

January 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
January, 2014

	(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	171,308,067	(64,312,004)	106,996,063	0	106,996,063
Average Rate Base	3,025,624,780	(1,135,772,744)	1,889,852,036	0	1,889,852,036
Average Rate of Return	5.66%		5.66%		5.66%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	171,320,420	(64,747,025)	106,573,395	0	106,573,395
Year End Rate Base	3,119,332,095	(1,188,300,631)	1,931,031,464	0	1,931,031,464
Year End Rate of Return	5.49%		5.52%		5.52%

(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	5.75%
High	6.12%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.91	x (System per Books Basis)
B. Tie Without AFUDC	4.73	x (System per Books Basis)
C. AFUDC To Net Income	6.65%	(System per Books Basis)
D. Internally Generated Funds	61.60%	(System per Books Basis)
E. LTD To Total Investor Funds	46.11%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.83%	(FPSC Adjusted Basis)
G. Return on Common Equity	10.00%	(FPSC Adjusted Basis)
H. Return on Common Equity	10.00%	(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

Susan D. Ritenour
Corporate Planning Manager, Corporate Treasurer & Secretary

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
January, 2014

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								
4,285,963,190	1,406,911,246	2,879,051,944	18,436,850	222,853,242	0	3,120,342,036	244,587,396	3,364,929,432
JURISDICTIONAL PER BOOKS								
3,820,688,596	1,270,782,155	2,549,886,441	17,897,483	208,507,805	0	2,776,291,728	249,333,051	3,025,624,780
(1,014,763,769)	(119,474,308)	(895,289,461)		(1,873,645)		(897,163,106)	(7,916,142)	(905,079,248)
(10,984,200)	5,301,321	(16,265,521)		(165,235,796)		(165,235,796)	0	(165,235,796)
				(4,594)		(16,270,115)	(2,461,830)	(18,731,945)
							0	0
							0	0
			(12,621,924)			(12,621,924)	(26,566)	(26,566)
							(4,646,921)	(17,268,845)
							(26,164,311)	(26,164,311)
							487,743	487,743
							(3,753,776)	(3,753,776)
(1,025,727,969)	(114,172,987)	(911,554,982)	(12,621,924)	(167,114,035)	0	(1,091,290,940)	(44,481,803)	(1,135,772,744)
FPSC ADJUSTED								
2,794,940,627	1,156,609,168	1,638,331,459	5,275,559	41,393,770	0	1,685,000,788	204,851,248	1,889,852,036
0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
2,794,940,627	1,156,609,168	1,638,331,459	5,275,559	41,393,770	0	1,685,000,788	204,851,248	1,889,852,036
PRO FORMA ADJUSTED								

