

**Terry A. Davis**  
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Assistant Treasurer

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July 13, 2012

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 May 2012.

Sincerely,

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

mw

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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**May 2012**

Earnings Surveillance  
Report  
(Rate of Return)



**GULF POWER COMPANY**  
Earnings Surveillance Report Summary  
May, 2012

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	154,268,232	(75,060,393)	79,207,839	0	79,207,839
Average Rate Base	2,659,225,403	(1,023,118,702)	1,636,106,701	0	1,636,106,701
Average Rate of Return	5.80%		4.84%		4.84%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	154,270,387	(74,588,365)	79,682,022	0	79,682,022
Year End Rate Base	2,796,640,819	(1,078,542,379)	1,718,098,440	0	1,718,098,440
Year End Rate of Return	5.52%		4.64%		4.64%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.86%
Midpoint	6.24%
High	6.62%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	3.97 x (System per Books Basis)
B. Tie Without AFUDC	3.77 x (System per Books Basis)
C. AFUDC To Net Income	9.52% (System per Books Basis)
D. Internally Generated Funds	97.78% (System per Books Basis)
E. LTD To Total Investor Funds	48.70% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.17% (FPSC Adjusted Basis)
G. Return on Common Equity	6.55% (FPSC Adjusted Basis)
H. Return on Common Equity	6.55% (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



7/13/12

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
May, 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
<b>SYSTEM PER BOOKS</b>	3,856,672,623	1,331,985,865	2,524,686,758	8,496,832	245,595,635	0	2,778,779,225	215,581,928	2,994,361,153
<b>JURISDICTIONAL PER BOOKS</b>	3,403,775,545	1,204,586,552	2,199,188,993	8,213,913	235,161,576	0	2,442,564,482	216,660,921	2,659,225,403
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(861,077,088)	(75,377,337)	(785,699,751)		(5,429,779)		(791,129,530)	(9,697,803)	(800,827,333)
INT BEARING CWIP					(180,279,891)		(180,279,891)	0	(180,279,891)
ENERGY CONSERVATION CLAUSE	(10,333,216)	1,925,446	(12,258,662)		(0)		(12,258,662)	(1,773,497)	(14,032,159)
LOANS TO EMPLOYEES / RETIREES								(45,159)	(45,159)
INTEREST AND DIVIDENDS RECEIVABLE								(183,158)	(183,158)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(2,904,890)			(2,904,890)	(15,667,300)	(18,572,190)
FUEL RELATED DEFERRED DEBITS								(7,456,203)	(7,456,203)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								492,395	492,395
UNAMORTIZED RATE CASE EXPENSES								(2,215,004)	(2,215,004)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(871,410,304)</b>	<b>(73,451,891)</b>	<b>(797,958,413)</b>	<b>(2,904,890)</b>	<b>(185,709,670)</b>	<b>0</b>	<b>(986,572,973)</b>	<b>(36,545,729)</b>	<b>(1,023,118,702)</b>
<b>FPSC ADJUSTED</b>	<b>2,532,365,241</b>	<b>1,131,134,661</b>	<b>1,401,230,580</b>	<b>5,309,023</b>	<b>49,451,906</b>	<b>0</b>	<b>1,455,991,509</b>	<b>180,115,192</b>	<b>1,636,106,701</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<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>2,532,365,241</b>	<b>1,131,134,661</b>	<b>1,401,230,580</b>	<b>5,309,023</b>	<b>49,451,906</b>	<b>0</b>	<b>1,455,991,509</b>	<b>180,115,192</b>	<b>1,636,106,701</b>

