

Terry A. Davis
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March 12, 2012

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

12 MAR 13 PM 1:52
ECONOMIC REGULATION
TERRILL

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of January 2012.

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

12 MAR 13 11:49

GULF POWER COMPANY
Earnings Surveillance Report Summary
January, 2012

	(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	143,509,412	(76,747,887)	66,761,525	0	66,761,525
Average Rate Base	2,597,862,808	(990,806,034)	1,607,056,774	0	1,607,056,774
Average Rate of Return	5.52%		4.15%		4.15%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	143,503,697	(76,187,941)	67,315,756	0	67,315,756
Year End Rate Base	2,697,477,983	(1,036,693,698)	1,660,784,285	0	1,660,784,285
Year End Rate of Return	5.32%		4.05%		4.05%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.44%
Midpoint	6.91%
High	7.20%

IV. Financial Integrity Indicators

A. Tie With AFUDC	3.79 x (System per Books Basis)
B. Tie Without AFUDC	3.56 x (System per Books Basis)
C. AFUDC To Net Income	11.95% (System per Books Basis)
D. Internally Generated Funds	73.26% (System per Books Basis)
E. LTD To Total Investor Funds	48.85% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.97% (FPSC Adjusted Basis)
G. Return on Common Equity	4.75% (FPSC Adjusted Basis)
H. Return on Common Equity	4.75% (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		3/8/12

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
January, 2012

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	3,765,509,862	1,311,266,673	2,454,243,189	5,556,140	241,658,194	0	2,701,457,523	234,748,873	2,936,206,396
JURISDICTIONAL PER BOOKS	3,319,491,013	1,183,576,263	2,135,914,750	5,382,291	219,580,799	0	2,360,877,840	236,984,968	2,597,862,808
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(836,872,485)	(67,665,437)	(769,207,048)		(3,384,429)		(772,591,477)	(10,648,515)	(783,239,992)
INT BEARING CWIP					(160,992,109)		(160,992,109)	0	(160,992,109)
ENERGY CONSERVATION CLAUSE	(10,216,445)	1,519,987	(11,736,432)		(0)		(11,736,432)	(1,940,200)	(13,676,632)
LOANS TO EMPLOYEES / RETIREES								(47,869)	(47,869)
INTEREST AND DIVIDENDS RECEIVABLE								(295,227)	(295,227)
FUNDED PROP RES & OTHER INVESTMENTS								(19,579,968)	(19,579,968)
FUEL RELATED DEFERRED DEBITS								(13,229,220)	(13,229,220)
FLAME RESISTANT CLOTHING								(33)	(33)
ACCRUED PROVISION FOR REFUND								255,016	255,016
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(847,088,930)	(66,145,450)	(780,943,480)	0	(164,376,538)	0	(945,320,018)	(45,486,016)	(990,806,034)
FPSC ADJUSTED	2,472,402,083	1,117,430,813	1,354,971,270	5,382,291	55,204,261	0	1,415,557,822	191,498,952	1,607,056,774
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	2,472,402,083	1,117,430,813	1,354,971,270	5,382,291	55,204,261	0	1,415,557,822	191,498,952	1,607,056,774

