,332	30	44	896	940	0	498
16	1.70% Monroe County Series 2010 PCB	6/3/2010	6/1/2049	21,000	21,000	11	503	30	17	357	374	64	514
17	Variable Jackson County MBFC Series 2012 (c)	11/20/2012	11/1/2042	13,000	13,000	0	661	30	22	48	70	0	515
18	4.45% Jackson County MBFC Series 2014	4/15/2014	4/1/2044	29,075	29,075	0	853	30	28	1,294	1,322	0	870
19	Unamortized Loss on Reacq. Debt								1,940	0	1,940	0	16,925
20	Total Long-Term Debt				1,369,724	1,183	24,492		3,166	57,039	60,205	9,015	24,196
22	Issuance Expense (13+14)				33,211								
23	Net				1,336,513								
24	Embedded Cost of Long-Term Debt (Colmun 12 / Net)				4.50%								

(a) Called September 1, 2015.

(b) Rate effective beginning June 2015 is 1.4%. Previous rate was 1.35% .

(c) Converted to variable rate beginning July 2015 . Previous rate was 0.55% .

25 Totals may not add due to rounding.

Supporting Schedules:

Recap Schedules: D-1a

FLORIDA PUBLIC SERVICE COMMISSION

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

EXPLANATION: Supply a statement of the company's policy on treatment of profit or loss from reacquired bonds. Detail any profit or loss on reacquired bonds for the test year and prior year.

Type of Data Shown:

Projected Test Year Ended 12/31/17

Prior Year Ended 12/31/16

Historical Year Ended 12/31/15

Witness: S. D. Ritenour

(1) (2)
Line
No.

- 1 Gulf Power Company treats profits or losses on reacquired bonds in accordance with the Code of Federal Regulations: Title 18;
- 2 Conservation of Power and Water Resources, Part 101; General Instructions, paragraph 17. The test year and prior year do not
- 3 include any projected reacquired bonds.

14

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

Thirteen-Month Average Preference Stock for the Test Year Ended 12/31/14

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-Month Avg. Principal Amount Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) x (6)	(13) Effective Cost Rate (12) / (11)
1	6.00%	11-15-05	Note 1	55,000	55,000	0	0	1,114	1,114	53,886	3,300	6.12%
2	6.45%	10-19-07	Note 2	45,000	45,000	0	0	888	888	44,112	2,903	6.58%
3	5.60%	06-18-13	Note 3	50,000	50,000	0	0	1,494	1,494	48,506	2,800	5.77%
4	Total			150,000	150,000	0	0	3,496	3,496	146,504	9,003	6.15%
5	Weighted Average Cost of Preferred Stock											6.15%

6 Note 1: The Company shall have the right to redeem Preference Stock, without premium, from time to time, on or after November 15, 2010, upon
7 notice, at a redemption price equal to \$100.00 per share plus accrued and unpaid dividends.

8 Note 2: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
9 Supplement dated October 16, 2007.

10 Note 3: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
11 Supplement dated June 12, 2013.

12 Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

Thirteen-Month Average Preference Stock for the Prior Year Ended 12/31/13

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-Month Avg. Principal Amount Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) x (6)	(13) Effective Cost Rate (12) / (11)
1	6.00%	11-15-05	Note 1	55,000	55,000	0	0	1,114	1,114	53,886	3,300	6.12%
2	6.45%	10-19-07	Note 2	45,000	45,000	0	0	888	888	44,112	2,903	6.58%
3	5.60%	06-18-13	Note 3	50,000	50,000	0	0	1,494	1,494	48,506	2,800	5.77%
4	Total			150,000	150,000	0	0	3,496	3,496	146,504	9,003	6.15%
5	Weighted Average Cost of Preferred Stock											6.15%

6 Note 1: The Company shall have the right to redeem Preference Stock, without premium, from time to time, on or after November 15, 2010, upon
7 notice, at a redemption price equal to \$100.00 per share plus accrued and unpaid dividends.

