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August 14, 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 June 2012.

Sincerely,

*Susan D. Ritenour*

wb

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

RECEIVED  
FLORIDA PUBLIC SERVICE  
COMMISSION  
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DIVISION OF  
ACCOUNTING & FINANCE

**June 2012**

Earnings Surveillance  
Report  
(Rate of Return)



GULF POWER COMPANY  
Earnings Surveillance Report Summary  
June, 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	151,799,933	(73,835,347)	77,964,586	0	77,964,586
Average Rate Base	2,670,812,788	(1,030,340,890)	1,640,471,898	0	1,640,471,898
Average Rate of Return	5.68%		4.75%		4.75%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	151,804,185	(73,839,169)	77,965,016	0	77,965,016
Year End Rate Base	2,794,207,114	(1,089,169,521)	1,705,037,593	0	1,705,037,593
Year End Rate of Return	5.43%		4.57%		4.57%

(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	3.95 x (System per Books Basis)
B. Tie Without AFUDC	3.77 x (System per Books Basis)
C. AFUDC To Net Income	8.86% (System per Books Basis)
D. Internally Generated Funds	76.88% (System per Books Basis)
E. LTD To Total Investor Funds	48.35% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.46% (FPSC Adjusted Basis)
G. Return on Common Equity	6.32% (FPSC Adjusted Basis)
H. Return on Common Equity	6.32% (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  
8/9/12

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
June, 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>	3,885,220,364	1,337,222,315	2,547,998,049	9,487,348	239,931,027	0	2,797,416,424	207,280,081	3,004,696,505
<b>JURISDICTIONAL PER BOOKS</b>	3,431,442,237	1,209,218,576	2,222,223,661	9,171,449	229,756,139	0	2,461,151,249	209,661,540	2,670,812,788
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(874,646,872)	(76,744,475)	(797,902,397)		(5,376,960)		(803,279,357)	(9,499,339)	(812,778,696)
INT BEARING CWIP					(177,001,284)		(177,001,284)	0	(177,001,284)
ENERGY CONSERVATION CLAUSE	(10,357,035)	2,049,607	(12,406,642)		(0)		(12,406,642)	(1,769,946)	(14,176,588)
LOANS TO EMPLOYEES / RETIREES								(44,863)	(44,863)
INTEREST AND DIVIDENDS RECEIVABLE								(159,766)	(159,766)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(3,873,188)			(3,873,188)	(14,626,787)	(18,499,975)
FUEL RELATED DEFERRED DEBITS								(5,922,605)	(5,922,605)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								572,734	572,734
UNAMORTIZED RATE CASE EXPENSES								(2,329,848)	(2,329,848)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(885,003,907)</b>	<b>(74,694,868)</b>	<b>(810,309,039)</b>	<b>(3,873,188)</b>	<b>(182,378,244)</b>	<b>0</b>	<b>(996,560,471)</b>	<b>(33,780,420)</b>	<b>(1,030,340,890)</b>
<b>FPSC ADJUSTED</b>	<b>2,546,438,330</b>	<b>1,134,523,708</b>	<b>1,411,914,622</b>	<b>5,298,261</b>	<b>47,377,895</b>	<b>0</b>	<b>1,464,590,778</b>	<b>175,881,120</b>	<b>1,640,471,898</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>2,546,438,330</b>	<b>1,134,523,708</b>	<b>1,411,914,622</b>	<b>5,298,261</b>	<b>47,377,895</b>	<b>0</b>	<b>1,464,590,778</b>	<b>175,881,120</b>	<b>1,640,471,898</b>

