

Terry A. Davis
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July 14, 2011

Mr. John Slemkewicz
Division of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
DIVISION OF ECONOMIC REGULATION
JUL 15 PM 12:02
TALLAHASSEE, FL

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of May, 2011.

Sincerely,

A handwritten signature in cursive script that reads "Terry A. Davis".

nm

enclosure

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

GOV 2-1-5-3

GULF POWER COMPANY
Earnings Surveillance Report Summary
May, 2011

	(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	147,643,393	(73,868,495)	73,774,898	0	73,774,898
Average Rate Base	2,490,054,501	(926,041,231)	1,564,013,270	0	1,564,013,270
Average Rate of Return	5.93%		4.72%		4.72%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	147,647,109	(73,660,191)	73,986,918	0	73,986,918
Year End Rate Base	2,586,108,152	(980,784,455)	1,605,323,697	0	1,605,323,697
Year End Rate of Return	5.71%		4.61%		4.61%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.45%
Midpoint	6.93%
High	7.22%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.05 x (System per Books Basis)
B. Tie Without AFUDC	3.85 x (System per Books Basis)
C. AFUDC To Net Income	9.50% (System per Books Basis)
D. Internally Generated Funds	57.06% (System per Books Basis)
E. LTD To Total Investor Funds	49.71% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.31% (FPSC Adjusted Basis)
G. Return on Common Equity	6.27% (FPSC Adjusted Basis)
H. Return on Common Equity	6.27% (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

Richard J. McMillan
Corporate Planning Manager



7/14/11

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
May, 2011

SCHEDULE 2
PAGE 1 OF 3

	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	3,610,575,630	1,262,412,508	2,348,163,122	5,651,587	213,697,647	0	2,567,512,356	245,979,768	2,813,492,124
JURISDICTIONAL PER BOOKS	3,236,035,125	1,138,652,669	2,097,382,456	5,474,752	138,980,377	0	2,241,837,585	248,216,916	2,490,054,501
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(830,924,558)	(49,352,749)	(781,571,809)		(1,191,532)		(782,763,341)	(13,266,178)	(796,029,519)
INT BEARING CWIP					(85,263,896)		(85,263,896)	0	(85,263,896)
ENERGY CONSERVATION CLAUSE	(10,306,573)	932,700	(11,239,273)		(0)		(11,239,273)	(2,035,650)	(13,274,923)
LOANS TO EMPLOYEES / RETIREES								(54,022)	(54,022)
INTEREST AND DIVIDENDS RECEIVABLE								(307,597)	(307,597)
FUNDED PROP RES & OTHER INVESTMENTS								(14,267,541)	(14,267,541)
FUEL RELATED DEFERRED DEBITS								(17,007,277)	(17,007,277)
FLAME RESISTANT CLOTHING								(436)	(436)
ACCRUED PROVISION FOR REFUND								145,806	145,806
SALE OF RAILCARS								18,174	18,174
TOTAL FPSC ADJUSTMENTS	(841,231,131)	(48,420,049)	(792,811,082)	0	(86,455,428)	0	(879,266,510)	(46,774,721)	(926,041,231)
FPSC ADJUSTED	2,394,803,994	1,090,232,620	1,304,571,374	5,474,752	52,524,949	0	1,362,571,075	201,442,195	1,564,013,270
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	2,394,803,994	1,090,232,620	1,304,571,374	5,474,752	52,524,949	0	1,362,571,075	201,442,195	1,564,013,270