8 Note 2: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
9 Supplement dated October 16, 2007.

10 Note 3: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
11 Supplement dated June 12, 2013.

12 Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the data as specified for preferred stock on a 13-month average basis for the test year, prior year and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: S. D. Ritenour

DOCKET NO.: 160186-EI

(\$000s)

Thirteen-Month Average Preference Stock for the Prior Year Ended 12/31/12

(1) Line No.	(2) Description, Coupon Rate	(3) Issue Date	(4) Call Provisions or Special Restrictions	(5) Principal Amount Sold	(6) 13-Month Avg. Principal Amount Outstanding	(7) (Discount) Premium on Principal Amount Sold	(8) (Discount) Premium Associated with (6)	(9) Issuing Expense on Principal Amount Sold	(10) Issuing Expense Associated with (6)	(11) Net Proceeds (6)+(8)-(10)	(12) Dollar Dividend on Face Value (2) x (6)	(13) Effective Cost Rate (12) / (11)
1	6.00%	11-15-05	Note 1	55,000	55,000	0	0	1,114	1,114	53,886	3,300	6.12%
2	6.45%	10-19-07	Note 2	45,000	45,000	0	0	888	888	44,112	2,903	6.58%
3	5.60%	06-18-13	Note 3	50,000	50,000	0	0	1,494	1,494	48,506	2,800	5.77%
4	Total			150,000	150,000	0	0	3,496	3,496	146,504	9,003	6.15%
5	Weighted Average Cost of Preferred Stock											6.15%

6 Note 1: The Company shall have the right to redeem Preference Stock, without premium, from time to time, on or after November 15, 2010, upon
7 notice, at a redemption price equal to \$100.00 per share plus accrued and unpaid dividends.

8 Note 2: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
9 Supplement dated October 16, 2007.

10 Note 3: The Company shall have the right to redeem the Preference Stock, from time to time, per the calculation outlined in the Prospectus
11 Supplement dated June 12, 2013.

12 Totals may not add due to rounding.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year and historical base year.

Type of Data Shown:

Projected Test Year Ended 12/31/17

Prior Year Ended 12/31/16

Historical Year Ended 12/31/15

Witness: S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Month and Year	Active Customer Deposits @ 2% & 3% (\$000s)	Inactive Customer Deposits (\$000s)	Total Deposits (3)+(4) (\$000s)	Total Interest Payments @ 2% & 3% (\$000s)	Actual Payments & Credits on Bills (\$000s)
1	December-16	36,254	0	36,254	69	0
2	January-17	36,332	0	36,332	70	0
3	February-17	36,403	0	36,403	70	0
4	March-17	36,466	0	36,466	70	0
5	April-17	36,520	0	36,520	70	0
6	May-17	36,581	0	36,581	70	0
7	June-17	36,659	0	36,659	70	835
8	July-17	36,712	0	36,712	70	0
9	August-17	36,752	0	36,752	70	0
10	September-17	36,750	0	36,750	70	0
11	October-17	36,749	0	36,749	70	0
12	November-17	36,767	0	36,767	70	0
13	December-17	<u>36,789</u>	<u>0</u>	<u>36,789</u>	<u>71</u>	0
14	13 Month Average	<u>36,595</u>	<u>0</u>	<u>36,595</u>		
15	12 Month Total				<u>841</u>	
16	Effective Interest Rate					
17	12 Month Interest					
18	Expense (6) divided by					
19	Total Deposits (5)		<u>2.30%</u>			

Column (4) Note: Gulf does not maintain deposits on inactive accounts.

CUSTOMER DEPOSITS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year and historical base year.