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

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	1,508,175,176	708,931,534	318,057,782	134,207,547	100,529,861	(38,369,537)	109,463,571	(1,350,141)	0	1,331,470,617	176,704,560 (a)
JURISDICTIONAL PER BOOKS	1,237,516,021	513,149,773	305,276,284	123,695,912	98,927,176	(6,100,958)	61,423,240	(997,722)	0	1,095,373,705	142,142,316 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(145,269,108)		(22,827,988)	(33,777,474)	(1,128,568)	(33,766,656)				(91,500,686)	(53,768,422)
GROSS RECEIPTS TAX REVENUE	(30,253,516)					(11,670,294)				(11,670,294)	(18,583,222)
MARKETING SUPPORT ACTIVITIES			(185,178)			71,433				(113,745)	113,745
GAIN/LOSS ON DISPOSITION						3,705			(9,605)	(5,900)	5,900
MGMT FINANCIAL PLANNING SERVICES			(186,920)			72,104				(114,816)	114,816
DIRECTORS' & OFFICERS' INSURANCE			(42,668)			16,459				(26,209)	26,209
FRANCHISE FEE REVENUES	(39,796,432)					(15,351,474)				(15,351,474)	(24,444,958)
RETAIL FUEL REVENUES	(474,851,417)					(183,173,934)				(183,173,934)	(291,677,483)
ECCR and PPCC REVENUES	(60,286,843)					(23,255,650)				(23,255,650)	(37,031,193)
INT ON TAX ASSESSMENT			234,646			(90,515)				144,131	(144,131)
ECON DEV EXPENSE TOTAL			(889,619)			343,171				(546,448)	546,448
ECON DEV EXPENSE ALLOWED			845,138			(326,012)				519,126	(519,126)
LIAISON EXPENSES			(432,781)		(19,252)	174,372				(277,661)	277,661
CORP ADV & WHOLESALE EXPENSES		94,650	(21,442)			(28,240)				44,968	(44,968)
INDUSTRY ASSOCIATION DUES			(169)			65				(104)	104
RETAIL FUEL EXPENSES		(474,465,301)				183,024,990				(291,440,311)	291,440,311
ECCR AND PPCC EXPENSES		(38,779,121)	(17,191,982)	(291,490)	(279,856)	21,811,250				(34,731,200)	34,731,200
FRANCHISE FEE					(38,799,155)	14,966,774				(23,832,381)	23,832,381
GRT, FPSC FEES ON CLAUSES & FEES					(1,449,897)	559,298				(890,599)	890,599
GROSS RECEIPTS TAX ADJUST					(29,952,410)	11,554,142				(18,398,268)	18,398,268
INTEREST SYNCHRONIZATION						7,098,617				7,098,617	(7,098,617)
TOTAL FPSC ADJUSTMENTS	(750,457,316)	(513,149,773)	(40,698,963)	(34,068,964)	(71,629,139)	(27,966,395)	0	0	(9,605)	(687,522,839)	(62,934,477)
FPSC ADJUSTED	487,058,705	0	264,577,321	89,626,948	27,298,037	(34,067,353)	61,423,240	(997,722)	(9,605)	407,850,866	79,207,839
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	487,058,705	0	264,577,321	89,626,948	27,298,037	(34,067,353)	61,423,240	(997,722)	(9,605)	407,850,866	79,207,839
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,461,905			12,125,916				
CURRENT MO. SYSTEM PER BOOKS	127,965,177	54,092,116	25,476,451	12,080,389	8,051,603	(1,435,842)	10,276,026	(112,699)	0	108,428,044	19,537,133
CURRENT MO. JURIS PER BOOKS	108,420,392	42,427,811	23,972,740	11,191,533	7,891,167	(179,419)	7,189,601	(83,341)	0	92,410,091	16,010,300