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

	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	1,482,540,128	682,865,786	319,148,200	135,421,930	100,598,933	(48,730,287)	118,742,460	(1,350,462)	0	1,306,696,560	175,843,568 (a)
JURISDICTIONAL PER BOOKS	1,222,162,875	497,395,137	306,821,167	124,881,834	99,020,142	(12,101,780)	66,544,008	(998,066)	0	1,081,562,441	140,600,433 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(144,989,927)		(22,295,034)	(34,266,348)	(1,208,701)	(33,645,055)				(91,415,138)	(53,574,789)
GROSS RECEIPTS TAX REVENUE	(30,186,158)					(11,644,310)				(11,644,310)	(18,541,848)
MARKETING SUPPORT ACTIVITIES			(176,574)			68,113				(108,461)	108,461
GAIN/LOSS ON DISPOSITION						69			(180)	(111)	111
MGMT FINANCIAL PLANNING SERVICES			(189,581)			73,131				(116,450)	116,450
DIRECTORS' & OFFICERS' INSURANCE			(42,061)			16,225				(25,836)	25,836
FRANCHISE FEE REVENUES	(39,740,417)					(15,329,866)				(15,329,866)	(24,410,551)
RETAIL FUEL REVENUES	(458,768,171)					(176,969,822)				(176,969,822)	(281,798,349)
ECCR and PPCC REVENUES	(61,719,454)					(23,808,279)				(23,808,279)	(37,911,175)
INT ON TAX ASSESSMENT			250,914			(96,790)				154,124	(154,124)
ECON DEV EXPENSE TOTAL			(950,828)			366,782				(584,046)	584,046
ECON DEV EXPENSE ALLOWED			903,286			(348,443)				554,843	(554,843)
LIAISON EXPENSES			(555,269)		(24,728)	223,734				(356,263)	356,263
CORP ADV & WHOLESALE EXPENSES		(5,363)	(19,671)			9,657				(15,377)	15,377
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(458,394,074)				176,825,514				(281,568,560)	281,568,560
ECCR AND PPCC EXPENSES		(38,995,700)	(18,492,160)	(292,919)	(266,767)	22,391,841				(35,655,704)	35,655,704
FRANCHISE FEE					(38,724,543)	14,937,993				(23,786,550)	23,786,550
GRT, FPSC FEES ON CLAUSES & FEES					(1,436,494)	554,128				(882,366)	882,366
GROSS RECEIPTS TAX ADJUST					(29,866,090)	11,520,844				(18,345,246)	18,345,246
INTEREST SYNCHRONIZATION						7,135,142				7,135,142	(7,135,142)
TOTAL FPSC ADJUSTMENTS	(735,404,126)	(497,395,137)	(41,566,983)	(34,559,267)	(71,527,323)	(27,719,390)	0	0	(180)	(672,768,279)	(62,635,847)
FPSC ADJUSTED	486,758,748	0	265,254,184	90,322,567	27,492,819	(39,821,170)	66,544,008	(998,066)	(180)	408,794,162	77,964,586
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	486,758,748	0	265,254,184	90,322,567	27,492,819	(39,821,170)	66,544,008	(998,066)	(180)	408,794,162	77,964,586
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,509,821			11,199,500				
CURRENT MO. SYSTEM PER BOOKS	137,853,349	61,551,150	26,000,882	12,103,256	9,409,978	(6,015,214)	14,839,629	(112,699)	0	117,776,982	20,076,367
CURRENT MO. JURIS PER BOOKS	117,799,553	48,490,174	24,427,863	11,215,591	9,247,233	(4,781,852)	12,589,724	(83,342)	0	101,105,391	16,694,162

