

Terry A. Davis
Assistant Secretary and
Assistant Treasurer

One Energy Plaza
Pensacola, Florida 32503-0700

Tel 904.444.6764
Fax 904.444.6025
TADAVIS@southemco.com



September 13, 2011

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

11 SEP 14 10:13:57

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

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

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<u>I. Average Rate of Return (Jurisdictional)</u>					
	(a)	(b)			
Net Operating Income	148,513,911	(74,803,082)	73,710,828	0	73,710,828
Average Rate Base	2,517,695,378	(941,804,904)	1,575,890,474	0	1,575,890,474
Average Rate of Return	5.90%		4.68%		4.68%
<u>II. Year End Rate of Return (Jurisdictional)</u>					
	(a)	(b)			
Net Operating Income	148,509,725	(73,776,566)	74,733,158	0	74,733,158
Year End Rate Base	2,612,252,160	(989,036,976)	1,623,215,184	0	1,623,215,184
Year End Rate of Return	5.69%		4.60%		4.60%
(a) Includes AFUDC Earnings					
(b) Includes Reversal of AFUDC Earnings					
<u>III. Required Rates of Return Average Capital Structure (FPSC Adjusted Basis)</u>					
Low	6.45%				
Midpoint	6.93%				
High	7.22%				
<u>IV. Financial Integrity Indicators</u>					
A. Tie With AFUDC	4.00 x (System per Books Basis)				
B. Tie Without AFUDC	3.79 x (System per Books Basis)				
C. AFUDC To Net Income	10.21% (System per Books Basis)				
D. Internally Generated Funds	69.65% (System per Books Basis)				
E. LTD To Total Investor Funds	49.45% (FPSC Adjusted Basis)				
F. STD To Total Investor Funds	1.52% (FPSC Adjusted Basis)				
G. Return on Common Equity	6.14% (FPSC Adjusted Basis)				
H. Return on Common Equity	6.14% (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		9/12/11

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

	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	3,647,554,910	1,276,478,526	2,371,076,384	5,638,439	221,212,143	0	2,597,926,966	248,592,304	2,846,519,270
JURISDICTIONAL PER BOOKS	3,254,811,776	1,151,755,873	2,103,055,903	5,462,015	158,320,795	0	2,266,836,713	250,856,665	2,517,695,378
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(832,614,488)	(54,303,573)	(778,310,915)		(1,336,484)		(779,647,399)	(12,466,478)	(792,113,877)
INT BEARING CWIP					(102,631,184)		(102,631,184)	0	(102,631,184)
ENERGY CONSERVATION CLAUSE	(10,263,479)	1,043,604	(11,307,083)		(0)		(11,307,083)	(1,999,017)	(13,306,100)
LOANS TO EMPLOYEES / RETIREES								(53,537)	(53,537)
INTEREST AND DIVIDENDS RECEIVABLE								(309,015)	(309,015)
FUNDED PROP RES & OTHER INVESTMENTS								(15,628,092)	(15,628,092)
FUEL RELATED DEFERRED DEBITS								(17,925,960)	(17,925,960)
FLAME RESISTANT CLOTHING								(337)	(337)
ACCRUED PROVISION FOR REFUND								152,530	152,530
SALE OF RAILCARS								10,668	10,668
TOTAL FPSC ADJUSTMENTS	(842,877,967)	(53,259,969)	(789,617,998)	0	(103,967,668)	0	(893,585,666)	(48,219,238)	(941,804,904)
FPSC ADJUSTED	2,411,933,809	1,098,495,904	1,313,437,905	5,462,015	54,353,127	0	1,373,253,047	202,637,427	1,575,890,474
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	2,411,933,809	1,098,495,904	1,313,437,905	5,462,015	54,353,127	0	1,373,253,047	202,637,427	1,575,890,474

