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October 13, 2011

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

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

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

Sincerely,

*Susan D. Ritenour*

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

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Mr. John Slemkewicz  
Division of Economic Regulation  
Florida Public Service Commission  
October 13, 2011  
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bc/enc.: J. Mason  
W. Buck  
C. Erickson  
R. Livingston  
R. McMillan  
S. Teel  
S. Ritenour  
B. Terry

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
August, 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	148,747,230	(74,999,751)	73,747,480	0	73,747,480
Average Rate Base	2,530,607,696	(949,919,005)	1,580,688,692	0	1,580,688,692
Average Rate of Return	5.88%		4.67%		4.67%
<u>II. Year End Rate of Return (Jurisdictional)</u>					
	(a)	(b)			
Net Operating Income	148,731,724	(73,955,254)	74,776,471	0	74,776,471
Year End Rate Base	2,626,222,461	(1,005,845,489)	1,620,376,972	0	1,620,376,972
Year End Rate of Return	5.66%		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	6.46%
Midpoint	6.94%
High	7.23%

IV. Financial Integrity Indicators

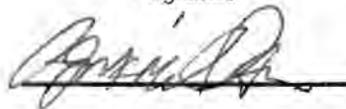
A. Tie With AFUDC	3.99 x (System per Books Basis)
B. Tie Without AFUDC	3.78 x (System per Books Basis)
C. AFUDC To Net Income	10.30% (System per Books Basis)
D. Internally Generated Funds	79.54% (System per Books Basis)
E. LTD To Total Investor Funds	49.52% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.36% (FPSC Adjusted Basis)
G. Return on Common Equity	6.09% (FPSC Adjusted Basis)
H. Return on Common Equity	6.09% (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  
Richard J. McMillan  
Corporate Planning Manager

Signature



Date

10/13/11

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

SCHEDULE 2  
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	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
<b>SYSTEM PER BOOKS</b>	3,667,327,929	1,282,846,927	2,384,481,002	5,631,865	223,752,804	0	2,613,865,671	247,835,890	2,861,701,561
<b>JURISDICTIONAL PER BOOKS</b>	3,265,255,521	1,157,673,275	2,107,582,246	5,455,647	167,320,421	0	2,280,358,314	250,249,382	2,530,607,696
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(834,195,047)	(56,698,096)	(777,496,951)		(1,415,586)		(778,912,537)	(12,047,351)	(790,959,888)
INT BEARING CWIP					(111,396,177)		(111,396,177)	0	(111,396,177)
ENERGY CONSERVATION CLAUSE	(10,233,703)	1,113,010	(11,346,713)		(0)		(11,346,713)	(1,994,033)	(13,340,746)
LOANS TO EMPLOYEES / RETIREES								(53,222)	(53,222)
INTEREST AND DIVIDENDS RECEIVABLE								(309,651)	(309,651)
FUNDED PROP RES & OTHER INVESTMENTS								(16,291,882)	(16,291,882)
FUEL RELATED DEFERRED DEBITS								(17,732,245)	(17,732,245)
FLAME RESISTANT CLOTHING								(288)	(288)
ACCRUED PROVISION FOR REFUND								157,451	157,451
SALE OF RAILCARS								7,643	7,643
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(844,428,750)</b>	<b>(55,585,086)</b>	<b>(788,843,664)</b>	<b>0</b>	<b>(112,811,763)</b>	<b>0</b>	<b>(901,655,427)</b>	<b>(48,263,578)</b>	<b>(949,919,005)</b>
<b>FPSC ADJUSTED</b>	<b>2,420,826,771</b>	<b>1,102,088,189</b>	<b>1,318,738,582</b>	<b>5,455,647</b>	<b>54,508,658</b>	<b>0</b>	<b>1,378,702,887</b>	<b>201,985,805</b>	<b>1,580,688,692</b>
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,420,826,771</b>	<b>1,102,088,189</b>	<b>1,318,738,582</b>	<b>5,455,647</b>	<b>54,508,658</b>	<b>0</b>	<b>1,378,702,887</b>	<b>201,985,805</b>	<b>1,580,688,692</b>