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
January, 2014

	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	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,494,563,637	654,775,630	307,864,170	149,912,589	99,263,421	14,849,034	73,408,270	(1,345,692)	0	1,298,727,422	195,836,216 (a)
JURISDICTIONAL PER BOOKS	1,264,403,081	505,043,699	292,063,876	139,223,490	97,549,772	18,181,242	52,275,688	(996,026)	0	1,103,341,741	161,061,340 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(460,461,357)	(460,127,988)				(128,598)				(460,256,586)	(204,772)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(44,686,641)	(44,761,549)				28,896				(44,732,653)	46,012
ENERGY CONSERVATION COST REVENUES & EXPENSES	(27,155,313)		(24,825,363)	(308,241)	(401,654)	(624,937)				(26,160,196)	(995,119)
ENVIRONMENTAL COST RECOVERY CLAUSE	(144,866,877)		(26,464,358)	(39,556,625)	(1,661,923)	(29,773,717)				(97,456,623)	(47,410,254)
FRANCHISE FEE REVENUE & EXPENSE	(37,943,154)				(37,010,175)	(359,897)				(37,370,072)	(573,082)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,039,488)				(27,714,834)	(125,236)				(27,840,070)	(199,418)
MARKETING SUPPORT ACTIVITIES			(178,908)			69,014				(109,894)	109,894
WHOLESALE EXPENSES		(154,162)				59,468				(94,694)	94,694
INSTITUTIONAL ADVERTISING EXPENSE			(190,314)			73,414				(116,900)	116,900
ECONOMIC DEVELOPMENT EXPENSE			(50,062)			19,311				(30,751)	30,751
MGMT FINANCIAL PLANNING SERVICES			(37,524)			14,475				(23,049)	23,049
DIRECTORS' & OFFICERS' INSURANCE			(44,713)			17,248				(27,465)	27,465
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(163,238)			65,508				(104,313)	104,313
GRT, FPSC FEES ON CLAUSES & FEES					(6,583)	511,303				(814,174)	814,174
(GAIN)/LOSS ON DISPOSITION					(1,325,477)	44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						6,120,371				6,120,371	(6,120,371)
TOTAL FPSC ADJUSTMENTS	(743,152,832)	(505,043,699)	(51,954,551)	(39,864,866)	(68,120,646)	(23,989,112)	0	0	(114,680)	(689,087,554)	(54,065,277)
FPSC ADJUSTED	521,250,250	0	240,109,325	99,358,624	29,429,126	(5,807,870)	52,275,688	(996,026)	(114,680)	414,254,187	106,996,063
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	521,250,250	0	240,109,325	99,358,624	29,429,126	(5,807,870)	52,275,688	(996,026)	(114,680)	414,254,187	106,996,063
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			10,490,441			10,246,727					
CURRENT MONTH SYSTEM PER BOOKS	162,835,627	77,175,857	27,392,373	12,021,908	9,448,795	10,577,115	1,965,325	(105,992)	0	138,475,380	24,360,247
CURRENT MONTH JURISDICTIONAL PER BOOKS	125,757,379	46,698,479	25,193,756	11,122,934	9,308,720	9,726,137	1,702,194	(76,974)	0	103,675,246	22,082,133

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2014

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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	(1,045,294,551)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(611,921,209)	(236,048,606)
ACCUMULATED DEPRECIATION	123,096,089	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,576,751)	(57,313,482)
CWIP	(1,934,130)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(44,803,172)	(17,282,824)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(10,964,200)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(27,155,313)	(10,475,162)
ACCUMULATED DEPRECIATION	(5,301,321)	FUEL EXPENSE	(608,319,847)	234,659,381
CWIP	(4,594)	PURCHASED POWER CAPACITY COST EXPENSE	(46,337,903)	17,874,846
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(25,133,604)	9,695,288
FAS 143 NET PLANT	(14,637,386)	CONSERVATION EXPENSES - OTHER TAXES	(401,654)	154,938
INTEREST BEARING CWIP	(169,165,849)	ENVIRONMENTAL COST RECOVERY EXPENSE	(69,623,551)	26,857,285
PHFU - NORTH ESCAMBIA	(13,002,304)	FRANCHISE FEE REVENUES	(37,943,154)	(14,636,572)
WORKING CAPITAL:		FRANCHISE FEE	(37,010,175)	14,276,675
ECRC WORKING CAPITAL	(8,148,827)	GROSS RECEIPTS TAX REVENUES	(28,039,488)	(10,816,233)
CONSERVATION/AEM INVENTORY	(2,461,830)	GROSS RECEIPTS TAX EXPENSE	(27,714,834)	10,690,997
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(178,908)	69,014
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(158,861)	61,280
LOANS TO EMPLOYEES AND RETIREES	(27,726)	INSTITUTIONAL ADVERTISING EXPENSE	(194,064)	74,860
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,063)	19,312
NORTH ESCAMBIA SITE	(4,849,962)	MGMT FINANCIAL PLANNING SERVICES	(38,352)	14,794
UNAMORTIZED RATE CASE EXPENSE	(3,917,792)	DIRECTORS' & OFFICERS' INSURANCE	(45,700)	17,629
FUEL RELATED DEFERRED DEBITS	(26,164,311)	INDUSTRY ASSOCIATION DUES	(72)	28
UNREALIZED LOSS ON FWD CONTRACT	(4)	TALLAHASSEE LIAISON EXPENSE	(173,572)	66,955
ACCUM. PROV. FOR RATE REFUNDS	509,054	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,325,477)	511,303
FAS 143 WORKING CAPITAL	25,406,300	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	99,027	38,200
FAS 158 REGULATORY ASSETS	(129,364,687)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY LIABILITIES	129,364,687	INTEREST SYNCHRONIZATION	6,503,885	6,503,885
PPA REGULATORY ASSETS	(168,459,485)			
PPA REGULATORY LIABILITIES	168,459,485			
FAS 133 REGULATORY ASSETS	(28,781,932)			
FAS 133 REGULATORY LIABILITIES	28,781,932			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
January, 2014