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
June, 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	(39,740,417)	(15,329,866)
INVESTMENT	(366,345,026)	IIC FUEL REVENUES	(138,238,324)	(53,325,433)
ACCUMULATED DEPRECIATION	110,217,289	FUEL REVENUES	(503,168,507)	(194,097,252)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(361,320)	(139,379)
INVESTMENT	(10,357,035)	ECCR, PPCC, AND ECRC REVENUES	(206,887,984)	(79,807,040)
ACCUMULATED DEPRECIATION	(2,049,607)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,186,158)	(11,644,310)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REVTRANS REV/G/L ON SALE OF GAS	3,506	1,352
INVESTMENT	(903,337,788)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,619)	9,882
ACCUMULATED DEPRECIATION	79,279,957	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(4,006,595)	FUEL AND PPCC EXPENSES	(682,862,280)	263,414,125
INTEREST BEARING CWIP	(181,905,708)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(184)	71
SCHERER CWIP	(3,781,540)	ECON DEVELOP EXPENSE- TOTAL	(950,828)	366,782
ECRC CWIP	(5,553,116)	ECON DEV EXPENSE - ALLOWED	903,286	(348,443)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	256,409	(98,910)
FAS 143 NET PLANT	(14,674,798)	CONSERVATION EXPENSES - O & M	(18,492,160)	7,133,351
		CONSERVATION EXPENSES - OTHER TAXES	(151,369)	58,391
		MARKETING SUPPORT ACTIVITIES	(176,574)	68,113
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(193,733)	74,733
ECRC WORKING CAPITAL	(9,809,184)	DIRECTORS' & OFFICERS' INSURANCE	(42,982)	16,580
LOANS TO EMPLOYEES AND RETIREES	(47,013)	FRANCHISE FEE	(38,724,543)	14,937,993
UNREALIZED LOSS ON FWD CONTRACT	0	GROSS RECEIPTS TAX EXPENSE	(29,866,090)	11,520,844
CONSERVATION/AEM INVENTORY	(1,769,946)	LIAISON EXPENSE	(592,770)	228,661
INTEREST & DIVIDENDS RECEIVABLE	(167,423)	ECRC/ECCR EXPENSES	(60,014,419)	23,150,562
PLANT SCHERER	(10,243,383)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,436,493)	554,127
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	7,485,844	7,485,844
NORTH ESCAMBIA SITE	(15,229,024)			
UNAMORTIZED RATE CASE EXPENSES	(2,441,484)			
FUEL RELATED DEFERRED DEBITS	(5,922,605)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	600,177			
FAS 143 WORKING CAPITAL	19,424,023			
FAS 158 REGULATORY ASSETS	(100,962,245)			
FAS 158 REGULATORY LIABILITIES	100,962,245			
PPA REGULATORY ASSETS	(100,850,193)			
PPA REGULATORY LIABILITIES	100,850,193			
FAS 133 REGULATORY ASSETS	(33,752,603)			
FAS 133 REGULATORY LIABILITIES	33,752,603			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
June, 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	4,112,055,415	1,367,822,391	2,744,233,024	18,455,978	158,230,584	0	2,920,919,586	207,280,081	3,128,199,667
JURISDICTIONAL PER BOOKS	3,653,571,047	1,236,195,876	2,417,375,171	17,841,451	150,128,818	0	2,585,345,440	208,861,675	2,794,207,114
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,006,294,839)	(85,767,039)	(920,527,800)		(433,644)		(920,961,444)	(9,499,339)	(930,460,783)
INT BEARING CWIP					(108,533,435)		(108,533,435)	0	(108,533,435)
ENERGY CONSERVATION CLAUSE	(10,419,755)	2,886,609	(13,306,364)				(13,306,364)	(1,769,946)	(15,076,310)
LOANS TO EMPLOYEES AND RETIREES								(44,863)	(44,863)
INTEREST AND DIVIDENDS RECEIVABLE								(159,766)	(159,766)
NOTES RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHE				(12,587,859)			(12,587,859)	(14,626,787)	(27,214,646)
FUEL RELATED DEFERRED DEBITS								(5,922,605)	(5,922,605)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								572,734	572,734
UNAMORTIZED RATE CASE EXPENSES								(2,329,848)	(2,329,848)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,016,714,594)	(82,880,430)	(933,834,164)	(12,587,859)	(108,967,079)	0	(1,055,389,102)	(33,780,420)	(1,089,169,521)
FPSC ADJUSTED	2,636,856,453	1,153,315,446	1,483,541,007	5,253,592	41,161,739	0	1,529,956,338	175,081,255	1,705,037,593
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	2,636,856,453	1,153,315,446	1,483,541,007	5,253,592	41,161,739	0	1,529,956,338	175,081,255	1,705,037,593