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

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	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	1,548,425,161	775,151,874	313,542,086	128,243,585	102,294,543	(45,908,931)	111,636,090	(1,413,622)	0	1,383,545,624	164,879,538 (a)
JURISDICTIONAL PER BOOKS	1,327,346,734	621,855,943	296,862,358	118,582,348	100,517,716	(13,874,197)	67,978,962	(1,054,820)	0	1,190,868,310	136,478,424 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(150,536,289)		(27,374,442)	(33,226,251)	(632,113)	(34,448,819)				(95,681,625)	(54,854,664)
GROSS RECEIPTS TAX REVENUE	(31,712,849)					(12,233,232)				(12,233,232)	(19,479,617)
MARKETING SUPPORT ACTIVITIES			(176,452)			68,066				(108,386)	108,386
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(5,702)			2,200				(3,502)	3,502
FRANCHISE FEE REVENUES	(41,062,909)					(15,840,017)				(15,840,017)	(25,222,892)
RETAIL FUEL REVENUES	(582,506,011)					(224,701,694)				(224,701,694)	(357,804,317)
ECCR and PPCC REVENUES	(53,746,397)					(20,732,673)				(20,732,673)	(33,013,724)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(954,095)			368,042				(586,053)	586,053
ECON DEV EXPENSE ALLOWED			906,391			(349,640)				556,751	(556,751)
LIAISON EXPENSES			(333,392)		(16,199)	134,855				(214,736)	214,736
CORP ADV & WHOLESALE EXPENSES		(88,527)	(21,104)			42,290				(67,341)	67,341
INDUSTRY ASSOCIATION DUES			(1,057)			408				(649)	649
RETAIL FUEL EXPENSES		(582,083,280)				224,538,625				(357,544,655)	357,544,655
ECCR AND PPCC EXPENSES		(39,684,136)	(9,855,160)	(290,200)	(299,300)	19,337,183				(30,791,612)	30,791,612
FRANCHISE FEE					(40,408,278)	15,587,493				(24,820,785)	24,820,785
GRT, FPSC FEES ON CLAUSES & FEES					(1,519,534)	586,160				(933,374)	933,374
GROSS RECEIPTS TAX ADJUST					(31,598,366)	12,189,070				(19,409,296)	19,409,296
INTEREST SYNCHRONIZATION						6,284,681				6,284,681	(6,284,681)
TOTAL FPSC ADJUSTMENTS	(859,564,455)	(621,855,943)	(37,814,122)	(33,516,451)	(74,473,790)	(29,163,667)	0	0	(9,537)	(796,833,510)	(62,730,945)
FPSC ADJUSTED	467,782,280	0	259,048,236	85,065,897	26,043,926	(43,037,864)	67,978,962	(1,054,820)	(9,537)	394,034,800	73,747,480
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,782,280	0	259,048,236	85,065,897	26,043,926	(43,037,864)	67,978,962	(1,054,820)	(9,537)	394,034,800	73,747,480
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,664,350			12,268,806				
CURRENT MO. SYSTEM PER BOOKS	169,395,860	90,959,849	26,768,130	11,013,023	9,914,340	5,364,739	4,496,651	(112,378)	0	148,404,354	20,991,506
CURRENT MO. JURIS PER BOOKS	136,359,854	64,017,933	25,406,241	10,111,753	9,723,771	5,058,442	3,728,900	(82,647)	0	117,964,393	18,395,461