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
May, 2011

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	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,552,964,077	789,223,452	307,076,326	129,173,154	101,933,249	(39,561,715)	104,369,702	(1,462,438)	0	1,390,751,729	162,212,347 (a)
JURISDICTIONAL PER BOOKS	1,348,633,219	647,279,757	290,974,678	119,927,445	100,174,508	(13,058,583)	67,927,708	(1,102,335)	0	1,212,123,177	136,510,042 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(154,661,642)		(28,521,644)	(35,653,297)	(612,802)	(34,668,856)				(99,456,599)	(55,205,043)
GROSS RECEIPTS TAX REVENUE	(31,830,031)					(12,278,435)				(12,278,435)	(19,551,596)
MARKETING SUPPORT ACTIVITIES			(127,886)			49,332				(78,554)	78,554
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(2,984)			1,151				(1,833)	1,833
FRANCHISE FEE REVENUES	(40,708,532)					(15,703,316)				(15,703,316)	(25,005,216)
RETAIL FUEL REVENUES	(600,725,994)					(231,730,052)				(231,730,052)	(368,995,942)
ECCR and PPCC REVENUES	(59,482,313)					(22,945,302)				(22,945,302)	(36,537,011)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(931,998)			359,518				(572,480)	572,480
ECON DEV EXPENSE ALLOWED			885,398			(341,542)				543,856	(543,856)
LIAISON EXPENSES			(322,228)		(16,231)	130,561				(207,898)	207,898
CORP ADV & WHOLESALE EXPENSES		(248,317)	(19,717)			103,394				(164,640)	164,640
INDUSTRY ASSOCIATION DUES			(969)			374				(595)	595
RETAIL FUEL EXPENSES		(600,302,167)				231,566,561				(368,735,606)	368,735,606
ECCR AND PPCC EXPENSES		(46,729,273)	(8,569,716)	(292,700)	(290,141)	21,556,416				(34,325,414)	34,325,414
FRANCHISE FEE					(40,088,117)	15,463,991				(24,624,126)	24,624,126
GRT, FPSC FEES ON CLAUSES & FEES					(1,512,242)	583,347				(928,895)	928,895
GROSS RECEIPTS TAX ADJUST					(31,722,913)	12,237,114				(19,485,799)	19,485,799
INTEREST SYNCHRONIZATION						6,027,631				6,027,631	(6,027,631)
TOTAL FPSC ADJUSTMENTS	(887,408,512)	(647,279,757)	(37,610,853)	(35,945,997)	(74,242,446)	(29,584,778)	0	0	(9,537)	(824,673,367)	(62,735,144)
FPSC ADJUSTED	461,224,708	0	253,363,825	83,981,448	25,932,062	(42,643,361)	67,927,708	(1,102,335)	(9,537)	387,449,810	73,774,898
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	461,224,708	0	253,363,825	83,981,448	25,932,062	(42,643,361)	67,927,708	(1,102,335)	(9,537)	387,449,810	73,774,898
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,492,287			11,133,351				
CURRENT MO. SYSTEM PER BOOKS	122,469,167	59,045,287	25,078,252	10,871,442	8,059,472	(644,806)	6,242,793	(112,378)	0	108,540,062	13,929,105
CURRENT MO. JURIS PER BOOKS	105,540,683	50,081,757	23,523,093	9,972,953	7,868,615	1,660,106	2,196,547	(82,634)	0	95,220,436	10,320,247