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

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	(39,796,432)	(15,351,474)
INVESTMENT	(365,767,693)	IIC FUEL REVENUES	(144,537,420)	(55,755,310)
ACCUMULATED DEPRECIATION	109,648,761	FUEL REVENUES	(522,517,748)	(201,561,221)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(402,980)	(155,450)
INVESTMENT	(10,333,216)	ECCR, PPCC, AND ECRC REVENUES	(205,730,456)	(79,360,524)
ACCUMULATED DEPRECIATION	(1,925,446)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,253,516)	(11,670,294)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,435)	(939)
INVESTMENT	(889,708,514)	CORP ADVERTISING & WHOLESALE EXPENSES	75,987	(29,312)
ACCUMULATED DEPRECIATION	77,899,999	INDUSTRY ASSOCIATION DUES	(172)	66
PHFU - NORTH ESCAMBIA	(3,004,946)	FUEL AND PPCC EXPENSES	(709,091,872)	273,532,190
INTEREST BEARING CWIP	(185,275,160)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,806)	3,783
SCHERER CWIP	(3,888,292)	ECON DEVELOP EXPENSE- TOTAL	(889,619)	343,170
ECRC CWIP	(5,610,041)	ECON DEV EXPENSE - ALLOWED	845,138	(326,012)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	239,785	(92,497)
FAS 143 NET PLANT	(14,680,564)	CONSERVATION EXPENSES - O & M	(17,191,982)	6,631,807
		CONSERVATION EXPENSES - OTHER TAXES	(164,134)	63,315
		MARKETING SUPPORT ACTIVITIES	(185,178)	71,433
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(191,014)	73,684
ECRC WORKING CAPITAL	(10,018,601)	DIRECTORS' & OFFICERS' INSURANCE	(43,603)	16,820
LOANS TO EMPLOYEES AND RETIREES	(47,323)	FRANCHISE FEE	(38,799,155)	14,966,774
UNREALIZED LOSS ON FWD CONTRACT	(515)	GROSS RECEIPTS TAX EXPENSE	(29,952,410)	11,554,142
CONSERVATION/AEM INVENTORY	(1,773,497)	LIAISON EXPENSE	(461,988)	178,212
INTEREST & DIVIDENDS RECEIVABLE	(191,936)	ECRC/ECCR EXPENSES	(59,993,593)	23,142,529
PLANT SCHERER	(10,172,499)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,449,898)	559,298
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	7,446,270	7,446,270
NORTH ESCAMBIA SITE	(16,319,393)			
UNAMORTIZED RATE CASE EXPENSES	(2,321,137)			
FUEL RELATED DEFERRED DEBITS	(7,456,203)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	515,988			
FAS 143 WORKING CAPITAL	19,368,978			
FAS 158 REGULATORY ASSETS	(98,171,194)			
FAS 158 REGULATORY LIABILITIES	98,171,194			
PPA REGULATORY ASSETS	(97,061,792)			
PPA REGULATORY LIABILITIES	97,061,792			
FAS 133 REGULATORY ASSETS	(31,504,939)			
FAS 133 REGULATORY LIABILITIES	31,504,939			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
May, 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	4,099,472,562	1,360,850,519	2,738,622,044	18,455,978	152,180,215	0	2,909,258,237	215,581,928	3,124,840,165
JURISDICTIONAL PER BOOKS	3,649,344,673	1,229,960,054	2,419,384,619	17,841,451	144,216,221	0	2,581,442,291	215,198,529	2,796,640,819
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,001,832,239)	(88,809,036)	(913,023,203)		(499,471)		(913,522,674)	(9,697,803)	(923,220,477)
INT BEARING CWIP					(102,602,380)		(102,602,380)	0	(102,602,380)
ENERGY CONSERVATION CLAUSE	(10,773,163)	2,510,575	(13,283,738)				(13,283,738)	(1,773,497)	(15,057,235)
LOANS TO EMPLOYEES AND RETIREES								(45,159)	(45,159)
INTEREST AND DIVIDENDS RECEIVABLE								(183,158)	(183,158)
NOTES RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHE				(12,587,859)			(12,587,859)	(15,667,300)	(28,255,159)
FUEL RELATED DEFERRED DEBITS								(7,456,203)	(7,456,203)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								492,395	492,395
UNAMORTIZED RATE CASE EXPENSES								(2,215,004)	(2,215,004)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,012,605,402)</b>	<b>(86,298,461)</b>	<b>(926,306,941)</b>	<b>(12,587,859)</b>	<b>(103,101,851)</b>	<b>0</b>	<b>(1,041,996,651)</b>	<b>(36,545,729)</b>	<b>(1,078,542,379)</b>
<b>FPSC ADJUSTED</b>	<b>2,636,739,271</b>	<b>1,143,661,593</b>	<b>1,493,077,678</b>	<b>5,253,592</b>	<b>41,114,370</b>	<b>0</b>	<b>1,539,445,640</b>	<b>178,652,800</b>	<b>1,718,098,440</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>2,636,739,271</b>	<b>1,143,661,593</b>	<b>1,493,077,678</b>	<b>5,253,592</b>	<b>41,114,370</b>	<b>0</b>	<b>1,539,445,640</b>	<b>178,652,800</b>	<b>1,718,098,440</b>