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

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<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	(41,062,909)	(15,840,017)
INVESTMENT	(309,996,443)	IIC FUEL REVENUES	(92,771,541)	(35,786,622)
ACCUMULATED DEPRECIATION	105,284,333	FUEL REVENUES	(638,369,542)	(246,251,051)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(644,198)	(248,499)
INVESTMENT	(10,233,703)	ECCR, PPCC, AND ECRC REVENUES	(204,505,713)	(78,888,079)
ACCUMULATED DEPRECIATION	(1,113,010)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,712,849)	(12,233,232)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	38,370	14,801
INVESTMENT	(862,450,535)	CORP ADVERTISING & WHOLESALE EXPENSES	(113,266)	43,693
ACCUMULATED DEPRECIATION	58,635,069	INDUSTRY ASSOCIATION DUES	(1,080)	417
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(775,113,224)	298,999,926
INTEREST BEARING CWIP	(114,987,562)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(51,035,861)	ECON DEVELOP EXPENSE- TOTAL	(954,095)	368,042
ECRC CWIP	(1,463,378)	ECON DEV EXPENSE - ALLOWED	906,391	(349,640)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,728,314)	CONSERVATION EXPENSES - O & M	(9,855,160)	3,801,628
		CONSERVATION EXPENSES - OTHER TAXES	(183,841)	70,917
		MARKETING SUPPORT ACTIVITIES	(176,452)	68,066
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(5,826)	2,247
ECRC WORKING CAPITAL	(12,453,459)	FRANCHISE FEE	(40,408,278)	15,587,493
LOANS TO EMPLOYEES AND RETIREES	(55,437)	GROSS RECEIPTS TAX EXPENSE	(31,598,366)	12,189,070
UNREALIZED LOSS ON FWD CONTRACT	(3,771)	LIAISON EXPENSE	(357,246)	137,807
CONSERVATION/AEM INVENTORY	(1,994,033)	ECRC/ECCR EXPENSES	(63,683,405)	24,565,874
INTEREST & DIVIDENDS RECEIVABLE	(322,538)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,612,584)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,519,535)	586,161
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	6,680,532	6,680,532
FUNDED PROP RES & OTHER INVESTMENTS	(15,970,062)			
FUEL RELATED DEFERRED DEBITS	(17,732,245)			
FLAME RESISTANT CLOTHING	(355)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	194,180			
FAS 143 WORKING CAPITAL	18,869,339			
FAS 158 REGULATORY ASSETS	(86,169,769)			
FAS 158 REGULATORY LIABILITIES	86,169,769			
PPA REGULATORY ASSETS	(65,848,571)			
PPA REGULATORY LIABILITIES	65,848,571			
FAS 133 REGULATORY ASSETS	(14,763,230)			
FAS 133 REGULATORY LIABILITIES	14,763,230			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
August, 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	3,794,081,357	1,312,997,337	2,481,084,020	5,579,271	229,105,409	0	2,715,768,700	247,835,890	2,963,604,590
JURISDICTIONAL PER BOOKS	3,337,705,835	1,185,125,235	2,152,580,600	5,404,698	217,416,932	0	2,375,402,230	250,820,231	2,626,222,461
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(841,824,556)	(68,853,733)	(772,970,823)		(1,430,533)		(774,401,356)	(12,047,351)	(786,448,707)
ENERGY CONSERVATION CLAUSE					(171,391,435)		(171,391,435)	0	(171,391,435)
LOANS TO EMPLOYEES AND RETIREES	(10,249,836)	1,539,284	(11,789,120)				(11,789,120)	(1,994,033)	(13,783,153)
INTEREST AND DIVIDENDS RECEIVABLE								(53,222)	(53,222)
NOTES RECEIVABLE								(309,651)	(309,651)
FUNDED PROP RES & OTHER INVESTMENTS								0	0
FUEL RELATED DEFERRED DEBITS								(16,291,882)	(16,291,882)
FLAME RESISTANT CLOTHING								(17,732,245)	(17,732,245)
ACCRUED PROVISION FOR REFUND								(288)	(288)
SALE OF RAILCARS								157,451	157,451
								7,643	7,643
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(852,074,392)</b>	<b>(67,314,449)</b>	<b>(784,759,943)</b>	<b>0</b>	<b>(172,821,968)</b>	<b>0</b>	<b>(957,581,911)</b>	<b>(48,263,578)</b>	<b>(1,005,845,489)</b>
<b>FPSC ADJUSTED</b>	<b>2,485,631,443</b>	<b>1,117,810,786</b>	<b>1,367,820,657</b>	<b>5,404,698</b>	<b>44,594,964</b>	<b>0</b>	<b>1,417,820,319</b>	<b>202,556,653</b>	<b>1,620,376,972</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUSTMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,485,631,443</b>	<b>1,117,810,786</b>	<b>1,367,820,657</b>	<b>5,404,698</b>	<b>44,594,964</b>	<b>0</b>	<b>1,417,820,319</b>	<b>202,556,653</b>	<b>1,620,376,972</b>