Type of Data Shown:
 Projected Test Year Ended 12/31/17
 Prior Year Ended 12/31/16
 Historical Year Ended 12/31/15
 Witness: S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Month and Year	Active Customer Deposits @ 2% & 3% (\$000s)	Inactive Customer Deposits (\$000s)	Total Deposits (3)+(4) (\$000s)	Total Interest Payments @ 2% & 3% (\$000s)	Actual Payments & Credits on Bills (\$000s)
1	December-15	35,860	0	35,860	80	0
2	January-16	35,860	0	35,860	69	0
3	February-16	35,909	0	35,909	69	0
4	March-16	35,952	0	35,952	69	0
5	April-16	35,996	0	35,996	69	0
6	May-16	36,040	0	36,040	69	0
7	June-16	36,096	0	36,096	69	841
8	July-16	36,151	0	36,151	69	0
9	August-16	36,192	0	36,192	69	0
10	September-16	36,216	0	36,216	69	0
11	October-16	36,226	0	36,226	69	0
12	November-16	36,236	0	36,236	69	0
13	December-16	<u>36,254</u>	<u>0</u>	<u>36,254</u>	<u>69</u>	0
14	13 Month Average	<u>36,076</u>	<u>0</u>	<u>36,076</u>		
15	12 Month Total				<u>828</u>	
16	Effective Interest Rate					
17	12 Month Interest					
18	Expense (6) divided by					
19	Total Deposits (5)		<u>2.30%</u>			

61

Column (4) Note: Gulf does not maintain deposits on inactive accounts.

CUSTOMER DEPOSITS

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide monthly balances, interest rates, and interest payments on customer deposits for the test year, the prior year and historical base year.

Type of Data Shown:
 Projected Test Year Ended 12/31/17
 Prior Year Ended 12/31/16
 Historical Year Ended 12/31/15
 Witness: S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Line No.	Month and Year	Active Customer Deposits* (\$000s)	Inactive Customer Deposits (\$000s)	Total Deposits (3)+(4) (\$000s)	Total Interest Payments* (\$000s)	Actual Payments & Credits on Bills (\$000s)
1	December-14	35,094	0	35,094	66	654
2	January-15	35,079	0	35,079	68	635
3	February-15	35,311	0	35,311	72	627
4	March-15	35,437	0	35,437	66	650
5	April-15	35,688	0	35,688	69	616
6	May-15	35,883	0	35,883	72	726
7	June-15	35,617	0	35,617	85	3,214
8	July-15	35,722	0	35,722	63	649
9	August-15	35,800	0	35,800	69	690
10	September-15	35,783	0	35,783	65	772
11	October-15	35,828	0	35,828	64	672
12	November-15	35,859	0	35,859	72	697
13	December-15	<u>35,860</u>	<u>0</u>	<u>35,860</u>	<u>79</u>	618
14	13 Month Average	<u>35,612</u>	<u>0</u>	<u>35,612</u>		
15	12 Month Total				<u>844</u>	
16	Effective Interest Rate					
17	12 Month Interest					
18	Expense (6) divided by					
19	Total Deposits (5)		<u>2.37%</u>			

* Note: Pursuant to FPSC Order No. PSC-12-0266-NOR-PU the current rates are 2% and 3%.

Column (4) Note: Gulf does not maintain deposits on inactive accounts.

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide the most recent five year data for the company, or consolidated parent if the company is not publicly traded as indicated. To the extent the requested data is available from other sources, the Company can reference and attach the information to comply with the requirements of this MFR.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/11 - 12/31/15

Witness: X. Liu, S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

(1) Line No.	(2) Description	(3) 2011	(4) 2012	(5) 2013	(6) 2014	(7) 2015
1	Pre-tax Interest Coverage Ratio (X)	3.22	3.72	3.93	3.98	3.94
2	Earned Returns on Average Book Equity (%)	9.55	10.92	10.30	11.02	11.11
3	Book Value/Share (\$)	20.32	21.09	21.43	21.98	22.59
4	Dividends/Share (\$)	1.87	1.94	2.01	2.08	2.15
5	Earnings/Share (\$)	2.57	2.70	1.88	2.19	2.60
6	Market Value/Share (\$)	46.29	42.81	41.11	49.11	46.79
7	Market/Book Ratio (%)	227.80	203.00	191.80	223.40	207.20
8	Price/Earning Ratio (6) / (5)	18.00	15.90	21.90	22.40	18.00

21

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: 1.) If the test year is projected, provide a summary of financing plans and assumptions.
 2.) Provide the company's capital structure objectives, the basis for assumptions (such as those for issue cost and interest rates), and any other significant assumptions. Provide a statement of the Company's policy on the timing of the entrance into capital markets.