	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	4,355,442,829	1,449,740,186	2,905,702,643	18,393,811	290,788,616	0	3,214,885,070	244,587,396	3,459,472,466
JURISDICTIONAL PER BOOKS	3,882,551,678	1,310,118,527	2,572,433,151	17,855,703	278,307,397	0	2,868,596,251	250,735,844	3,119,332,095
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,014,860,090)	(138,645,420)	(876,214,670)		(8,511,854)		(884,726,524)	(7,916,142)	(892,642,666)
INT BEARING CWIP					(229,103,608)		(229,103,608)	0	(229,103,608)
ENERGY CONSERVATION CLAUSE	(11,496,860)	5,851,974	(17,348,834)		(59,718)		(17,408,552)	(2,461,830)	(19,870,382)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(26,566)	(26,566)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,580,144)			(12,580,144)	(4,646,921)	(17,227,065)
FUEL RELATED DEFERRED DEBITS								(26,164,311)	(26,164,311)
ACCRUED PROVISION FOR REFUND								487,743	487,743
								(3,753,776)	(3,753,776)
TOTAL FPSC ADJUSTMENTS	(1,026,356,950)	(132,793,446)	(893,563,504)	(12,580,144)	(237,675,180)	0	(1,143,818,828)	(44,481,803)	(1,188,300,631)
FPSC ADJUSTED	2,856,194,728	1,177,325,081	1,678,869,647	5,275,559	40,632,217	0	1,724,777,423	206,254,041	1,931,031,464
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	2,856,194,728	1,177,325,081	1,678,869,647	5,275,559	40,632,217	0	1,724,777,423	206,254,041	1,931,031,464

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
January, 2014

	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	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,494,563,637	654,775,630	307,864,170	149,912,589	99,263,421	14,849,034	73,408,270	(1,345,692)	0	1,298,727,422	195,836,216 (a)
JURISDICTIONAL PER BOOKS	1,264,403,081	505,043,699	292,063,876	139,223,490	97,549,772	18,184,894	52,259,683	(996,026)	0	1,103,329,388	161,073,693 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(460,461,357)	(460,127,988)				(128,598)				(460,256,586)	(204,772)
PURCHASED POWER CAPACITY REVENUES & EXPENSES:	(44,686,641)	(44,761,549)				28,896				(44,732,653)	46,012
ENERGY CONSERVATION COST REVENUES & EXPENSES:	(27,155,313)		(24,825,363)	(308,241)	(401,654)	(624,937)				(26,160,195)	(995,119)
ENVIRONMENTAL COST RECOVERY CLAUSE	(144,866,877)		(26,464,358)	(39,556,625)	(1,661,923)	(29,773,717)				(97,456,623)	(47,410,254)
FRANCHISE FEE REVENUE & EXPENSE	(37,943,154)				(37,010,175)	(359,897)				(37,370,072)	(573,082)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,039,488)				(27,714,834)	(125,236)				(27,840,070)	(199,418)
MARKETING SUPPORT ACTIVITIES			(178,908)			69,014				(109,894)	109,894
WHOLESALE EXPENSES						59,468				(94,684)	94,684
INSTITUTIONAL ADVERTISING EXPENSE			(190,314)			73,414				(116,900)	116,900
ECONOMIC DEVELOPMENT EXPENSE			(50,062)			19,311				(30,751)	30,751
MGMT FINANCIAL PLANNING SERVICES			(37,524)			14,475				(23,049)	23,049
DIRECTORS' & OFFICERS' INSURANCE			(44,713)			17,248				(27,465)	27,465
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(163,238)		(6,583)	65,508				(104,313)	104,313
GRT, FPSC FEES ON CLAUSES & FEES					(1,325,477)	511,303				(814,174)	814,174
(GAIN)/LOSS ON DISPOSITION						44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						6,555,392				6,555,392	(6,555,392)
TOTAL FPSC ADJUSTMENTS	(743,152,832)	(505,043,699)	(51,954,551)	(39,864,866)	(68,120,646)	(23,554,091)	0	0	(114,680)	(688,652,533)	(54,500,298)
FPSC ADJUSTED	521,250,250	0	240,109,325	99,358,624	29,429,126	(5,369,197)	52,259,683	(996,026)	(114,680)	414,676,855	106,573,395
PRO FORMA REVENUE ANNUALIZATION 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	521,250,250	0	240,109,325	99,358,624	29,429,126	(5,369,197)	52,259,683	(996,026)	(114,680)	414,676,855	106,573,395
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,490,441	AND THE JURISDICTIONAL NOI BY	10,246,727					

