

One Energy Place  
Pensacola, Florida 32520

Tel 850.444.6111



September 14, 2012

Mr. John Slemkewicz  
Division of Accounting and Finance  
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 July 2012.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." The signature is written in a cursive, flowing style.

Robert L. McGee, Jr.

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

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FLORIDA PUBLIC SERVICE  
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DIVISION OF  
ACCOUNTING & FINANCE

**July 2012**

Earnings Surveillance  
Report  
(Rate of Return)



**GULF POWER COMPANY**  
Earnings Surveillance Report Summary  
July, 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	154,665,462	(73,654,877)	81,010,585	0	81,010,585
Average Rate Base	2,686,563,548	(1,037,467,618)	1,649,095,930	0	1,649,095,930
Average Rate of Return	5.76%		4.91%		4.91%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	154,672,171	(74,149,308)	80,522,863	0	80,522,863
Year End Rate Base	2,804,686,263	(1,096,686,117)	1,708,000,146	0	1,708,000,146
Year End Rate of Return	5.51%		4.71%		4.71%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.84%
Midpoint	6.21%
High	6.59%

**IV. Financial Integrity Indicators**

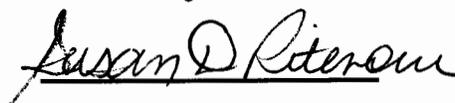
A. Tie With AFUDC	4.03 x (System per Books Basis)
B. Tie Without AFUDC	3.86 x (System per Books Basis)
C. AFUDC To Net Income	8.37% (System per Books Basis)
D. Internally Generated Funds	78.26% (System per Books Basis)
E. LTD To Total Investor Funds	48.24% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.51% (FPSC Adjusted Basis)
G. Return on Common Equity	6.80% (FPSC Adjusted Basis)
H. Return on Common Equity	6.80% (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  
Susan D. Ritenour  
Corporate Planning Manager, Corporate Treasurer & Secretary