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
January, 2012

SCHEDULE 2
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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	1,508,798,076	733,279,209	317,565,935	131,503,089	100,769,962	(30,239,856)	94,486,836	(1,328,561)	0	1,346,036,614	162,761,462 (a)
JURISDICTIONAL PER BOOKS	1,259,279,931	557,528,638	302,155,660	120,910,085	99,970,570	2,148,987	47,868,923	(972,298)	0	1,129,610,564	129,669,366 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(146,406,380)		(23,654,956)	(33,381,052)	(824,812)	(34,156,450)				(92,017,270)	(54,389,110)
GROSS RECEIPTS TAX REVENUE	(30,733,127)					(11,855,304)				(11,855,304)	(18,877,823)
MARKETING SUPPORT ACTIVITIES			(154,299)			59,521				(94,778)	94,778
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(74,121)			28,592				(45,529)	45,529
FRANCHISE FEE REVENUES	(40,187,594)					(15,502,364)				(15,502,364)	(24,685,230)
RETAIL FUEL REVENUES	(518,920,541)					(200,173,599)				(200,173,599)	(318,746,942)
ECCR and PPCC REVENUES	(57,239,281)					(22,080,053)				(22,080,053)	(35,159,228)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(907,140)			349,929				(557,211)	557,211
ECON DEV EXPENSE ALLOWED			861,783			(332,433)				529,350	(529,350)
LIAISON EXPENSES			(289,217)		(13,224)	116,667				(185,774)	185,774
CORP ADV & WHOLESALE EXPENSES		2,893	(21,149)			7,042				(11,214)	11,214
INDUSTRY ASSOCIATION DUES			(461)			178				(283)	283
RETAIL FUEL EXPENSES		(518,521,740)				200,019,761				(318,501,979)	318,501,979
ECCR AND PPCC EXPENSES		(39,009,790)	(13,926,322)	(289,490)	(327,135)	20,657,969				(32,894,769)	32,894,769
FRANCHISE FEE					(39,175,147)	15,111,813				(24,063,334)	24,063,334
GRT, FPSC FEES ON CLAUSES & FEES					(1,470,974)	567,428				(903,546)	903,546
GROSS RECEIPTS TAX ADJUST					(30,514,733)	11,771,058				(18,743,675)	18,743,675
INTEREST SYNCHRONIZATION						6,527,562				6,527,562	(6,527,562)
TOTAL FPSC ADJUSTMENTS	(793,486,923)	(557,528,638)	(38,164,992)	(33,670,542)	(72,326,026)	(28,879,348)	0	0	(9,537)	(730,579,082)	(62,907,841)
FPSC ADJUSTED	465,793,007	0	263,990,668	87,239,543	27,644,544	(26,730,361)	47,868,923	(972,298)	(9,537)	399,031,482	66,761,525
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	465,793,007	0	263,990,668	87,239,543	27,644,544	(26,730,361)	47,868,923	(972,298)	(9,537)	399,031,482	66,761,525
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				14,286,246			13,840,046				
CURRENT MO. SYSTEM PER BOOKS	109,355,065	46,826,329	25,193,254	11,190,555	8,427,478	(7,360,964)	12,284,459	(108,677)	0	96,452,433	12,902,631
CURRENT MO. JURIS PER BOOKS	89,286,730	35,072,103	23,849,709	10,272,092	8,710,229	3,919,083	(1,205,016)	(79,054)	0	80,539,147	8,747,583

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2012

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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	(40,187,594)	(15,502,364)
INVESTMENT	(353,100,473)	IIC FUEL REVENUES	(113,884,629)	(43,930,996)
ACCUMULATED DEPRECIATION	107,541,809	FUEL REVENUES	(577,279,887)	(222,685,716)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(431,068)	(166,284)
INVESTMENT	(10,216,445)	ECCR, PPCC, AND ECRC REVENUES	(203,824,114)	(78,625,152)
ACCUMULATED DEPRECIATION	(1,519,987)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,733,127)	(11,855,304)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,524)	(974)
INVESTMENT	(865,236,233)	CORP ADVERTISING & WHOLESALE EXPENSES	(18,609)	7,178
ACCUMULATED DEPRECIATION	69,973,483	INDUSTRY ASSOCIATION DUES	(471)	182
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(733,281,454)	282,863,321
INTEREST BEARING CWIP	(166,182,454)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(14,992,910)	ECON DEVELOP EXPENSE - TOTAL	(907,140)	349,929
ECRC CWIP	(3,498,798)	ECON DEV EXPENSE - ALLOWED	861,783	(332,433)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,700,053)	CONSERVATION EXPENSES - O & M	(13,926,322)	5,372,079
		CONSERVATION EXPENSES - OTHER TAXES	(210,113)	81,051
		MARKETING SUPPORT ACTIVITIES	(154,299)	59,521
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(75,734)	29,214
ECRC WORKING CAPITAL	(11,007,774)	FRANCHISE FEE	(39,175,147)	15,111,813
LOANS TO EMPLOYEES AND RETIREES	(49,861)	GROSS RECEIPTS TAX EXPENSE	(30,514,733)	11,771,058
UNREALIZED LOSS ON FWD CONTRACT	(1,232)	LIAISON EXPENSE	(309,060)	119,220
CONSERVATION/AEM INVENTORY	(1,940,200)	ECRC/ECCR EXPENSES	(60,173,406)	23,211,891
INTEREST & DIVIDENDS RECEIVABLE	(307,513)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,772,052)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,470,974)	567,428
TEMPORARY CASH INVESTMENTS	(433,830)	INTEREST SYNCHRONIZATION	6,931,957	6,931,957
FUNDED PROP RES & OTHER INVESTMENTS	(19,163,471)			
FUEL RELATED DEFERRED DEBITS	(13,229,220)			
FLAME RESISTANT CLOTHING	(41)			
ACCUM. PROV. FOR RATE REFUNDS	314,503			
FAS 143 WORKING CAPITAL	19,145,209			
FAS 158 REGULATORY ASSETS	(86,802,283)			
FAS 158 REGULATORY LIABILITIES	86,802,283			
PPA REGULATORY ASSETS	(83,327,086)			
PPA REGULATORY LIABILITIES	83,327,086			
FAS 133 REGULATORY ASSETS	(20,223,301)			
FAS 133 REGULATORY LIABILITIES	20,223,301			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
January, 2012