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
May, 2011

SCHEDULE 2
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(40,708,532)	(15,703,316)
INVESTMENT	(282,720,377)	IIC FUEL REVENUES	(80,200,388)	(30,937,300)
ACCUMULATED DEPRECIATION	104,150,063	FUEL REVENUES	(657,570,789)	(253,657,932)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(896,297)	(345,747)
INVESTMENT	(10,306,573)	ECCR, PPCC, AND ECRC REVENUES	(214,379,468)	(82,696,880)
ACCUMULATED DEPRECIATION	(932,700)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,830,031)	(12,278,435)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/GL ON SALE OF GAS	39,251	15,141
INVESTMENT	(859,277,955)	CORP ADVERTISING & WHOLESALE EXPENSES	(277,379)	106,999
ACCUMULATED DEPRECIATION	51,052,891	INDUSTRY ASSOCIATION DUES	(989)	382
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(789,183,057)	304,427,364
INTEREST BEARING CWIP	(88,012,783)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(70,234,438)	ECON DEVELOP EXPENSE- TOTAL	(931,998)	359,518
ECRC CWIP	(1,232,086)	ECON DEV EXPENSE - ALLOWED	885,398	(341,542)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,751,797)	CONSERVATION EXPENSES - O & M	(8,569,716)	3,305,768
		CONSERVATION EXPENSES - OTHER TAXES	(176,100)	67,930
		MARKETING SUPPORT ACTIVITIES	(127,886)	49,332
		MGMT FINANCIAL PLANNING SERVICES	(3,049)	1,176
WORKING CAPITAL:		FRANCHISE FEE	(40,088,117)	15,463,991
ECRC WORKING CAPITAL	(13,716,842)	GROSS RECEIPTS TAX EXPENSE	(31,722,913)	12,237,114
LOANS TO EMPLOYEES AND RETIREES	(56,270)	LIAISON EXPENSE	(345,872)	133,420
UNREALIZED LOSS ON FWD CONTRACT	(4,802)	ECRC/ECCR EXPENSES	(67,378,092)	25,991,099
CONSERVATION/AEM INVENTORY	(2,035,650)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(320,398)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,512,242)	583,347
PLANT SCHERER	(8,427,953)	INTEREST SYNCHRONIZATION	6,416,027	6,416,027
TEMPORARY CASH INVESTMENTS	(335,213)			
FUNDED PROP RES & OTHER INVESTMENTS	(13,945,721)			
FUEL RELATED DEFERRED DEBITS	(17,007,277)			
FLAME RESISTANT CLOTHING	(538)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	179,818			
FAS 143 WORKING CAPITAL	18,700,574			
FAS 158 REGULATORY ASSETS	(89,895,919)			
FAS 158 REGULATORY LIABILITIES	89,895,919			
PPA REGULATORY ASSETS	(54,480,152)			
PPA REGULATORY LIABILITIES	54,480,152			
FAS 133 REGULATORY ASSETS	(14,034,395)			
FAS 133 REGULATORY LIABILITIES	14,034,395			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
May, 2011

SCHEDULE 3
PAGE 1 OF 3

	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	3,740,934,780	1,299,748,543	2,441,186,237	5,579,271	231,870,486	0	2,678,635,994	245,979,768	2,924,615,762
JURISDICTIONAL PER BOOKS	3,287,015,557	1,173,422,808	2,113,592,749	5,404,698	219,466,790	0	2,338,464,237	247,643,915	2,586,108,152
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(832,792,655)	(61,662,313)	(771,130,342)		(1,004,982)		(772,135,324)	(13,266,178)	(785,401,502)
ENERGY CONSERVATION CLAUSE					(150,491,784)		(150,491,784)	0	(150,491,784)
LOANS TO EMPLOYEES AND RETIREES	(10,110,120)	1,272,506	(11,382,626)				(11,382,626)	(2,035,650)	(13,418,276)
INTEREST AND DIVIDENDS RECEIVABLE								(54,022)	(54,022)
NOTES RECEIVABLE								(307,597)	(307,597)
FUNDED PROP RES & OTHER INVESTMENTS								0	0
FUEL RELATED DEFERRED DEBITS								(14,267,541)	(14,267,541)
FLAME RESISTANT CLOTHING								(17,007,277)	(17,007,277)
ACCRUED PROVISION FOR REFUND								(436)	(436)
SALE OF RAILCARS								145,806	145,806
								18,174	18,174
TOTAL FPSC ADJUSTMENTS	(842,902,775)	(60,389,807)	(782,512,968)	0	(151,496,766)	0	(934,009,734)	(46,774,721)	(980,784,455)
FPSC ADJUSTED	2,444,112,782	1,113,033,001	1,331,079,781	5,404,698	67,970,024	0	1,404,454,503	200,869,194	1,605,323,697
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	2,444,112,782	1,113,033,001	1,331,079,781	5,404,698	67,970,024	0	1,404,454,503	200,869,194	1,605,323,697