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

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	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	1,548,425,161	775,151,874	313,542,086	128,243,585	102,294,543	(45,908,931)	111,636,090	(1,413,622)	0	1,383,545,624	164,879,538 (a)
JURISDICTIONAL PER BOOKS	1,327,346,734	621,855,943	296,862,358	118,582,348	100,517,716	(13,915,190)	68,035,461	(1,054,820)	0	1,190,883,816	136,462,918 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(150,536,289)		(27,374,442)	(33,226,251)	(632,113)	(34,448,819)				(95,681,625)	(54,854,664)
GROSS RECEIPTS TAX REVENUE	(31,712,849)					(12,233,232)				(12,233,232)	(19,479,617)
MARKETING SUPPORT ACTIVITIES			(176,452)			68,066				(108,386)	108,386
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(5,702)			2,200				(3,502)	3,502
FRANCHISE FEE REVENUES	(41,062,909)					(15,840,017)				(15,840,017)	(25,222,892)
RETAIL FUEL REVENUES	(582,506,011)					(224,701,694)				(224,701,694)	(357,804,317)
ECCR & PPCC REVENUES	(53,746,397)					(20,732,673)				(20,732,673)	(33,013,724)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(954,095)			368,042				(586,053)	586,053
ECON DEV EXPENSE ALLOWED			906,391			(349,640)				556,751	(556,751)
LIAISON EXPENSES			(333,392)		(16,199)	134,855				(214,736)	214,736
CORP ADV & WHOLESALE EXPENSES		(88,527)	(21,104)			42,290				(67,341)	67,341
INDUSTRY ASSOCIATION DUES			(1,057)			408				(649)	649
RETAIL FUEL EXPENSES		(582,083,280)				224,538,625				(357,544,655)	357,544,655
ECCR AND PPCC EXPENSES		(39,684,136)	(9,855,160)	(290,200)	(299,300)	19,337,183				(30,791,612)	30,791,612
FRANCHISE FEE					(40,408,278)	15,587,493				(24,820,785)	24,820,785
GRT, FPSC FEES ON CLAUSES & FFEES					(1,519,534)	586,160				(933,374)	933,374
GROSS RECEIPTS TAX ADJUST					(31,598,366)	12,189,070				(19,409,296)	19,409,296
INTEREST SYNCHRONIZATION						5,240,184				5,240,184	(5,240,184)
TOTAL FPSC ADJUSTMENTS	(859,564,455)	(621,855,943)	(37,814,122)	(33,516,451)	(74,473,790)	(30,208,164)	0	0	(9,537)	(797,878,007)	(61,686,448)
FPSC ADJUSTED	467,782,280	0	259,048,236	85,065,897	26,043,926	(44,123,354)	68,035,461	(1,054,820)	(9,537)	393,005,809	74,776,471
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,782,280	0	259,048,236	85,065,897	26,043,926	(44,123,354)	68,035,461	(1,054,820)	(9,537)	393,005,809	74,776,471

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 12,864,350 AND THE JURISDICTIONAL NOI BY 12,268,806