	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	3,846,579,526	1,343,305,609	2,503,273,917	5,434,546	301,834,685	0	2,810,543,147	234,748,873	3,045,292,020
JURISDICTIONAL PER BOOKS	3,381,012,268	1,211,726,364	2,169,285,904	5,264,501	289,925,805	0	2,464,476,210	233,001,773	2,697,477,983
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(825,817,731)	(81,391,304)	(744,426,427)		(7,598,994)		(752,025,421)	(10,648,515)	(762,673,936)
INT BEARING CWIP					(226,664,994)		(226,664,994)	0	(226,664,994)
ENERGY CONSERVATION CLAUSE	(10,334,089)	2,183,178	(12,517,267)				(12,517,267)	(1,940,200)	(14,457,467)
LOANS TO EMPLOYEES AND RETIREES								(47,869)	(47,869)
INTEREST AND DIVIDENDS RECEIVABLE								(295,227)	(295,227)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(19,579,968)	(19,579,968)
FUEL RELATED DEFERRED DEBITS								(13,229,220)	(13,229,220)
FLAME RESISTANT CLOTHING								(33)	(33)
ACCRUED PROVISION FOR REFUND								255,016	255,016
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(836,151,820)	(79,208,126)	(756,943,694)	0	(234,263,988)	0	(991,207,682)	(45,486,016)	(1,036,693,698)
FPSC ADJUSTED	2,544,860,448	1,132,518,238	1,412,342,210	5,264,501	55,661,817	0	1,473,268,528	187,515,757	1,660,784,285
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	2,544,860,448	1,132,518,238	1,412,342,210	5,264,501	55,661,817	0	1,473,268,528	187,515,757	1,660,784,285

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
January, 2012

SCHEDULE 3
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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	1,508,798,076	733,279,209	317,565,935	131,503,089	100,769,962	(30,239,856)	94,486,836	(1,328,561)	0	1,346,036,614	162,761,462 (a)
JURISDICTIONAL PER BOOKS	1,259,279,931	557,528,638	302,155,660	120,910,085	99,970,570	2,135,978	47,887,647	(972,298)	0	1,129,616,279	129,663,651 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(146,406,380)		(23,654,956)	(33,381,052)	(824,812)	(34,156,450)				(92,017,270)	(54,389,110)
GROSS RECEIPTS TAX REVENUE	(30,733,127)					(11,855,304)				(11,855,304)	(18,877,823)
MARKETING SUPPORT ACTIVITIES			(154,299)			59,521				(94,778)	94,778
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(74,121)			28,592				(45,529)	45,529
FRANCHISE FEE REVENUES	(40,187,594)					(15,502,364)				(15,502,364)	(24,685,230)
RETAIL FUEL REVENUES	(518,920,541)					(200,173,599)				(200,173,599)	(318,746,942)
ECCR & PPCC REVENUES	(57,239,281)					(22,080,053)				(22,080,053)	(35,159,228)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(907,140)			349,929				(557,211)	557,211
ECON DEV EXPENSE ALLOWED			861,783			(332,433)				529,350	(529,350)
LIAISON EXPENSES			(289,217)		(13,224)	116,667				(185,774)	185,774
CORP ADV & WHOLESALE EXPENSES		2,893	(21,149)			7,042				(11,214)	11,214
INDUSTRY ASSOCIATION DUES			(461)			178				(283)	283
RETAIL FUEL EXPENSES		(518,521,740)				200,019,761				(318,501,979)	318,501,979
ECCR AND PPCC EXPENSES		(39,009,790)	(13,926,322)	(289,490)	(327,135)	20,657,969				(32,894,769)	32,894,769
FRANCHISE FEE					(39,175,147)	15,111,813				(24,063,334)	24,063,334
GRT, FPSC FEES ON CLAUSES & FFEES					(1,470,974)	567,428				(903,546)	903,546
GROSS RECEIPTS TAX ADJUST					(30,514,733)	11,771,058				(18,743,675)	18,743,675
INTEREST SYNCHRONIZATION						5,967,616				5,967,616	(5,967,616)
TOTAL FPSC ADJUSTMENTS	(793,486,923)	(557,528,638)	(38,164,992)	(33,670,542)	(72,326,026)	(29,439,294)	0	0	(9,537)	(731,139,028)	(62,347,895)
FPSC ADJUSTED	465,793,007	0	263,990,668	87,239,543	27,644,544	(27,303,316)	47,887,647	(972,298)	(9,537)	398,477,251	67,315,756
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	465,793,007	0	263,990,668	87,239,543	27,644,544	(27,303,316)	47,887,647	(972,298)	(9,537)	398,477,251	67,315,756