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
June, 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	1,482,540,128	682,865,786	319,148,200	135,421,930	100,598,933	(48,730,287)	118,742,460	(1,350,462)	0	1,306,696,560	175,843,568 (a)
JURISDICTIONAL PER BOOKS	1,222,162,875	497,395,137	306,821,167	124,881,834	99,020,142	(12,091,587)	66,529,563	(998,066)	0	1,081,558,189	140,604,685 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(144,989,927)		(22,295,034)	(34,266,348)	(1,208,701)	(33,645,055)				(91,415,138)	(53,574,789)
GROSS RECEIPTS TAX REVENUE	(30,186,158)					(11,644,310)				(11,644,310)	(18,541,848)
MARKETING SUPPORT ACTIVITIES			(176,574)			68,113				(108,461)	108,461
GAINLOSS ON DISPOSITION						69			(180)	(111)	111
MGMT FINANCIAL PLANNING SERVICES			(189,581)			73,131				(116,450)	116,450
DIRECTORS' & OFFICERS' INSURANCE			(42,061)			16,225				(25,836)	25,836
FRANCHISE FEE REVENUES	(39,740,417)					(15,329,866)				(15,329,866)	(24,410,551)
RETAIL FUEL REVENUES	(458,768,171)					(176,969,822)				(176,969,822)	(281,798,349)
ECCR & PPCC REVENUES	(61,719,454)					(23,808,279)				(23,808,279)	(37,911,175)
INT ON TAX ASSESSMENT			250,914			(96,790)				154,124	(154,124)
ECON DEV EXPENSE TOTAL			(950,828)			366,782				(584,046)	584,046
ECON DEV EXPENSE ALLOWED			903,286			(348,443)				554,843	(554,843)
LIAISON EXPENSES			(555,269)		(24,728)	223,734				(356,263)	356,263
CORP ADV & WHOLESALE EXPENSES		(5,363)	(19,671)			9,657				(15,377)	15,377
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(458,394,074)				176,825,514				(281,568,560)	281,568,560
ECCR AND PPCC EXPENSES		(38,995,700)	(18,492,160)	(292,919)	(266,767)	22,391,841				(35,655,704)	35,655,704
FRANCHISE FEE					(38,724,543)	14,937,993				(23,786,550)	23,786,550
GRT, FPSC FEES ON CLAUSES & FFEEs					(1,436,494)	554,128				(882,366)	882,366
GROSS RECEIPTS TAX ADJUST					(29,866,090)	11,520,844				(18,345,246)	18,345,246
INTEREST SYNCHRONIZATION						7,138,964				7,138,964	(7,138,964)
TOTAL FPSC ADJUSTMENTS	(735,404,126)	(497,395,137)	(41,566,983)	(34,559,267)	(71,527,323)	(27,715,568)	0	0	(180)	(672,764,457)	(62,639,669)
FPSC ADJUSTED	486,758,748	0	265,254,184	90,322,567	27,492,819	(39,807,155)	66,529,563	(998,066)	(180)	408,793,732	77,965,016
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	486,758,748	0	265,254,184	90,322,567	27,492,819	(39,807,155)	66,529,563	(998,066)	(180)	408,793,732	77,965,016

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 11,509,821 AND THE JURISDICTIONAL NOI BY 11,199,500