Type of Data Shown:
 Projected Test Year Ended 12/31/17
 Prior Year Ended 12/31/16
 Historical Year Ended 12/31/15
 Witness: X. Liu, S. D. Ritenour

COMPANY: GULF POWER COMPANY

DOCKET NO.: 160186-EI

Financing Plans for the Year Ended 12/31/17										
(1)	(2)	(3)	(4)			(5)		(9)	(10)	
			For Bonds			For Stock				
Line No.	Type of Issue	Date of Issue/Retirement	Capitalization (\$000s)	Interest Rate	Life in Years	No. of Shares	Market Price	Issue Costs (\$000s)	Principal Amount (\$000s)	
1	Senior Unsecured Notes		NONE PROJECTED FOR PERIOD							
2	Pollution Control Bonds		NONE PROJECTED FOR PERIOD							
3	Preference Stock		NONE PROJECTED FOR PERIOD							
4	Common Stock Issuance		NONE PROJECTED FOR PERIOD							150,000
5	Capital Structure Objectives:									
6	Gulf's objective is to maintain a balanced capital structure that will provide the utility with the financial flexibility and strength to attract the capital necessary to provide reliable									
7	electric service to its customers. Gulf's long-term financing plans, which include equity issuances to and/or capital contributions from Southern Company, are designed to support a									
8	strong credit profile to meet the heavy capital requirements that are needed.									
9	Basis for Assumptions:									
10	When new debt financings are projected, interest rate assumptions are provided by Southern Company Services, Inc. based upon a U.S. Treasury rates forecast by Moody's Analytics,									
11	adjusted for the respective risk premiums which are reflective of Gulf's debt rating. Short-term rates are based on the Moody's Analytics forecast for 3-month LIBOR (London InterBank									
12	Offered Rate). The interest rates assumption also consider the effect of the debt related costs over the life of the underlying debt. All debt issues are assumed to be sold at face value.									
13	Company's Policy on the Timing of Entrance into Capital Markets:									
14	The Company continuously monitors capital market conditions for opportunities to minimize its overall cost of capital. Each year a financing plan is developed based on current year debt									
15	maturities, capital expenditure projections and forecasted internally generated funds. Gulf's participation in the commercial paper program through Southern Company Funding Corp.									
16	and its existing committed credit facilities provide sufficient liquidity and flexibility in determining the amount and timing of long-term debt issuances. With a goal of maintaining financial									
17	flexibility and liquidity, the timing of the Company's entrance into the capital markets is based on actual and projected short-term debt balances and capital market conditions.									

22

FLORIDA PUBLIC SERVICE COMMISSION

EXPLANATION: Provide financial indicators for the test year under current and proposed rates, the prior year, and historical base year.

Type of Data Shown:

 Projected Test Year Ended 12/31/17 Prior Year Ended 12/31/16 Historical Year Ended 12/31/15

Witness: X. Liu, S. D. Ritenour

DOCKET NO.: 160186-EI

(1)	(2)	(3)	(4)	(5)	(6)
Line No.	Indicator	Historic Base 2015	Prior 2016	Test Year Current Rates	Test Year Proposed Rates
1	Interest Coverage Ratios:				
2	Including AFUDC in Income Before Interest Charges	5.09	4.02	3.84	5.60
3	Excluding AFUDC in Income Before Interest Charges	4.79	4.02	3.84	5.60
4	AFUDC as a percent of Income Available for Common	10.80%	0.00%	0.00%	0.00%
5	Percent of Construction Funds Generated Internally	100.65%	206.18%	100.25%	133.62%
6	Fixed Charges:				
7	Interest (Before Deducting AFUDC)	60,797	60,263	60,851	60,851
8	Lease Payments	0	0	0	0
9	Sinking Funds Payments	0	0	0	0
10	Tax of Sinking Fund Payments	0	0	0	0
11	Total Fixed Charges	<u>60,797</u>	<u>60,263</u>	<u>60,851</u>	<u>60,851</u>
12	Ratio of Earnings to Fixed Charges				
13	Including AFUDC	5.09	4.02	3.84	5.60
14	Excluding AFUDC	4.79	4.02	3.84	5.60

23