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 14,286,246 AND THE JURISDICTIONAL NOI BY 13,840,046

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
January, 2012

SCHEDULE 3
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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	(40,187,594)	(15,502,364)
INVESTMENT	(368,728,086)	IIC FUEL REVENUES	(113,884,629)	(43,930,996)
ACCUMULATED DEPRECIATION	110,739,237	FUEL REVENUES	(577,279,887)	(222,685,716)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(431,068)	(166,284)
INVESTMENT	(10,334,089)	ECCR, PPCC, AND ECRC REVENUES	(203,824,114)	(78,625,152)
ACCUMULATED DEPRECIATION	(2,183,178)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,733,127)	(11,855,304)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,524)	(974)
INVESTMENT	(856,787,190)	CORP ADVERTISING & WHOLESALE EXPENSES	(18,609)	7,178
ACCUMULATED DEPRECIATION	84,440,736	INDUSTRY ASSOCIATION DUES	(471)	182
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(733,281,454)	282,863,321
INTEREST BEARING CWIP	(233,972,616)	GAINLOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(2,521,686)	ECON DEVELOP EXPENSE- TOTAL	(907,140)	349,929
ECRC CWIP	(7,884,043)	ECON DEV EXPENSE - ALLOWED	861,783	(332,433)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,669,415)	CONSERVATION EXPENSES - O & M	(13,926,322)	5,372,079
		CONSERVATION EXPENSES - OTHER TAXES	(210,113)	81,051
		MARKETING SUPPORT ACTIVITIES	(154,299)	59,521
		MGMT FINANCIAL PLANNING SERVICES	(75,734)	29,214
WORKING CAPITAL:		FRANCHISE FEE	(39,175,147)	15,111,813
ECRC WORKING CAPITAL	(11,007,774)	GROSS RECEIPTS TAX EXPENSE	(30,514,733)	11,771,058
LOANS TO EMPLOYEES AND RETIREES	(49,861)	LIAISON EXPENSE	(309,060)	119,220
UNREALIZED LOSS ON FWD CONTRACT	(1,232)	ECRC/ECCR EXPENSES	(60,173,406)	23,211,891
CONSERVATION/AEM INVENTORY	(1,940,200)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(307,513)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,470,974)	567,428
PLANT SCHERER	(12,260,523)	INTEREST SYNCHRONIZATION	6,330,326	6,330,326
TEMPORARY CASH INVESTMENTS	(433,830)			
FUNDED PROP RES & OTHER INVESTMENTS	(19,163,471)			
FUEL RELATED DEFERRED DEBITS	(13,229,220)			
FLAME RESISTANT CLOTHING	(41)			
ACCUM. PROV. FOR RATE REFUNDS	314,503			
FAS 143 WORKING CAPITAL	19,145,209			
FAS 158 REGULATORY ASSETS	(86,802,283)			
FAS 158 REGULATORY LIABILITIES	86,802,283			
PPA REGULATORY ASSETS	(83,327,086)			
PPA REGULATORY LIABILITIES	83,327,086			
FAS 133 REGULATORY ASSETS	(20,223,301)			
FAS 133 REGULATORY LIABILITIES	20,223,301			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
January, 2012