Signature



Date

9/13/12

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

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>	3,912,852,374	1,342,543,474	2,570,308,900	10,477,864	235,259,986	0	2,816,046,750	204,647,548	3,020,694,298
<b>JURISDICTIONAL PER BOOKS</b>	3,458,080,508	1,213,918,971	2,244,161,537	10,128,984	225,310,158	0	2,479,600,679	206,962,869	2,686,563,548
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(888,405,983)	(78,554,323)	(809,851,660)		(5,264,945)		(815,116,605)	(9,320,884)	(824,437,489)
INT BEARING CWIP					(173,696,020)		(173,696,020)	0	(173,696,020)
ENERGY CONSERVATION CLAUSE	(10,373,618)	2,185,294	(12,558,912)		(0)		(12,558,912)	(1,847,483)	(14,406,395)
LOANS TO EMPLOYEES / RETIREES								(43,820)	(43,820)
INTEREST AND DIVIDENDS RECEIVABLE								(135,858)	(135,858)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(4,841,484)			(4,841,484)	(13,576,227)	(18,417,711)
FUEL RELATED DEFERRED DEBITS								(4,565,430)	(4,565,430)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								658,616	658,616
UNAMORTIZED RATE CASE EXPENSES								(2,423,511)	(2,423,511)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(898,779,601)</b>	<b>(76,369,029)</b>	<b>(822,410,572)</b>	<b>(4,841,484)</b>	<b>(178,960,965)</b>	<b>0</b>	<b>(1,006,213,021)</b>	<b>(31,254,597)</b>	<b>(1,037,467,618)</b>
<b>FPSC ADJUSTED</b>	<b>2,559,300,907</b>	<b>1,137,549,942</b>	<b>1,421,750,965</b>	<b>5,287,500</b>	<b>46,349,193</b>	<b>0</b>	<b>1,473,387,658</b>	<b>175,708,272</b>	<b>1,649,095,930</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>2,559,300,907</b>	<b>1,137,549,942</b>	<b>1,421,750,965</b>	<b>5,287,500</b>	<b>46,349,193</b>	<b>0</b>	<b>1,473,387,658</b>	<b>175,708,272</b>	<b>1,649,095,930</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
July, 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	1,470,331,928	664,343,907	319,702,432	136,588,544	99,992,066	(58,222,548)	130,448,510	(1,350,783)	0	1,291,502,127	178,829,800 (a)
JURISDICTIONAL PER BOOKS	1,217,418,246	486,514,295	306,955,851	126,014,139	98,436,840	(19,808,040)	76,454,409	(998,383)	0	1,073,569,111	143,849,135 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(144,447,182)		(21,498,691)	(34,765,027)	(1,283,594)	(33,521,625)				(91,068,937)	(53,378,245)
GROSS RECEIPTS TAX REVENUE	(29,767,192)					(11,482,694)				(11,482,694)	(18,284,498)
MARKETING SUPPORT ACTIVITIES			(178,703)			68,935				(109,768)	109,768
GAINLOSS ON DISPOSITION						(397)			1,029	632	(632)
MGMT FINANCIAL PLANNING SERVICES			(185,814)			71,678				(114,136)	114,136
DIRECTORS' & OFFICERS' INSURANCE			(41,454)			15,991				(25,463)	25,463
FRANCHISE FEE REVENUES	(39,385,429)					(15,192,929)				(15,192,929)	(24,192,500)
RETAIL FUEL REVENUES	(447,632,830)					(172,674,364)				(172,674,364)	(274,958,466)
ECCR and PPCC REVENUES	(63,697,080)					(24,571,149)				(24,571,149)	(39,125,931)
INT ON TAX ASSESSMENT			286,997			(110,709)				176,288	(176,288)
ECON DEV EXPENSE TOTAL			(943,645)			364,011				(579,634)	579,634
ECON DEV EXPENSE ALLOWED			896,462			(345,810)				550,652	(550,652)
LIAISON EXPENSES			(547,445)		(24,217)	220,519				(351,143)	351,143
CORP ADV & WHOLESALE EXPENSES		(5,153)	(19,671)			9,576				(15,248)	15,248
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(447,271,984)				172,535,168				(274,736,816)	274,736,816
ECCR AND PPCC EXPENSES		(39,237,158)	(19,788,810)	(285,345)	(239,331)	22,971,661				(36,578,983)	36,578,983
FRANCHISE FEE					(38,378,372)	14,804,457				(23,573,915)	23,573,915
GRT, FPSC FEES ON CLAUSES & FEES					(1,414,649)	545,701				(868,948)	868,948
GROSS RECEIPTS TAX ADJUST					(29,428,607)	11,352,085				(18,076,522)	18,076,522
INTEREST SYNCHRONIZATION						7,201,918				7,201,918	(7,201,918)
TOTAL FPSC ADJUSTMENTS	(724,929,713)	(486,514,295)	(42,020,779)	(35,050,372)	(70,768,770)	(27,737,975)	0	0	1,029	(662,091,163)	(62,838,550)
FPSC ADJUSTED	492,488,533	0	264,935,072	90,963,766	27,668,070	(47,546,015)	76,454,409	(998,383)	1,029	411,477,948	81,010,585
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	492,488,533	0	264,935,072	90,963,766	27,668,070	(47,546,015)	76,454,409	(998,383)	1,029	411,477,948	81,010,585
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,116,030	AND THE JURISDICTIONAL NOI BY	10,816,327					
CURRENT MO. SYSTEM PER BOOKS	152,266,671	70,647,017	24,814,795	12,144,486	9,244,730	(5,471,416)	17,344,773	(112,699)	0	128,611,686	23,654,985
CURRENT MO. JURIS PER BOOKS	129,330,423	54,338,830	22,702,764	11,254,587	9,081,813	(4,224,611)	14,975,282	(83,339)	0	108,045,327	21,285,096