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
July, 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	1,556,797,621	784,914,631	309,920,091	131,665,011	102,449,912	(45,844,189)	111,158,639	(1,429,894)	0	1,392,834,200	163,963,421 (a)
JURISDICTIONAL PER BOOKS	1,334,485,502	629,133,011	293,189,569	121,940,574	100,676,303	(14,829,018)	69,043,705	(1,070,651)	0	1,198,083,494	136,402,009 (a)
LESS FPSC ADJUSTMENTS											
ENVIRONMENTAL RECOVERY CLAUSE	(155,432,254)		(28,607,100)	(36,749,897)	(625,379)	(34,505,290)				(100,487,666)	(54,944,588)
GROSS RECEIPTS TAX REVENUE	(31,827,492)					(12,277,455)				(12,277,455)	(19,550,037)
MARKETING SUPPORT ACTIVITIES			(160,477)			61,904				(98,573)	98,573
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(5,772)			2,227				(3,545)	3,545
FRANCHISE FEE REVENUES	(41,016,259)					(15,822,022)				(15,822,022)	(25,194,237)
RETAIL FUEL REVENUES	(588,190,340)					(226,894,424)				(226,894,424)	(361,295,916)
ECCR and PPCC REVENUES	(54,677,518)					(21,091,853)				(21,091,853)	(33,585,665)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(890,547)			343,529				(547,018)	547,018
ECON DEV EXPENSE ALLOWED			846,019			(326,352)				519,667	(519,667)
LIAISON EXPENSES			(328,061)		(16,231)	132,811				(211,481)	211,481
CORP ADV & WHOLESALE EXPENSES		(102,247)	(21,104)			47,583				(75,768)	75,768
INDUSTRY ASSOCIATION DUES			(1,072)			414				(658)	658
RETAIL FUEL EXPENSES		(587,768,413)				226,731,665				(361,036,748)	361,036,748
ECCR AND PPCC EXPENSES		(41,262,351)	(9,224,074)	(291,125)	(297,076)	19,702,037				(31,372,588)	31,372,588
FRANCHISE FEE					(40,408,278)	15,587,493				(24,820,785)	24,820,785
GRT, FPSC FEES ON CLAUSES & FEES					(1,517,654)	585,435				(932,219)	932,219
GROSS RECEIPTS TAX ADJUST					(31,726,906)	12,238,654				(19,488,252)	19,488,252
INTEREST SYNCHRONIZATION						6,194,015				6,194,015	(6,194,015)
TOTAL FPSC ADJUSTMENTS	(871,143,864)	(629,133,011)	(38,391,296)	(37,041,022)	(74,591,524)	(29,286,294)	0	0	(9,537)	(808,452,684)	(62,691,180)
FPSC ADJUSTED	463,341,638	0	254,798,273	84,899,553	26,084,779	(44,115,312)	69,043,705	(1,070,651)	(9,537)	389,630,810	73,710,828
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	463,341,638	0	254,798,273	84,899,553	26,084,779	(44,115,312)	69,043,705	(1,070,651)	(9,537)	389,630,810	73,710,828
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,502,386			AND THE JURISDICTIONAL NOI BY	12,111,902			
CURRENT MO. SYSTEM PER BOOKS	164,474,871	89,690,147	23,739,312	10,977,872	9,851,597	4,020,846	5,638,723	(112,378)	0	143,806,119	20,668,752
CURRENT MO. JURIS PER BOOKS	134,069,069	65,219,672	22,606,209	10,088,753	9,664,974	3,931,264	4,618,009	(82,671)	0	116,046,210	18,022,859

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
July, 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	(41,016,259)	(15,822,022)
INVESTMENT	(300,809,581)	IIC FUEL REVENUES	(94,902,370)	(36,608,589)
ACCUMULATED DEPRECIATION	104,889,085	FUEL REVENUES	(644,309,729)	(248,542,478)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(811,816)	(313,158)
INVESTMENT	(10,263,479)	ECCR, PPCC, AND ECRC REVENUES	(210,342,478)	(81,139,611)
ACCUMULATED DEPRECIATION	(1,043,604)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,827,492)	(12,277,455)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	39,768	15,340
INVESTMENT	(860,822,085)	CORP ADVERTISING & WHOLESALE EXPENSES	(127,479)	49,175
ACCUMULATED DEPRECIATION	56,160,429	INDUSTRY ASSOCIATION DUES	(1,095)	422
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(784,873,986)	302,765,140
INTEREST BEARING CWIP	(105,939,987)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(57,785,077)	ECON DEVELOP EXPENSE- TOTAL	(890,547)	343,528
ECRC CWIP	(1,381,621)	ECON DEV EXPENSE - ALLOWED	846,019	(326,352)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,735,640)	CONSERVATION EXPENSES - O & M	(9,224,074)	3,558,186
		CONSERVATION EXPENSES - OTHER TAXES	(182,090)	70,241
		MARKETING SUPPORT ACTIVITIES	(160,477)	61,904
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(5,897)	2,275
ECRC WORKING CAPITAL	(12,886,784)	FRANCHISE FEE	(40,408,278)	15,587,493
LOANS TO EMPLOYEES AND RETIREES	(55,765)	GROSS RECEIPTS TAX EXPENSE	(31,726,906)	12,238,654
UNREALIZED LOSS ON FWD CONTRACT	(4,011)	LIAISON EXPENSE	(351,831)	135,719
CONSERVATION/AEM INVENTORY	(1,999,017)	ECRC/ECCR EXPENSES	(68,597,449)	26,461,466
INTEREST & DIVIDENDS RECEIVABLE	(321,875)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,598,290)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,517,654)	585,435
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	6,592,461	6,592,461
FUNDED PROP RES & OTHER INVESTMENTS	(15,306,272)			
FUEL RELATED DEFERRED DEBITS	(17,925,960)			
FLAME RESISTANT CLOTHING	(416)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	188,110			
FAS 143 WORKING CAPITAL	18,812,179			
FAS 158 REGULATORY ASSETS	(87,412,232)			
FAS 158 REGULATORY LIABILITIES	87,412,232			
PPA REGULATORY ASSETS	(62,059,098)			
PPA REGULATORY LIABILITIES	62,059,098			
FAS 133 REGULATORY ASSETS	(14,894,787)			
FAS 133 REGULATORY LIABILITIES	14,894,787			