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATEWEIGHTED (%)					
LONG TERM DEBT	1,212,100,603	1,068,564,315	(407,542,680)	0	661,021,635	41.13	4.91	2.02	4.91	2.02	4.91	2.02
SHORT TERM DEBT	63,441,067	42,999,940	(16,399,865)	0	26,600,075	1.66	0.43	0.01	0.43	0.01	0.43	0.01
PREFERRED STOCK	97,998,345	86,391,813	(32,949,211)	0	53,442,602	3.33	6.33	0.21	6.33	0.21	6.33	0.21
CUSTOMER DEPOSITS	35,896,010	36,054,754	(13,751,022)	0	22,303,732	1.39	6.29	0.09	6.29	0.09	6.29	0.09
COMMON EQUITY	1,116,899,204	989,599,644	(377,426,127)	0	612,173,517	38.09	10.75	4.09	12.00	4.57	12.75	4.86
DEFERRED INCOME TAXES	435,796,811	404,649,447	(154,330,364)	0	250,319,083	15.58						
FASB 109 DEFERRED TAXES	(39,041,900)	(36,251,488)	13,826,054	0	(22,425,434)	(1.40)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	7,321,005	5,854,383	(2,232,819)	0	3,621,564	0.23	7.66	0.02	8.24	0.02	8.59	0.02
TOTAL	2,930,411,145	2,597,862,808	(990,806,034)	0	1,607,056,774	100.00 %		6.44 %		6.91 %		7.20 %

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATEWEIGHTED (%)					
LONG TERM DEBT	1,208,526,451	1,079,235,487	(414,771,366)	0	664,464,121	40.01	5.10	2.04	5.10	2.04	5.10	2.04
SHORT TERM DEBT	75,472,314	54,412,396	(20,911,751)	0	33,500,645	2.02	0.40	0.01	0.40	0.01	0.40	0.01
PREFERRED STOCK	97,998,345	87,514,255	(33,633,445)	0	53,880,810	3.24	6.33	0.21	6.33	0.21	6.33	0.21
CUSTOMER DEPOSITS	35,689,107	35,965,879	(13,822,393)	0	22,143,486	1.33	6.45	0.09	6.45	0.09	6.45	0.09
COMMON EQUITY	1,145,645,365	1,037,057,039	(398,561,361)	0	638,495,678	38.45	10.75	4.13	12.00	4.61	12.75	4.90
DEFERRED INCOME TAXES	484,838,784	431,139,890	(165,695,516)	0	265,444,374	15.98						
FASB 109 DEFERRED TAXES	(37,361,988)	(33,223,917)	12,768,603	0	(20,455,314)	(1.23)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,651,405	5,376,954	(2,066,469)	0	3,310,485	0.20	7.81	0.02	8.39	0.02	8.75	0.02
TOTAL	3,017,459,782	2,697,477,983	(1,036,693,698)	0	1,660,784,285	100.00 %		6.49 %		6.97 %		7.26 %

GULF POWER COMPANY
Financial Integrity Indicators
January, 2012

A. Times Interest Earned with AFUDC

Earnings Before Interest	171,207,056
AFUDC - Debt	4,071,113
Income Taxes	62,014,043
	<hr/>
Total	237,292,212
Interest Charges (Before Deducting AFUDC - Debt)	62,659,619
	<hr/>
T.I.E. With AFUDC	3.79 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	171,207,056
AFUDC - Other	(10,215,133)
Income Taxes	62,014,043
	<hr/>
Total	223,005,966
Interest Charges (Before Deducting AFUDC - Debt)	62,659,619
	<hr/>
T.I.E. Without AFUDC	3.56 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	4,071,113
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,500,681
AFUDC - Other	10,215,133
	<hr/>
Total	12,715,814
	<hr/>
Net Income Available for Common Stockholders	106,416,050
Percent AFUDC to Available Net Income	11.95%

D. Percent Internally Generated Funds

Net Income	112,618,550
Preferred Dividends	(6,202,500)
Common Dividends	(111,450,000)
AFUDC (Debt & Other)	(14,286,246)
Depreciation & Amortization	139,927,481
Deferred Income Taxes	94,477,220
Investment Tax Credits	0
Other	26,198,915
	<hr/>
Total	241,283,420
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	329,353,666
	<hr/>
Percent Internally Generated Funds	73.26%

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	661,021,635
Short Term Debt	26,600,075
Preferred Stock	53,442,602
Common Equity	612,173,517
	<hr/>
Total	1,353,237,829
	<hr/>
% Long Term Debt To Total	48.85%
	<hr/>
% Short Term Debt To Total	1.97%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.15%	4.15%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.02)	(2.02)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.34)	(2.34)
	<hr/>	<hr/>
Total	1.81	1.81
Divided by Common Equity Ratio	38.09	38.09
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	4.75%	4.75%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
January, 2012

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
February	2011	291,667
March	2011	291,667
April	2011	291,667
May	2011	291,667
June	2011	291,667
July	2011	291,667
August	2011	291,667
September	2011	291,667
October	2011	291,667
November	2011	291,667
December	2011	291,663
January	2012	291,667
12 - M-T-D		<u><u>3,500,000</u></u>