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
July, 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	(39,385,429)	(15,192,929)
INVESTMENT	(366,943,549)	IIC FUEL REVENUES	(132,609,330)	(51,154,049)
ACCUMULATED DEPRECIATION	110,787,291	FUEL REVENUES	(490,138,702)	(189,071,004)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(392,234)	(151,304)
INVESTMENT	(10,373,618)	ECCR, PPCC, AND ECRC REVENUES	(208,327,972)	(80,362,515)
ACCUMULATED DEPRECIATION	(2,185,294)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(29,767,192)	(11,482,694)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	7,556	2,915
INVESTMENT	(917,274,253)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,401)	9,799
ACCUMULATED DEPRECIATION	81,125,932	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(5,008,243)	FUEL AND PPCC EXPENSES	(664,336,351)	256,267,747
INTEREST BEARING CWIP	(178,508,861)	GAIN/LOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(3,681,943)	ECON DEVELOP EXPENSE- TOTAL	(943,645)	364,011
ECRC CWIP	(5,435,724)	ECON DEV EXPENSE - ALLOWED	896,462	(345,810)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	293,283	(113,134)
FAS 143 NET PLANT	(14,668,954)	CONSERVATION EXPENSES - O & M	(19,788,810)	7,633,533
		CONSERVATION EXPENSES - OTHER TAXES	(124,259)	47,933
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(178,703)	68,935
ECRC WORKING CAPITAL	(9,621,969)	MGMT FINANCIAL PLANNING SERVICES	(189,884)	73,248
LOANS TO EMPLOYEES AND RETIREES	(45,920)	DIRECTORS' & OFFICERS' INSURANCE	(42,362)	16,341
UNREALIZED LOSS ON FWD CONTRACT	0	FRANCHISE FEE	(38,378,372)	14,804,457
CONSERVATION/AEM INVENTORY	(1,847,483)	GROSS RECEIPTS TAX EXPENSE	(29,428,607)	11,352,085
INTEREST & DIVIDENDS RECEIVABLE	(142,369)	LIAISON EXPENSE	(584,251)	225,375
PLANT SCHERER	(10,433,193)	ECRC/ECCR EXPENSES	(59,763,720)	23,053,855
TEMPORARY CASH INVESTMENTS	(98,616)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROPERTY INSURANCE RESERVE	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,414,650)	545,701
NORTH ESCAMBIA SITE	(14,128,125)	INTEREST SYNCHRONIZATION	7,528,809	7,528,809
UNAMORTIZED RATE CASE EXPENSES	(2,539,635)			
FUEL RELATED DEFERRED DEBITS	(4,565,430)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	690,174			
FAS 143 WORKING CAPITAL	19,478,989			
FAS 158 REGULATORY ASSETS	(103,731,599)			
FAS 158 REGULATORY LIABILITIES	103,731,599			
PPA REGULATORY ASSETS	(104,637,522)			
PPA REGULATORY LIABILITIES	104,637,522			
FAS 133 REGULATORY ASSETS	(35,560,042)			
FAS 133 REGULATORY LIABILITIES	35,560,042			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
July, 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	4,117,765,319	1,375,409,262	2,742,356,056	18,455,978	173,312,263	0	2,934,124,298	204,647,548	3,138,771,846
JURISDICTIONAL PER BOOKS	3,658,853,837	1,242,979,684	2,415,874,153	17,841,451	164,068,733	0	2,597,784,337	206,901,927	2,804,686,263
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,010,436,925)	(88,575,817)	(921,861,108)		(119,913)		(921,981,021)	(9,320,884)	(931,301,905)
INT BEARING CWIP					(117,399,712)		(117,399,712)	0	(117,399,712)
ENERGY CONSERVATION CLAUSE	(10,367,289)	3,095,640	(13,462,929)				(13,462,929)	(1,847,483)	(15,310,412)
LOANS TO EMPLOYEES AND RETIREES								(43,820)	(43,820)
INTEREST AND DIVIDENDS RECEIVABLE								(135,858)	(135,858)
NOTES RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHE				(12,587,859)			(12,587,859)	(13,576,227)	(26,164,086)
FUEL RELATED DEFERRED DEBITS								(4,565,430)	(4,565,430)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								658,616	658,616
UNAMORTIZED RATE CASE EXPENSES								(2,423,511)	(2,423,511)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,020,804,214)</b>	<b>(85,480,177)</b>	<b>(935,324,037)</b>	<b>(12,587,859)</b>	<b>(117,519,625)</b>	<b>0</b>	<b>(1,065,431,521)</b>	<b>(31,254,597)</b>	<b>(1,096,686,117)</b>
<b>FPSC ADJUSTED</b>	<b>2,638,049,623</b>	<b>1,157,499,507</b>	<b>1,480,550,116</b>	<b>5,253,592</b>	<b>46,549,108</b>	<b>0</b>	<b>1,532,352,816</b>	<b>175,647,330</b>	<b>1,708,000,146</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>2,638,049,623</b>	<b>1,157,499,507</b>	<b>1,480,550,116</b>	<b>5,253,592</b>	<b>46,549,108</b>	<b>0</b>	<b>1,532,352,816</b>	<b>175,647,330</b>	<b>1,708,000,146</b>