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

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	1,508,175,176	708,931,534	318,057,782	134,207,547	100,529,861	(38,369,537)	109,463,571	(1,350,141)	0	1,331,470,617	176,704,560	(a)
JURISDICTIONAL PER BOOKS	1,237,516,021	513,149,773	305,276,284	123,695,912	98,927,176	(6,096,578)	61,416,705	(997,722)	0	1,095,371,550	142,144,471	(a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(145,269,108)		(22,827,988)	(33,777,474)	(1,128,568)	(33,766,656)				(91,500,686)	(53,768,422)	
GROSS RECEIPTS TAX REVENUE	(30,253,516)					(11,670,294)				(11,670,294)	(18,583,222)	
MARKETING SUPPORT ACTIVITIES			(185,178)			71,433				(113,745)	113,745	
GAIN/LOSS ON DISPOSITION						3,705			(9,605)	(5,900)	5,900	
MGMT FINANCIAL PLANNING SERVICES			(186,920)			72,104				(114,816)	114,816	
DIRECTORS' & OFFICERS' INSURANCE			(42,668)			16,459				(26,209)	26,209	
FRANCHISE FEE REVENUES	(39,796,432)					(15,351,474)				(15,351,474)	(24,444,958)	
RETAIL FUEL REVENUES	(474,851,417)					(183,173,934)				(183,173,934)	(291,677,483)	
ECCR & PPCC REVENUES	(60,286,843)					(23,255,650)				(23,255,650)	(37,031,193)	
INT ON TAX ASSESSMENT			234,646			(90,515)				144,131	(144,131)	
ECON DEV EXPENSE TOTAL			(889,619)			343,171				(546,448)	546,448	
ECON DEV EXPENSE ALLOWED			845,138			(326,012)				519,126	(519,126)	
LIAISON EXPENSES			(432,781)			174,372				(277,661)	277,661	
CORP ADV & WHOLESALE EXPENSES		94,650	(21,442)			(28,240)				44,968	(44,968)	
INDUSTRY ASSOCIATION DUES			(169)			65				(104)	104	
RETAIL FUEL EXPENSES		(474,465,301)				183,024,990				(291,440,311)	291,440,311	
ECCR AND PPCC EXPENSES		(38,779,121)	(17,191,982)	(291,490)	(279,856)	21,811,250				(34,731,200)	34,731,200	
FRANCHISE FEE					(38,799,155)	14,966,774				(23,832,381)	23,832,381	
GRT, FPSC FEES ON CLAUSES & FFEES					(1,449,897)	559,298				(890,599)	890,599	
GROSS RECEIPTS TAX ADJUST					(29,952,410)	11,554,142				(18,398,268)	18,398,268	
INTEREST SYNCHRONIZATION						6,626,589				6,626,589	(6,626,589)	
TOTAL FPSC ADJUSTMENTS	(750,457,316)	(513,149,773)	(40,698,963)	(34,068,964)	(71,629,139)	(28,438,423)	0	0	(9,605)	(687,994,867)	(62,462,449)	
FPSC ADJUSTED	487,058,705	0	264,577,321	89,626,948	27,298,037	(34,535,001)	61,416,705	(997,722)	(9,605)	407,376,683	79,682,022	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	487,058,705	0	264,577,321	89,626,948	27,298,037	(34,535,001)	61,416,705	(997,722)	(9,605)	407,376,683	79,682,022	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,461,905			AND THE JURISDICTIONAL NOI BY	12,125,916				