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
May, 2011

SCHEDULE 3
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	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,552,964,077	789,223,452	307,076,326	129,173,154	101,933,249	(39,561,715)	104,369,702	(1,462,438)	0	1,390,751,729	162,212,347 (a)
JURISDICTIONAL PER BOOKS	1,348,633,219	647,279,757	290,974,678	119,927,445	100,174,508	(13,049,191)	67,914,600	(1,102,335)	0	1,212,119,461	136,513,758 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(154,661,642)		(28,521,644)	(35,653,297)	(612,802)	(34,868,856)				(99,456,599)	(55,205,043)
GROSS RECEIPTS TAX REVENUE	(31,830,031)					(12,278,435)				(12,278,435)	(19,551,596)
MARKETING SUPPORT ACTIVITIES			(127,886)			49,332				(78,554)	78,554
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(2,984)			1,151				(1,833)	1,833
FRANCHISE FEE REVENUES	(40,708,532)					(15,703,316)				(15,703,316)	(25,005,216)
RETAIL FUEL REVENUES	(600,725,994)					(231,730,052)				(231,730,052)	(368,995,942)
ECCR & PPCC REVENUES	(59,482,313)					(22,945,302)				(22,945,302)	(36,537,011)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(931,998)			359,518				(572,480)	572,480
ECON DEV EXPENSE ALLOWED			885,398			(341,542)				543,856	(543,856)
LIAISON EXPENSES			(322,228)		(16,231)	130,561				(207,898)	207,898
CORP ADV & WHOLESALE EXPENSES		(248,317)	(19,717)			103,394				(164,640)	164,640
INDUSTRY ASSOCIATION DUES			(969)			374				(595)	595
RETAIL FUEL EXPENSES		(600,302,167)				231,566,561				(368,735,606)	368,735,606
ECCR AND PPCC EXPENSES		(46,729,273)	(8,569,716)	(292,700)	(290,141)	21,556,416				(34,325,414)	34,325,414
FRANCHISE FEE					(40,088,117)	15,463,991				(24,624,126)	24,624,126
GRT, FPSC FEES ON CLAUSES & FFEES					(1,512,242)	583,347				(928,895)	928,895
GROSS RECEIPTS TAX ADJUST					(31,722,913)	12,237,114				(19,485,799)	19,485,799
INTEREST SYNCHRONIZATION						5,819,327				5,819,327	(5,819,327)
TOTAL FPSC ADJUSTMENTS	(887,408,512)	(647,279,757)	(37,610,853)	(35,945,997)	(74,242,446)	(29,793,082)	0	0	(9,537)	(824,881,671)	(62,526,840)
FPSC ADJUSTED	461,224,708	0	253,363,825	83,981,448	25,932,062	(42,842,273)	67,914,600	(1,102,335)	(9,537)	387,237,790	73,986,918
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	461,224,708	0	253,363,825	83,981,448	25,932,062	(42,842,273)	67,914,600	(1,102,335)	(9,537)	387,237,790	73,986,918

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 11,492,287 AND THE JURISDICTIONAL NOI BY 11,133,351