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

	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	3,786,587,756	1,308,325,515	2,478,262,241	5,579,271	214,581,487	0	2,698,422,999	248,592,304	2,947,015,303
JURISDICTIONAL PER BOOKS	3,332,159,668	1,180,702,794	2,151,456,874	5,404,698	203,377,438	0	2,360,239,010	252,013,150	2,612,252,160
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(836,233,539)	(67,377,471)	(768,856,068)		(1,285,001)		(770,141,069)	(12,466,478)	(782,607,547)
ENERGY CONSERVATION CLAUSE					(159,012,121)		(159,012,121)	0	(159,012,121)
LOANS TO EMPLOYEES AND RETIREES	(10,234,909)	1,429,639	(11,664,548)				(11,664,548)	(1,999,017)	(13,663,565)
INTEREST AND DIVIDENDS RECEIVABLE								(53,537)	(53,537)
NOTES RECEIVABLE								(309,015)	(309,015)
FUNDED PROP RES & OTHER INVESTMENTS								0	0
FUEL RELATED DEFERRED DEBITS								(15,628,092)	(15,628,092)
FLAME RESISTANT CLOTHING								(17,925,960)	(17,925,960)
ACCRUED PROVISION FOR REFUND								(337)	(337)
SALE OF RAILCARS								152,530	152,530
								10,668	10,668
TOTAL FPSC ADJUSTMENTS	(846,468,448)	(65,947,832)	(780,520,616)	0	(160,297,122)	0	(940,817,738)	(48,219,238)	(989,036,976)
FPSC ADJUSTED	2,485,691,220	1,114,754,962	1,370,936,258	5,404,698	43,080,316	0	1,419,421,272	203,793,912	1,623,215,184
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	2,485,691,220	1,114,754,962	1,370,936,258	5,404,698	43,080,316	0	1,419,421,272	203,793,912	1,623,215,184

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
July, 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	1,556,797,621	784,914,631	309,920,091	131,665,011	102,449,912	(45,844,189)	111,158,639	(1,429,894)	0	1,392,834,200	163,963,421 (a)
JURISDICTIONAL PER BOOKS	1,334,485,502	629,133,011	293,189,569	121,940,574	100,676,303	(14,840,259)	69,059,132	(1,070,651)	0	1,198,087,680	136,397,823 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(155,432,254)		(28,607,100)	(36,749,897)	(625,379)	(34,505,290)				(100,487,666)	(54,944,588)
GROSS RECEIPTS TAX REVENUE	(31,827,492)					(12,277,455)				(12,277,455)	(19,550,037)
MARKETING SUPPORT ACTIVITIES			(160,477)			61,904				(98,573)	98,573
GAINLOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(5,772)			2,227				(3,545)	3,545
FRANCHISE FEE REVENUES	(41,016,259)					(15,822,022)				(15,822,022)	(25,194,237)
RETAIL FUEL REVENUES	(588,190,340)					(226,894,424)				(226,894,424)	(361,295,916)
ECCR & PPCC REVENUES	(54,677,518)					(21,091,853)				(21,091,853)	(33,585,665)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(890,547)			343,529				(547,018)	547,018
ECON DEV EXPENSE ALLOWED			846,019			(326,352)				519,667	(519,667)
LIAISON EXPENSES			(328,061)		(16,231)	132,811				(211,481)	211,481
CORP ADV & WHOLESALE EXPENSES		(102,247)	(21,104)			47,583				(75,768)	75,768
INDUSTRY ASSOCIATION DUES			(1,072)			414				(658)	658
RETAIL FUEL EXPENSES		(587,768,413)				226,731,665				(361,036,748)	361,036,748
ECCR AND PPCC EXPENSES		(41,262,351)	(9,224,074)	(291,125)	(297,076)	19,702,037				(31,372,588)	31,372,588
FRANCHISE FEE					(40,408,278)	15,587,493				(24,820,785)	24,820,785
GRT, FPSC FEES ON CLAUSES & FFEEES					(1,517,654)	585,435				(932,219)	932,219
GROSS RECEIPTS TAX ADJUST					(31,726,906)	12,238,654				(19,488,252)	19,488,252
INTEREST SYNCHRONIZATION						5,167,499				5,167,499	(5,167,499)
TOTAL FPSC ADJUSTMENTS	(871,143,864)	(629,133,011)	(38,391,296)	(37,041,022)	(74,591,524)	(30,312,810)	0	0	(9,537)	(809,479,200)	(61,664,664)
FPSC ADJUSTED	463,341,638	0	254,798,273	84,899,553	26,084,779	(45,153,069)	69,059,132	(1,070,651)	(9,537)	388,608,480	74,733,158
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	463,341,638	0	254,798,273	84,899,553	26,084,779	(45,153,069)	69,059,132	(1,070,651)	(9,537)	388,608,480	74,733,158