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2014

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	(1,045,569,396)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(611,921,209)	(236,048,606)
ACCUMULATED DEPRECIATION	142,840,781	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(148,576,751)	(57,313,482)
CWIP	(8,769,420)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(44,803,172)	(17,282,824)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,496,860)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(27,155,313)	(10,475,162)
ACCUMULATED DEPRECIATION	(5,851,974)	FUEL EXPENSE	(608,319,847)	234,659,381
CWIP	(59,718)	PURCHASED POWER CAPACITY COST EXPENSE	(46,337,903)	17,874,846
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(25,133,604)	9,695,288
FAS 143 NET PLANT	(15,266,718)	CONSERVATION EXPENSES - OTHER TAXES	(401,654)	154,938
INTEREST BEARING CWIP	(234,552,726)	ENVIRONMENTAL COST RECOVERY EXPENSE	(69,623,551)	26,857,285
PHFU - NORTH ESCAMBIA	(12,959,265)	FRANCHISE FEE REVENUES	(37,943,154)	(14,636,572)
WORKING CAPITAL:		FRANCHISE FEE	(37,010,175)	14,276,675
ECRC WORKING CAPITAL	(8,148,827)	GROSS RECEIPTS TAX REVENUES	(28,039,488)	(10,816,233)
CONSERVATION/AEM INVENTORY	(2,461,830)	GROSS RECEIPTS TAX EXPENSE	(27,714,834)	10,690,997
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(178,908)	69,014
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(158,861)	61,280
LOANS TO EMPLOYEES AND RETIREES	(27,726)	INSTITUTIONAL ADVERTISING EXPENSE	(194,064)	74,860
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,063)	19,312
NORTH ESCAMBIA SITE	(4,849,962)	MGMT FINANCIAL PLANNING SERVICES	(38,352)	14,794
UNAMORTIZED RATE CASE EXPENSE	(3,917,792)	DIRECTORS' & OFFICERS' INSURANCE	(45,700)	17,629
FUEL RELATED DEFERRED DEBITS	(26,164,311)	INDUSTRY ASSOCIATION DUES	(72)	28
UNREALIZED LOSS ON FWD CONTRACT	(4)	TALLAHASSEE LIAISON EXPENSE	(173,572)	66,955
ACCUM. PROV. FOR RATE REFUNDS	509,054	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,325,477)	511,303
FAS 143 WORKING CAPITAL	25,406,300	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	99,027	38,200
FAS 158 REGULATORY ASSETS	(129,364,687)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 158 REGULATORY LIABILITIES	129,364,687	INTEREST SYNCHRONIZATION	6,987,649	6,987,649
PPA REGULATORY ASSETS	(168,459,485)			
PPA REGULATORY LIABILITIES	168,459,485			
FAS 133 REGULATORY ASSETS	(28,781,932)			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
January, 2014

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 (%)
LONG TERM DEBT	1,221,146,961	1,102,291,390	(413,783,138)	0	688,508,252	36.43	4.74	1.73	4.74	1.73	4.74	1.73
SHORT TERM DEBT	103,741,177	67,766,686	(25,438,566)	0	42,328,120	2.24	0.38	0.01	0.38	0.01	0.38	0.01
PREFERENCE STOCK	127,861,500	115,451,525	(43,338,717)	0	72,112,808	3.82	6.20	0.24	6.20	0.24	6.20	0.24
CUSTOMER DEPOSITS	34,802,266	35,083,139	(13,169,668)	0	21,913,471	1.16	2.38	0.03	2.38	0.03	2.38	0.03
COMMON EQUITY	1,217,195,741	1,105,022,850	(414,808,486)	0	690,214,364	36.52	9.25	3.38	10.25	3.74	11.25	4.11
DEFERRED INCOME TAXES	690,662,307	634,954,439	(238,352,075)	0	396,602,364	20.99						
FASB 109 DEFERRED TAXES	(42,250,578)	(38,842,706)	14,580,951	0	(24,261,755)	(1.28)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	4,619,310	3,897,457	(1,463,045)	0	2,434,412	0.13	6.96	0.01	7.43	0.01	7.91	0.01
TOTAL	3,357,778,684	3,025,624,780	(1,135,772,744)	0	1,889,852,036	100.00		5.39		5.75		6.12