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
June, 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	(39,740,417)	(15,329,866)
INVESTMENT	(369,481,026)	IIC FUEL REVENUES	(138,238,324)	(53,325,433)
ACCUMULATED DEPRECIATION	113,603,027	FUEL REVENUES	(503,168,507)	(194,097,252)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(361,320)	(139,379)
INVESTMENT	(10,419,755)	ECCR, PPCC, AND ECRC REVENUES	(206,887,984)	(79,807,040)
ACCUMULATED DEPRECIATION	(2,886,609)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,186,158)	(11,644,310)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REVTRANS REV&L ON SALE OF GAS	3,506	1,352
INVESTMENT	(1,034,757,517)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,619)	9,882
ACCUMULATED DEPRECIATION	88,232,855	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(682,862,280)	263,414,125
INTEREST BEARING CWIP	(111,540,724)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(184)	71
SCHERER CWIP	(3,939,345)	ECON DEVELOP EXPENSE- TOTAL	(950,828)	366,782
ECRC CWIP	(448,248)	ECON DEV EXPENSE - ALLOWED	903,286	(348,443)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	256,409	(98,910)
FAS 143 NET PLANT	(14,638,630)	CONSERVATION EXPENSES - O & M	(18,492,160)	7,133,351
		CONSERVATION EXPENSES - OTHER TAXES	(151,369)	58,391
		MARKETING SUPPORT ACTIVITIES	(176,574)	68,113
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(193,733)	74,733
ECRC WORKING CAPITAL	(9,809,184)	DIRECTORS' & OFFICERS' INSURANCE	(42,982)	16,580
LOANS TO EMPLOYEES AND RETIREES	(47,013)	FRANCHISE FEE	(38,724,543)	14,937,993
UNREALIZED LOSS ON FWD CONTRACT	0	GROSS RECEIPTS TAX EXPENSE	(29,866,090)	11,520,844
CONSERVATION/AEM INVENTORY	(1,769,946)	LIAISON EXPENSE	(592,770)	228,661
INTEREST & DIVIDENDS RECEIVABLE	(167,423)	ECRC/ECCR EXPENSES	(60,014,419)	23,150,562
PLANT SCHERER	(11,336,480)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,436,493)	554,127
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	7,674,118	7,674,118
NORTH ESCAMBIA SITE	(15,229,024)			
UNAMORTIZED RATE CASE EXPENSES	(2,441,484)			
FUEL RELATED DEFERRED DEBITS	(5,922,605)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	600,177			
FAS 143 WORKING CAPITAL	19,424,023			
FAS 158 REGULATORY ASSETS	(100,962,245)			
FAS 158 REGULATORY LIABILITIES	100,962,245			
PPA REGULATORY ASSETS	(100,850,193)			
PPA REGULATORY LIABILITIES	100,850,193			
FAS 133 REGULATORY ASSETS	(33,752,603)			
FAS 133 REGULATORY LIABILITIES	33,752,603			

GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 June, 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 (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)			
LONG TERM DEBT	1,216,386,003	1,077,385,401	(415,631,615)	0	661,753,786	40.34	5.08	2.05	5.08	2.05	5.08	2.05
SHORT TERM DEBT	68,523,462	54,923,931	(21,188,446)	0	33,735,485	2.06	0.40	0.01	0.40	0.01	0.40	0.01
PREFERRED STOCK	97,998,345	86,792,950	(33,482,813)	0	53,310,137	3.25	6.33	0.21	6.33	0.21	6.33	0.21
CUSTOMER DEPOSITS	35,940,674	35,951,374	(13,869,250)	0	22,082,124	1.35	6.27	0.08	6.27	0.08	6.27	0.08
COMMON EQUITY	1,135,491,292	1,009,333,788	(389,378,798)	0	619,954,990	37.79	9.25	3.50	10.25	3.87	11.25	4.25
DEFERRED INCOME TAXES	479,360,631	437,336,517	(168,714,819)	0	268,621,698	16.37						
FASB 109 DEFERRED TAXES	(39,843,499)	(36,350,537)	14,023,238	0	(22,327,299)	(1.36)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,759,873	5,439,364	(2,098,387)	0	3,340,977	0.20	7.07	0.01	7.53	0.02	8.00	0.02
<b>TOTAL</b>	<b>3,000,616,781</b>	<b>2,670,812,788</b>	<b>(1,030,340,890)</b>	<b>0</b>	<b>1,640,471,898</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 (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)			
LONG TERM DEBT	1,217,111,653	1,086,395,961	(423,472,320)	0	662,923,641	38.88	5.07	1.97	5.07	1.97	5.07	1.97
SHORT TERM DEBT	116,906,867	98,557,059	(38,417,104)	0	60,139,955	3.53	0.28	0.01	0.28	0.01	0.28	0.01
PREFERRED STOCK	97,998,345	87,473,491	(34,096,778)	0	53,376,713	3.13	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	36,028,272	36,023,507	(14,041,803)	0	21,981,704	1.29	6.28	0.08	6.28	0.08	6.28	0.08
COMMON EQUITY	1,167,855,108	1,030,642,928	(401,740,035)	0	628,902,893	36.88	9.25	3.41	10.25	3.78	11.25	4.15
DEFERRED INCOME TAXES	543,806,702	486,090,942	(189,476,090)	0	296,614,852	17.40						
FASB 109 DEFERRED TAXES	(40,179,597)	(35,915,222)	13,999,594	0	(21,915,628)	(1.29)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,083,888	4,938,448	(1,924,985)	0	3,013,463	0.18	7.08	0.01	7.54	0.01	8.01	0.01
<b>TOTAL</b>	<b>3,145,611,238</b>	<b>2,794,207,114</b>	<b>(1,089,169,521)</b>	<b>0</b>	<b>1,705,037,593</b>	<b>100.00 %</b>		<b>5.69 %</b>		<b>6.05 %</b>		<b>6.42 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
June, 2012