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 12,502,386 AND THE JURISDICTIONAL NOI BY 12,111,902

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
July, 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	(41,016,259)	(15,822,022)
INVESTMENT	(363,329,708)	IIC FUEL REVENUES	(94,902,370)	(36,608,589)
ACCUMULATED DEPRECIATION	107,410,681	FUEL REVENUES	(644,309,729)	(248,542,478)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(811,816)	(313,158)
INVESTMENT	(10,234,909)	ECCR, PPCC, AND ECRC REVENUES	(210,342,478)	(81,139,611)
ACCUMULATED DEPRECIATION	(1,429,639)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,827,492)	(12,277,455)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	39,768	15,340
INVESTMENT	(862,124,481)	CORP ADVERTISING & WHOLESALE EXPENSES	(127,479)	49,175
ACCUMULATED DEPRECIATION	69,496,386	INDUSTRY ASSOCIATION DUES	(1,095)	422
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(784,873,986)	302,765,140
INTEREST BEARING CWIP	(164,138,631)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(4,649,257)	ECON DEVELOP EXPENSE- TOTAL	(890,547)	343,528
ECRC CWIP	(1,324,385)	ECON DEV EXPENSE - ALLOWED	846,019	(326,352)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,703,328)	CONSERVATION EXPENSES - O & M	(9,224,074)	3,558,186
		CONSERVATION EXPENSES - OTHER TAXES	(182,090)	70,241
		MARKETING SUPPORT ACTIVITIES	(160,477)	61,904
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(5,897)	2,275
ECRC WORKING CAPITAL	(12,886,784)	FRANCHISE FEE	(40,408,276)	15,587,493
LOANS TO EMPLOYEES AND RETIREES	(55,765)	GROSS RECEIPTS TAX EXPENSE	(31,726,906)	12,238,654
UNREALIZED LOSS ON FWD CONTRACT	(4,011)	LIAISON EXPENSE	(351,831)	135,719
CONSERVATION/AEM INVENTORY	(1,999,017)	ECRC/ECCR EXPENSES	(68,597,449)	26,461,466
INTEREST & DIVIDENDS RECEIVABLE	(321,875)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(6,897,476)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,517,654)	585,435
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	5,262,252	5,262,252
FUNDED PROP RES & OTHER INVESTMENTS	(15,306,272)			
FUEL RELATED DEFERRED DEBITS	(17,925,960)			
FLAME RESISTANT CLOTHING	(416)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	188,110			
FAS 143 WORKING CAPITAL	18,812,179			
FAS 158 REGULATORY ASSETS	(87,412,232)			
FAS 158 REGULATORY LIABILITIES	87,412,232			
PPA REGULATORY ASSETS	(62,059,098)			
PPA REGULATORY LIABILITIES	62,059,098			
FAS 133 REGULATORY ASSETS	(14,894,787)			
FAS 133 REGULATORY LIABILITIES	14,894,787			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
July, 2011

