

**GULF POWER COMPANY
COST RECOVERY CLAUSES
FORECASTED 2022 GULF STAND ALONE @10.25%**

CAPITAL STRUCTURE AND COST RATES (a)

	Adjusted Retail	Ratio	Midpoint Cost Rates	Weighted Cost	Pre-Tax Weighted Cost
Long term debt	1,465,579,123	33.237%	2.42%	0.8054%	0.81%
Short term debt	206,294,483	4.678%	0.74%	0.0346%	0.03%
Preferred stock	0	0.000%	0.00%	0.0000%	0.00%
Customer Deposits	33,332,227	0.756%	2.65%	0.0200%	0.02%
Common Equity (b)	1,923,553,504	43.623%	10.25%	4.4714%	5.99%
Deferred Income Tax	731,283,241	16.584%	0.00%	0.0000%	0.00%
Investment Tax Credits					
Zero cost	0	0.000%	0.00%	0.0000%	0.00%
Weighted cost	49,436,380	1.121%	6.87%	0.0770%	0.10%
TOTAL	\$4,409,478,958	100.00%		5.4083%	6.95%

CALCULATION OF THE WEIGHTED COST FOR INVESTMENT TAX CREDITS

	Adjusted Retail	Ratio	Cost Rate	Weighted Cost	Pre-Tax Cost
Long term debt	\$1,465,579,123	43.24%	2.423%	1.048%	1.048%
Preferred Stock	0	0.00%	0.000%	0.000%	0.000%
Common Equity	1,923,553,504	56.76%	10.250%	5.818%	7.793%
TOTAL	\$3,389,132,627	100.00%		6.865%	8.840%
RATIO					

DEBT COMPONENTS:

LONG TERM DEBT	0.8054%
SHORT TERM DEBT	0.0346%
CUSTOMER DEPOSITS	0.0200%
TAX CREDITS -WEIGHTED	0.0117%
TOTAL DEBT	0.8717%

EQUITY COMPONENTS:

PREFERRED STOCK	0.0000%
COMMON EQUITY	4.4714%
TAX CREDITS -WEIGHTED	0.0652%
TOTAL EQUITY	4.5366%
TOTAL	5.4083%
PRE-TAX EQUITY	6.0767%
PRE-TAX TOTAL	6.9485%

Note:

(a) Forecasted capital structure includes a deferred income tax proration adjustment consistent with FPSC Order No. PSC-2020-0165-PAA-EU, Docket No. 20200118-EU.

(b) Cost rate for common equity represents Gulf's mid-point return on equity approved by the FPSC in Order No. PSC-17-0178-S-EI, Docket Nos. 160186-EI and 160170-EI.