## A. Times Interest Earned with AFUDC

Earnings Before Interest	182,957,523
AFUDC - Debt	3,279,823
Income Taxes	68,194,627
	<u>                    </u>
Total	254,431,973
Interest Charges (Before Deducting AFUDC - Debt)	<u>64,443,719</u>
T.I.E. With AFUDC	<u>3.95 x</u>

## B. Times Interest Earned without AFUDC

Earnings Before Interest	182,957,523
AFUDC - Other	(8,229,998)
Income Taxes	68,194,627
	<u>                    </u>
Total	242,922,152
Interest Charges (Before Deducting AFUDC - Debt)	<u>64,443,719</u>
T.I.E. Without AFUDC	<u>3.77 x</u>

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

AFUDC - Debt	3,279,823
X (1 - Income Tax Rate)	0.6143
	<u>                    </u>
Subtotal	2,014,631
AFUDC - Other	<u>8,229,998</u>
Total	<u>10,244,629</u>
Net Income Available for Common Stockholders	<u>115,591,127</u>
Percent AFUDC to Available Net Income	<u>8.86%</u>

## D. Percent Internally Generated Funds

Net Income	121,793,627
Preferred Dividends	(6,202,500)
Common Dividends	(112,900,000)
AFUDC (Debt & Other)	(11,509,821)
Depreciation & Amortization	143,875,399
Deferred Income Taxes	118,728,782
Investment Tax Credits	0
Other	<u>(3,223,855)</u>
Total	250,561,631
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>325,898,836</u>
Percent Internally Generated Funds	<u>76.88%</u>

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	661,753,786
Short Term Debt	33,735,485
Preferred Stock	53,310,137
Common Equity	<u>619,954,990</u>
Total	<u>1,368,754,398</u>
% Long Term Debt To Total	<u>48.35%</u>
% Short Term Debt To Total	<u>2.46%</u>

## G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.75%	4.75%
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)	<u>(0.02)</u>	<u>(0.02)</u>
Subtotal	<u>(2.36)</u>	<u>(2.36)</u>
Total	2.39	2.39
Divided by Common Equity Ratio	<u>37.79</u>	<u>37.79</u>
Jurisdictional Return on Common Equity	<u>6.32%</u>	<u>6.32%</u>

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

Supplemental 1

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

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

4  
5  
6  
7 Fifty-First Quarterly Report

8 Report Period: Second Quarter, 2012

9  
10  
11  
12

13 <u>Rate Class</u>	14 <u>Second Quarter Total Revenue</u>	15 <u>Second Quarter Total KWH Sales</u>	16 <u>Second Quarter ¢/KWH</u>	17 <u>12-Month Rolling Average ¢/KWH</u>
18 RTP	\$21,982,629.53	289,593,470	7.591	8.252
19 PX/PXT	-	-	-	-
20 LP/LPT	\$33,808,495.89	364,500,889	9.275	9.419

21  
22  
23  
24

25 Notes to Quarterly  
26 Real Time Pricing Report

- 27  
28 1. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective April 1, 2012.  
29 The reason for this change was to reflect a rate increase, FPSC Docket No. 110138-EI,  
30 Order No. PSC-12-0179-FOF-EI.

31  
32 Multipliers  
33 Effective 4/1/2012

34

35 On-Peak	1.150
36 Intermediate	0.395
37 Off-Peak	0.344

38  
39  
40

- 41 2. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective June 1, 2012.  
42 The reason for this change was to reflect a change in the long-term system lambdas.

43  
44 Multipliers  
45 Effective 6/1/2012

46

47 On-Peak	1.343
48 Intermediate	0.460
49 Off-Peak	0.369

50  
51  
52

- 53 3. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT  
54 and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between  
55 RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling  
56 average basis.