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

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	(39,796,432)	(15,351,474)
INVESTMENT	(361,035,955)	IIC FUEL REVENUES	(144,537,420)	(55,755,310)
ACCUMULATED DEPRECIATION	112,985,514	FUEL REVENUES	(522,517,748)	(201,561,221)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(402,980)	(155,450)
INVESTMENT	(10,773,163)	ECCR, PPCC, AND ECRC REVENUES	(205,730,456)	(79,360,524)
ACCUMULATED DEPRECIATION	(2,510,575)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,253,516)	(11,670,294)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/GL ON SALE OF GAS	(2,435)	(939)
INVESTMENT	(1,030,373,025)	CORP ADVERTISING & WHOLESALE EXPENSES	75,987	(29,312)
ACCUMULATED DEPRECIATION	91,376,150	INDUSTRY ASSOCIATION DUES	(172)	66
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(709,091,872)	273,532,190
INTEREST BEARING CWIP	(105,445,329)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,806)	3,783
SCHERER CWIP	(3,964,598)	ECON DEVELOP EXPENSE- TOTAL	(889,619)	343,170
ECRC CWIP	(516,703)	ECON DEV EXPENSE - ALLOWED	845,138	(326,012)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	239,785	(92,497)
FAS 143 NET PLANT	(14,644,787)	CONSERVATION EXPENSES - O & M	(17,191,982)	6,631,807
		CONSERVATION EXPENSES - OTHER TAXES	(164,134)	63,315
		MARKETING SUPPORT ACTIVITIES	(185,178)	71,433
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(191,014)	73,684
ECRC WORKING CAPITAL	(10,018,601)	DIRECTORS' & OFFICERS' INSURANCE	(43,603)	16,820
LOANS TO EMPLOYEES AND RETIREES	(47,323)	FRANCHISE FEE	(38,799,155)	14,966,774
UNREALIZED LOSS ON FWD CONTRACT	(515)	GROSS RECEIPTS TAX EXPENSE	(29,952,410)	11,554,142
CONSERVATION/AEM INVENTORY	(1,773,497)	LIAISON EXPENSE	(461,988)	178,212
INTEREST & DIVIDENDS RECEIVABLE	(191,936)	ECRC/ECCR EXPENSES	(59,993,593)	23,142,529
PLANT SCHERER	(11,703,635)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,449,898)	559,298
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	7,025,558	7,025,558
NORTH ESCAMBIA SITE	(16,319,393)			
UNAMORTIZED RATE CASE EXPENSES	(2,321,137)			
FUEL RELATED DEFERRED DEBITS	(7,456,203)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	515,988			
FAS 143 WORKING CAPITAL	19,368,978			
FAS 158 REGULATORY ASSETS	(98,171,194)			
FAS 158 REGULATORY LIABILITIES	98,171,194			
PPA REGULATORY ASSETS	(97,061,792)			
PPA REGULATORY LIABILITIES	97,061,792			
FAS 133 REGULATORY ASSETS	(31,504,939)			
FAS 133 REGULATORY LIABILITIES	31,504,939			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
May, 2012

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)					
LONG TERM DEBT	1,224,033,829	1,083,200,883	(416,754,097)	0	666,446,786	40.73	5.03	2.05	5.03	2.05	5.03	2.05
SHORT TERM DEBT	62,751,527	48,238,085	(18,559,272)	0	29,678,813	1.81	0.43	0.01	0.43	0.01	0.43	0.01
PREFERRED STOCK	97,998,345	86,717,655	(33,364,022)	0	53,353,633	3.26	6.33	0.21	6.33	0.21	6.33	0.21
CUSTOMER DEPOSITS	35,936,959	35,973,883	(13,840,704)	0	22,133,179	1.35	6.25	0.08	6.25	0.08	6.25	0.08
COMMON EQUITY	1,130,495,942	1,005,926,258	(387,023,216)	0	618,903,042	37.83	9.25	3.50	10.25	3.88	11.25	4.26
DEFERRED INCOME TAXES	469,888,786	430,073,998	(165,468,016)	0	264,605,982	16.17						
FASB 109 DEFERRED TAXES	(39,800,336)	(36,427,960)	14,015,408	0	(22,412,552)	(1.37)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,872,399	5,522,601	(2,124,783)	0	3,397,818	0.21	7.03	0.01	7.50	0.02	7.96	0.02
<b>TOTAL</b>	<b>2,988,177,451</b>	<b>2,659,225,403</b>	<b>(1,023,118,702)</b>	<b>0</b>	<b>1,636,106,701</b>	<b>100.00 %</b>		<b>5.86 %</b>		<b>6.24 %</b>		<b>6.62 %</b>