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

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<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	(41,062,909)	(15,840,017)
INVESTMENT	(364,493,006)	IIC FUEL REVENUES	(92,771,541)	(35,786,622)
ACCUMULATED DEPRECIATION	108,007,851	FUEL REVENUES	(638,369,542)	(246,251,051)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(644,198)	(248,499)
INVESTMENT	(10,249,836)	ECCR, PPCC, AND ECRC REVENUES	(204,505,713)	(78,888,079)
ACCUMULATED DEPRECIATION	(1,539,284)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,712,849)	(12,233,232)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	38,370	14,801
INVESTMENT	(869,062,443)	CORP ADVERTISING & WHOLESALE EXPENSES	(113,266)	43,693
ACCUMULATED DEPRECIATION	71,101,913	INDUSTRY ASSOCIATION DUES	(1,080)	417
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(775,113,224)	298,999,926
INTEREST BEARING CWIP	(176,917,051)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(4,679,174)	ECON DEVELOP EXPENSE- TOTAL	(954,095)	368,042
ECRC CWIP	(1,476,490)	ECON DEV EXPENSE - ALLOWED	906,391	(349,640)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,698,201)	CONSERVATION EXPENSES - O & M	(9,855,160)	3,801,628
		CONSERVATION EXPENSES - OTHER TAXES	(183,841)	70,917
		MARKETING SUPPORT ACTIVITIES	(176,452)	68,066
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(5,826)	2,247
ECRC WORKING CAPITAL	(12,453,459)	FRANCHISE FEE	(40,408,278)	15,587,493
LOANS TO EMPLOYEES AND RETIREES	(55,437)	GROSS RECEIPTS TAX EXPENSE	(31,598,366)	12,189,070
UNREALIZED LOSS ON FWD CONTRACT	(3,771)	LIAISON EXPENSE	(357,246)	137,807
CONSERVATION/AEM INVENTORY	(1,994,033)	ECRC/ECCR EXPENSES	(63,683,405)	24,565,874
INTEREST & DIVIDENDS RECEIVABLE	(322,538)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(6,565,195)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,519,535)	586,161
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	5,336,064	5,336,064
FUNDED PROP RES & OTHER INVESTMENTS	(15,970,062)			
FUEL RELATED DEFERRED DEBITS	(17,732,245)			
FLAME RESISTANT CLOTHING	(355)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	194,180			
FAS 143 WORKING CAPITAL	18,869,339			
FAS 158 REGULATORY ASSETS	(86,169,769)			
FAS 158 REGULATORY LIABILITIES	86,169,769			
PPA REGULATORY ASSETS	(65,848,571)			
PPA REGULATORY LIABILITIES	65,848,571			
FAS 133 REGULATORY ASSETS	(14,763,230)			
FAS 133 REGULATORY LIABILITIES	14,763,230			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
August, 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	1,208,707,305	1,067,547,547	(400,727,345)	0	666,820,202	42.19	4.73	2.00	4.73	2.00	4.73	2.00
SHORT TERM DEBT	52,877,272	29,312,493	(11,003,086)	0	18,309,407	1.16	0.31	0.00	0.31	0.00	0.31	0.00
PREFERRED STOCK	97,998,345	86,551,568	(32,489,026)	0	54,062,542	3.42	6.33	0.22	6.33	0.22	6.33	0.22
CUSTOMER DEPOSITS	35,781,630	36,001,683	(13,514,020)	0	22,487,663	1.42	6.26	0.09	6.26	0.09	6.26	0.09
COMMON EQUITY	1,095,739,381	972,378,163	(365,003,433)	0	607,374,730	38.42	10.75	4.13	12.00	4.61	12.75	4.90
DEFERRED INCOME TAXES	392,968,804	365,592,451	(137,233,131)	0	228,359,320	14.45						
FASB 109 DEFERRED TAXES	(35,547,171)	(33,070,760)	12,413,834	0	(20,656,926)	(1.31)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	7,895,126	6,294,552	(2,362,798)	0	3,931,754	0.25	7.55	0.02	8.12	0.02	8.46	0.02
<b>TOTAL</b>	<b>2,856,420,692</b>	<b>2,530,607,696</b>	<b>(949,919,005)</b>	<b>0</b>	<b>1,580,688,692</b>	<b>100.00 %</b>		<b>6.46 %</b>		<b>6.94 %</b>		<b>7.23 %</b>