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
May, 2011

SCHEDULE 3
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(40,708,532)	(15,703,316)
INVESTMENT	(361,975,687)	IIC FUEL REVENUES	(80,200,388)	(30,937,300)
ACCUMULATED DEPRECIATION	106,212,157	FUEL REVENUES	(657,570,789)	(253,657,932)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(896,297)	(345,747)
INVESTMENT	(10,110,120)	ECCR, PPCC, AND ECRC REVENUES	(214,379,468)	(82,696,880)
ACCUMULATED DEPRECIATION	(1,272,506)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,830,031)	(12,278,435)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	39,251	15,141
INVESTMENT	(860,553,897)	CORP ADVERTISING & WHOLESALE EXPENSES	(277,379)	106,999
ACCUMULATED DEPRECIATION	63,737,623	INDUSTRY ASSOCIATION DUES	(989)	382
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(789,183,057)	304,427,364
INTEREST BEARING CWIP	(155,343,601)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(5,327,119)	ECON DEVELOP EXPENSE- TOTAL	(931,998)	359,518
ECRC CWIP	(1,038,406)	ECON DEV EXPENSE - ALLOWED	885,398	(341,542)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,713,581)	CONSERVATION EXPENSES - O & M	(8,569,716)	3,305,768
		CONSERVATION EXPENSES - OTHER TAXES	(176,100)	67,930
		MARKETING SUPPORT ACTIVITIES	(127,886)	49,332
		MGMT FINANCIAL PLANNING SERVICES	(3,049)	1,176
WORKING CAPITAL:		FRANCHISE FEE	(40,088,117)	15,463,991
ECRC WORKING CAPITAL	(13,716,842)	GROSS RECEIPTS TAX EXPENSE	(31,722,913)	12,237,114
LOANS TO EMPLOYEES AND RETIREES	(56,270)	LIAISON EXPENSE	(345,872)	133,420
UNREALIZED LOSS ON FWD CONTRACT	(4,802)	ECRC/ECCR EXPENSES	(67,378,092)	25,991,099
CONSERVATION/AEM INVENTORY	(2,035,650)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(320,398)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,512,242)	583,347
PLANT SCHERER	(9,381,040)	INTEREST SYNCHRONIZATION	6,030,382	6,030,382
TEMPORARY CASH INVESTMENTS	(335,213)			
FUNDED PROP RES & OTHER INVESTMENTS	(13,945,721)			
FUEL RELATED DEFERRED DEBITS	(17,007,277)			
FLAME RESISTANT CLOTHING	(538)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	179,818			
FAS 143 WORKING CAPITAL	18,700,574			
FAS 158 REGULATORY ASSETS	(89,895,919)			
FAS 158 REGULATORY LIABILITIES	89,895,919			
PPA REGULATORY ASSETS	(54,480,152)			
PPA REGULATORY LIABILITIES	54,480,152			
FAS 133 REGULATORY ASSETS	(14,034,395)			
FAS 133 REGULATORY LIABILITIES	14,034,395			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
May, 2011

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATE	WEIGHTED COST	WEIGHTED COST	COST RATE	WEIGHTED COST	WEIGHTED COST	COST RATE	WEIGHTED COST	WEIGHTED COST
LONG TERM DEBT	1,203,426,332	1,064,126,912	(395,744,509)	0	668,382,403	42.74	4.59	1.96	4.59	1.96	4.59	1.96	4.59	1.96	
SHORT TERM DEBT	50,577,164	28,071,964	(10,439,850)	0	17,632,114	1.13	0.32	0.00	0.32	0.00	0.32	0.00	0.32	0.00	
PREFERRED STOCK	97,998,345	86,012,670	(31,987,765)	0	54,024,905	3.45	6.35	0.22	6.35	0.22	6.35	0.22	6.35	0.22	
CUSTOMER DEPOSITS	35,421,859	35,629,827	(13,250,589)	0	22,379,238	1.43	6.31	0.09	6.31	0.09	6.31	0.09	6.31	0.09	
COMMON EQUITY	1,081,554,020	962,580,827	(357,979,929)	0	604,600,898	38.66	10.75	4.16	12.00	4.64	12.75	4.64	12.75	4.93	
DEFERRED INCOME TAXES	364,189,140	337,616,478	(125,558,207)	0	212,058,271	13.56									
FASB 109 DEFERRED TAXES	(32,952,224)	(30,547,899)	11,360,640	0	(19,187,259)	(1.23)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	8,254,790	6,563,722	(2,441,022)	0	4,122,700	0.26	7.47	0.02	8.04	0.02	8.38	0.02	8.38	0.02	
TOTAL	2,808,469,426	2,490,054,501	(926,041,231)	0	1,564,013,270	100.00 %		6.45 %		6.93 %		7.22 %			