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 (%)
LONG TERM DEBT	1,207,342,457	1,082,883,382	(412,521,324)	0	670,362,058	34.72	4.72	1.64	4.72	1.64	4.72	1.64
SHORT TERM DEBT	122,684,848	84,424,393	(32,161,231)	0	52,263,162	2.71	0.23	0.01	0.23	0.01	0.23	0.01
PREFERENCE STOCK	146,503,864	131,401,492	(50,057,022)	0	81,344,470	4.21	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,355,021	34,259,714	(13,051,140)	0	21,208,574	1.10	2.31	0.03	2.31	0.03	2.31	0.03
COMMON EQUITY	1,273,761,494	1,158,527,289	(441,337,654)	0	717,189,635	37.14	9.25	3.44	10.25	3.81	11.25	4.18
DEFERRED INCOME TAXES	727,684,222	663,632,758	(252,808,999)	0	410,823,759	21.27						
FASB 109 DEFERRED TAXES	(42,940,482)	(39,160,820)	14,918,202	0	(24,242,618)	(1.26)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,949,302	3,363,887	(1,281,463)	0	2,082,424	0.11	7.01	0.01	7.50	0.01	7.99	0.01
TOTAL	3,473,340,726	3,119,332,095	(1,188,300,631)	0	1,931,031,464	100.00		5.37		5.74		6.12

GULF POWER COMPANY
Financial Integrity Indicators
January, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	200,296,003
AFUDC - Debt	3,636,035
Income Taxes	87,298,068
	<hr/>
Total	291,230,106
Interest Charges (Before Deducting AFUDC - Debt)	59,335,300
	<hr/>
T.I.E. With AFUDC	4.91 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	200,296,003
AFUDC - Other	(6,854,406)
Income Taxes	87,298,068
	<hr/>
Total	280,739,665
Interest Charges (Before Deducting AFUDC - Debt)	59,335,300
	<hr/>
T.I.E. Without AFUDC	4.73 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	3,636,035
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	2,233,434
AFUDC - Other	6,854,406
	<hr/>
Total	9,087,840
	<hr/>
Net Income Available for Common Stockholders	136,659,794
	<hr/>
Percent AFUDC to Available Net Income	6.65%

D. Percent Internally Generated Funds

Net Income	144,596,738
Preference Dividends	(7,936,944)
Common Dividends	(117,350,000)
AFUDC (Debt & Other)	(10,490,441)
Depreciation & Amortization	158,359,546
Deferred Income Taxes	73,385,833
Investment Tax Credits	0
Other	(42,964,730)
	<hr/>
Total	197,600,002
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	320,799,896
	<hr/>
Percent Internally Generated Funds	61.60%

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	688,508,252
Short Term Debt	42,328,120
Preference Stock	72,112,808
Common Equity	690,214,364
	<hr/>
Total	1,493,163,544
	<hr/>
% Long Term Debt To Total	46.11%
	<hr/>
% Short Term Debt To Total	2.83%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.66%	5.66%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.73)	(1.73)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(2.01)	(2.01)
	<hr/>	<hr/>
Total	3.65	3.65
Divided by Common Equity Ratio	36.52	36.52
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.00%	10.00%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
January, 2014

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
February	2013	291,667
March	2013	291,667
April	2013	291,667
May	2013	291,667
June	2013	291,667
July	2013	291,667
August	2013	291,667
September	2013	291,667
October	2013	291,667
November	2013	291,667
December	2013	291,667
January	2014	291,663
12 - M-T-D		<u>3,500,000</u>