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)					
LONG TERM DEBT	1,308,455,881	1,175,365,741	(453,287,299)	0	722,078,442	42.03	4.82	2.03	4.82	2.03	4.82	2.03
SHORT TERM DEBT	15,230,119	6,362,544	(2,453,756)	0	3,908,788	0.23	1.02	0.00	1.02	0.00	1.02	0.00
PREFERRED STOCK	97,998,345	88,030,403	(33,949,487)	0	54,080,916	3.15	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	36,093,642	36,236,714	(13,974,920)	0	22,261,794	1.30	6.36	0.08	6.36	0.08	6.36	0.08
COMMON EQUITY	1,151,096,203	1,048,183,762	(404,238,757)	0	643,945,005	37.48	9.25	3.47	10.25	3.84	11.25	4.22
DEFERRED INCOME TAXES	528,405,077	472,876,853	(182,367,975)	0	290,508,878	16.90						
FASB 109 DEFERRED TAXES	(39,616,580)	(35,453,413)	13,672,835	0	(21,780,578)	(1.27)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,196,587	5,038,215	(1,943,020)	0	3,095,195	0.18	6.89	0.01	7.34	0.01	7.79	0.01
<b>TOTAL</b>	<b>3,103,859,276</b>	<b>2,796,640,819</b>	<b>(1,078,542,379)</b>	<b>0</b>	<b>1,718,098,440</b>	<b>100.00 %</b>		<b>5.79 %</b>		<b>6.17 %</b>		<b>6.54 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
May, 2012

## A. Times Interest Earned with AFUDC

Earnings Before Interest	183,649,930
AFUDC - Debt	3,551,136
Income Taxes	68,742,355
	<hr/>
Total	255,943,421
Interest Charges (Before Deducting AFUDC - Debt)	64,540,076
	<hr/>
T.I.E. With AFUDC	3.97 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	183,649,930
AFUDC - Other	(8,910,769)
Income Taxes	68,742,355
	<hr/>
Total	243,481,516
Interest Charges (Before Deducting AFUDC - Debt)	64,540,076
	<hr/>
T.I.E. Without AFUDC	3.77 x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	3,551,136
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,181,285
AFUDC - Other	8,910,769
	<hr/>
Total	11,092,055
	<hr/>
Net Income Available for Common Stockholders	116,458,491
Percent AFUDC to Available Net Income	9.52%

## D. Percent Internally Generated Funds

Net Income	122,660,991
Preferred Dividends	(6,202,500)
Common Dividends	(112,900,000)
AFUDC (Debt & Other)	(12,461,905)
Depreciation & Amortization	142,708,718
Deferred Income Taxes	109,450,356
Investment Tax Credits	0
Other	77,863,279
	<hr/>
Total	321,118,939
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	328,404,492
	<hr/>
Percent Internally Generated Funds	97.78%

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	666,446,786
Short Term Debt	29,678,813
Preferred Stock	53,353,633
Common Equity	618,903,042
	<hr/>
Total	1,368,382,274
	<hr/>
% Long Term Debt To Total	48.70%
	<hr/>
% Short Term Debt To Total	2.17%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.84%	4.84%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.05)	(2.05)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.08)	(0.08)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.36)	(2.36)
	<hr/>	<hr/>
Total	2.48	2.48
Divided by Common Equity Ratio	37.83	37.83
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.55%	6.55%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
February	2012	291,667
March	2012	291,667
April	2012	291,667
<b>May</b>	<b>2012</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>