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATE	WEIGHTED COST	WEIGHTED COST	COST RATE	WEIGHTED COST	WEIGHTED COST	COST RATE	WEIGHTED COST	WEIGHTED COST
LONG TERM DEBT	1,316,533,393	1,133,374,068	(429,833,403)	0	703,540,665	43.83	4.43	1.94	4.43	1.94	4.43	1.94	4.43	1.94	
SHORT TERM DEBT	41,871,714	19,825,633	(7,518,894)	0	12,306,739	0.77	0.61	0.00	0.61	0.00	0.61	0.00	0.61	0.00	
PREFERRED STOCK	97,998,345	84,364,576	(31,995,361)	0	52,369,215	3.26	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,979,984	35,204,772	(13,351,450)	0	21,853,322	1.36	6.50	0.09	6.50	0.09	6.50	0.09	6.50	0.09	
COMMON EQUITY	1,102,915,565	961,654,099	(364,708,410)	0	596,945,689	37.19	10.75	4.00	12.00	4.46	12.75	4.46	12.75	4.74	
DEFERRED INCOME TAXES	420,672,723	381,771,421	(144,787,245)	0	236,984,176	14.75									
FASB 109 DEFERRED TAXES	(39,618,479)	(35,954,798)	13,635,898	0	(22,318,900)	(1.39)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,546,728	5,868,381	(2,225,590)	0	3,642,791	0.23	7.29	0.02	7.85	0.02	8.18	0.02	8.18	0.02	
TOTAL	2,983,899,972	2,586,108,152	(980,784,455)	0	1,605,323,697	100.00 %		6.26 %		6.72 %		7.00 %			

GULF POWER COMPANY
Financial Integrity Indicators
May, 2011

A. Times Interest Earned with AFUDC

Earnings Before Interest	168,822,028
AFUDC - Debt	3,274,900
Income Taxes	63,509,844
	<hr/>
Total	235,606,772
Interest Charges (Before Deducting AFUDC - Debt)	58,183,887
	<hr/>
T.I.E. With AFUDC	4.05 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	168,822,028
AFUDC - Other	(8,217,387)
Income Taxes	63,509,844
	<hr/>
Total	224,114,485
Interest Charges (Before Deducting AFUDC - Debt)	58,183,887
	<hr/>
T.I.E. Without AFUDC	3.85 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,274,900
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,011,608
AFUDC - Other	8,217,387
	<hr/>
Total	10,228,994
	<hr/>
Net Income Available for Common Stockholders	107,710,541
	<hr/>
Percent AFUDC to Available Net Income	9.50%

D. Percent Internally Generated Funds

Net income	113,913,041
Preferred Dividends	(6,202,500)
Common Dividends	(107,150,000)
AFUDC (Debt & Other)	(11,492,287)
Depreciation & Amortization	137,439,176
Deferred Income Taxes	104,365,599
Investment Tax Credits	0
Other	(30,504,309)
	<hr/>
Total	200,368,720
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	351,154,796
	<hr/>
Percent Internally Generated Funds	57.06%

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	668,382,403
Short Term Debt	17,632,114
Preferred Stock	54,024,905
Common Equity	604,600,898
	<hr/>
Total	1,344,640,320
	<hr/>
% Long Term Debt To Total	49.71%
	<hr/>
% Short Term Debt To Total	1.31%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.72%	4.72%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.96)	(1.96)
Short Term Debt	(0.00)	(0.00)
Preferred Stock	(0.22)	(0.22)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.29)	(2.29)
	<hr/>	<hr/>
Total	2.42	2.42
Divided by Common Equity Ratio	38.68	38.68
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.27%	6.27%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
May, 2011

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
June	2010	291,667
July	2010	291,667
August	2010	291,667
September	2010	291,667
October	2010	291,667
November	2010	291,667
December	2010	291,663
January	2011	291,667
February	2011	291,667
March	2011	291,667
April	2011	291,667
May	2011	291,667

12 - M-T-D

3,500,000