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	1,207,106,089	1,084,243,954	(415,266,378)	0	668,977,576	41.29	5.11	2.11	5.11	2.11	5.11	2.11
SHORT TERM DEBT	31,975,013	11,021,087	(4,221,086)	0	6,800,001	0.42	0.42	0.00	0.42	0.00	0.42	0.00
PREFERRED STOCK	97,998,345	88,023,841	(33,713,208)	0	54,310,633	3.35	6.33	0.21	6.33	0.21	6.33	0.21
CUSTOMER DEPOSITS	36,036,215	36,934,579	(14,145,976)	0	22,788,603	1.41	6.52	0.09	6.52	0.09	6.52	0.09
COMMON EQUITY	1,124,361,771	1,022,631,313	(391,668,683)	0	630,962,630	38.94	10.75	4.19	12.00	4.67	12.75	4.96
DEFERRED INCOME TAXES	437,968,259	416,697,645	(159,595,561)	0	257,102,084	15.86						
FASB 109 DEFERRED TAXES	(41,219,278)	(39,217,399)	15,020,298	0	(24,197,101)	(1.49)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	7,209,594	5,887,441	(2,254,895)	0	3,632,546	0.22	7.79	0.02	8.37	0.02	8.72	0.02
<b>TOTAL</b>	<b>2,901,436,008</b>	<b>2,626,222,461</b>	<b>(1,005,845,489)</b>	<b>0</b>	<b>1,620,376,972</b>	<b>100.00 %</b>		<b>6.62 %</b>		<b>7.11 %</b>		<b>7.40 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
August, 2011

## A. Times Interest Earned with AFUDC

Earnings Before Interest	172,265,567
AFUDC - Debt	3,608,900
Income Taxes	64,393,580
	<hr/>
Total	240,268,048
Interest Charges (Before Deducting AFUDC - Debt)	60,272,061
	<hr/>
T.I.E. With AFUDC	3.99 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	172,265,567
AFUDC - Other	(9,055,449)
Income Taxes	64,393,580
	<hr/>
Total	227,603,698
Interest Charges (Before Deducting AFUDC - Debt)	60,272,061
	<hr/>
T.I.E. Without AFUDC	3.78 x

## C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,608,900
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,216,767
AFUDC - Other	9,055,449
	<hr/>
Total	11,272,216
	<hr/>
Net Income Available for Common Stockholders	109,399,907
	<hr/>
Percent AFUDC to Available Net Income	10.30%

## D. Percent Internally Generated Funds

Net Income	115,602,407
Preferred Dividends	(6,202,500)
Common Dividends	(108,575,000)
AFUDC (Debt & Other)	(12,664,350)
Depreciation & Amortization	136,461,664
Deferred Income Taxes	111,630,708
Investment Tax Credits	0
Other	51,504,600
	<hr/>
Total	287,757,530
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	361,790,574
	<hr/>
Percent Internally Generated Funds	79.54%

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	666,820,202
Short Term Debt	18,309,407
Preferred Stock	54,062,542
Common Equity	607,374,730
	<hr/>
Total	1,346,566,881
	<hr/>
% Long Term Debt To Total	49.52%
	<hr/>
% Short Term Debt To Total	1.36%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.67%	4.67%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.00)	(2.00)
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	(2.33)	(2.33)
	<hr/>	<hr/>
Total	2.34	2.34
Divided by Common Equity Ratio	38.42	38.42
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.09%	6.09%

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

Supplemental 1

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