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)								
LONG TERM DEBT	1,203,883,384	1,063,986,604	(398,009,946)	0	665,976,658	42.26	4.70	1.99	4.70	1.99	4.70	1.99	4.70	1.99	
SHORT TERM DEBT	56,939,301	32,755,167	(12,252,863)	0	20,502,304	1.30	0.31	0.00	0.31	0.00	0.31	0.00	0.31	0.00	
PREFERRED STOCK	97,998,345	86,610,860	(32,398,889)	0	54,211,971	3.44	6.33	0.22	6.33	0.22	6.33	0.22	6.33	0.22	
CUSTOMER DEPOSITS	35,693,314	35,916,873	(13,435,576)	0	22,481,297	1.43	6.24	0.09	6.24	0.09	6.24	0.09	6.24	0.09	
COMMON EQUITY	1,090,345,366	968,131,251	(362,152,931)	0	605,978,320	38.45	10.75	4.13	12.00	4.61	12.75	4.90	12.75	4.90	
DEFERRED INCOME TAXES	383,152,019	356,131,263	(133,219,520)	0	222,911,743	14.15									
FASB 109 DEFERRED TAXES	(34,665,620)	(32,220,921)	12,053,016	0	(20,167,905)	(1.28)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	8,013,763	6,384,281	(2,388,195)	0	3,996,086	0.25	7.53	0.02	8.10	0.02	8.45	0.02	8.45	0.02	
TOTAL	2,841,359,872	2,517,695,378	(941,804,904)	0	1,575,890,474	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 RATEWEIGHTED COST (%)								
LONG TERM DEBT	1,206,870,480	1,070,998,054	(405,495,569)	0	665,502,485	41.00	5.11	2.09	5.11	2.09	5.11	2.09	5.11	2.09	
SHORT TERM DEBT	74,173,443	48,165,461	(18,236,150)	0	29,929,311	1.84	0.23	0.00	0.23	0.00	0.23	0.00	0.23	0.00	
PREFERRED STOCK	97,998,345	86,965,453	(32,926,396)	0	54,039,057	3.33	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	36,024,075	36,416,593	(13,787,856)	0	22,628,737	1.39	6.08	0.08	6.08	0.08	6.08	0.08	6.08	0.08	
COMMON EQUITY	1,107,631,813	995,499,789	(376,910,819)	0	618,588,970	38.11	10.75	4.10	12.00	4.57	12.75	4.86	12.75	4.86	
DEFERRED INCOME TAXES	432,938,413	406,515,854	(153,912,864)	0	252,602,990	15.56									
FASB 109 DEFERRED TAXES	(40,685,678)	(38,202,601)	14,464,065	0	(23,738,536)	(1.46)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,321,972	5,893,557	(2,231,387)	0	3,662,170	0.23	7.76	0.02	8.34	0.02	8.69	0.02	8.69	0.02	
TOTAL	2,922,272,862	2,612,252,160	(989,036,976)	0	1,623,215,184	100.00 %		6.51 %		6.99 %		7.27 %			

GULF POWER COMPANY
Financial Integrity Indicators
July, 2011

A. Times Interest Earned with AFUDC

Earnings Before Interest	171,254,628
AFUDC - Debt	3,562,746
Income Taxes	63,992,823
	<hr/>
Total	238,810,196
Interest Charges (Before Deducting AFUDC - Debt)	59,641,660
	<hr/>
T.I.E. With AFUDC	4.00 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	171,254,628
AFUDC - Other	(8,939,640)
Income Taxes	63,992,823
	<hr/>
Total	226,307,810
Interest Charges (Before Deducting AFUDC - Debt)	59,641,660
	<hr/>
T.I.E. Without AFUDC	3.79 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,562,746
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,188,417
AFUDC - Other	8,939,640
	<hr/>
Total	11,128,057
	<hr/>
Net Income Available for Common Stockholders	108,973,213
Percent AFUDC to Available Net Income	10.21%

D. Percent Internally Generated Funds

Net Income	115,175,713
Preferred Dividends	(6,202,500)
Common Dividends	(108,575,000)
AFUDC (Debt & Other)	(12,502,386)
Depreciation & Amortization	139,967,069
Deferred Income Taxes	111,157,228
Investment Tax Credits	0
Other	6,102,330
	<hr/>
Total	245,122,454
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	351,909,536
	<hr/>
Percent Internally Generated Funds	69.65%

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	665,976,658
Short Term Debt	20,502,304
Preferred Stock	54,211,971
Common Equity	605,978,320
	<hr/>
Total	1,346,669,253
	<hr/>
% Long Term Debt To Total	49.45%
	<hr/>
% Short Term Debt To Total	1.52%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.68%	4.68%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.99)	(1.99)
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	(2.32)	(2.32)
	<hr/>	<hr/>
Total	2.36	2.36
Divided by Common Equity Ratio	38.45	38.45
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.14%	6.14%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
June	2011	291,667
July	2011	291,667
12 - M-T-D		<u>3,500,000</u>