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
July, 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	1,470,331,928	664,343,907	319,702,432	136,588,544	99,992,066	(58,222,548)	130,448,510	(1,350,783)	0	1,291,502,127	178,829,800	(a)
JURISDICTIONAL PER BOOKS	1,217,418,246	486,514,295	306,955,851	126,014,139	98,436,840	(19,791,119)	76,430,779	(998,383)	0	1,073,562,402	143,855,844	(a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(144,447,182)		(21,498,691)	(34,765,027)	(1,283,594)	(33,521,625)				(91,068,937)	(53,378,245)	
GROSS RECEIPTS TAX REVENUE	(29,767,192)					(11,482,694)				(11,482,694)	(18,284,498)	
MARKETING SUPPORT ACTIVITIES			(178,703)			68,935				(109,768)	109,768	
GAIN/LOSS ON DISPOSITION						(397)			1,029	632	(632)	
MGMT FINANCIAL PLANNING SERVICES			(185,814)			71,678				(114,136)	114,136	
DIRECTORS' & OFFICERS' INSURANCE			(41,454)			15,991				(25,463)	25,463	
FRANCHISE FEE REVENUES	(39,385,429)					(15,192,929)				(15,192,929)	(24,192,500)	
RETAIL FUEL REVENUES	(447,632,830)					(172,674,364)				(172,674,364)	(274,958,466)	
ECCR & PPCC REVENUES	(63,697,080)					(24,571,149)				(24,571,149)	(39,125,931)	
INT ON TAX ASSESSMENT			286,997			(110,709)				176,288	(176,288)	
ECON DEV EXPENSE TOTAL			(943,645)			364,011				(579,634)	579,634	
ECON DEV EXPENSE ALLOWED			896,462			(345,810)				550,652	(550,652)	
LIAISON EXPENSES			(547,445)		(24,217)	220,519				(351,143)	351,143	
CORP ADV & WHOLESALE EXPENSES		(5,153)	(19,671)			9,576				(15,248)	15,248	
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3	
RETAIL FUEL EXPENSES		(447,271,984)				172,535,168				(274,736,816)	274,736,816	
ECCR AND PPCC EXPENSES		(39,237,158)	(19,788,810)	(285,345)	(239,331)	22,971,661				(36,578,983)	36,578,983	
FRANCHISE FEE					(38,378,372)	14,804,457				(23,573,915)	23,573,915	
GRT, FPSC FEES ON CLAUSES & FFEEES					(1,414,649)	545,701				(868,948)	868,948	
GROSS RECEIPTS TAX ADJUST					(29,428,607)	11,352,085				(18,076,522)	18,076,522	
INTEREST SYNCHRONIZATION						7,696,349				7,696,349	(7,696,349)	
TOTAL FPSC ADJUSTMENTS	(724,929,713)	(486,514,295)	(42,020,779)	(35,050,372)	(70,768,770)	(27,243,544)	0	0	1,029	(661,596,732)	(63,332,981)	
FPSC ADJUSTED	492,488,533	0	264,935,072	90,963,766	27,668,070	(47,034,663)	76,430,779	(998,383)	1,029	411,965,670	80,522,863	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	492,488,533	0	264,935,072	90,963,766	27,668,070	(47,034,663)	76,430,779	(998,383)	1,029	411,965,670	80,522,863	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,116,030	AND THE JURISDICTIONAL NOI BY	10,816,327						

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
July, 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	(39,385,429)	(15,192,929)
INVESTMENT	(369,753,736)	IIC FUEL REVENUES	(132,609,330)	(51,154,049)
ACCUMULATED DEPRECIATION	114,221,362	FUEL REVENUES	(490,138,702)	(189,071,004)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(392,234)	(151,304)
INVESTMENT	(10,367,289)	ECCR, PPCC, AND ECRC REVENUES	(208,327,972)	(80,362,515)
ACCUMULATED DEPRECIATION	(3,095,640)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(29,767,192)	(11,482,694)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	7,556	2,915
INVESTMENT	(1,039,028,020)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,401)	9,799
ACCUMULATED DEPRECIATION	91,121,945	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(664,336,351)	256,267,747
INTEREST BEARING CWIP	(120,652,672)	GAIN/LOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(4,697,411)	ECON DEVELOP EXPENSE- TOTAL	(943,645)	364,011
ECRC CWIP	(123,269)	ECON DEV EXPENSE - ALLOWED	896,462	(345,810)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	293,283	(113,134)
FAS 143 NET PLANT	(14,632,473)	CONSERVATION EXPENSES - O & M	(19,788,810)	7,633,533
		CONSERVATION EXPENSES - OTHER TAXES	(124,259)	47,933
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(178,703)	68,935
ECRC WORKING CAPITAL	(9,621,969)	MGMT FINANCIAL PLANNING SERVICES	(189,884)	73,248
LOANS TO EMPLOYEES AND RETIREES	(45,920)	DIRECTORS' & OFFICERS' INSURANCE	(42,362)	16,341
UNREALIZED LOSS ON FWD CONTRACT	0	FRANCHISE FEE	(38,378,372)	14,804,457
CONSERVATION/AEM INVENTORY	(1,847,483)	GROSS RECEIPTS TAX EXPENSE	(29,428,607)	11,352,085
INTEREST & DIVIDENDS RECEIVABLE	(142,369)	LIAISON EXPENSE	(584,251)	225,375
PLANT SCHERER	(11,018,590)	ECRC/ECCR EXPENSES	(59,763,720)	23,053,855
TEMPORARY CASH INVESTMENTS	(98,616)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROPERTY INSURANCE RESERVE	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,414,650)	545,701
NORTH ESCAMBIA SITE	(14,128,125)	INTEREST SYNCHRONIZATION	8,141,050	8,141,050
UNAMORTIZED RATE CASE EXPENSES	(2,539,635)			
FUEL RELATED DEFERRED DEBITS	(4,565,430)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	690,174			
FAS 143 WORKING CAPITAL	19,478,989			
FAS 158 REGULATORY ASSETS	(103,731,599)			
FAS 158 REGULATORY LIABILITIES	103,731,599			
PPA REGULATORY ASSETS	(104,637,522)			
PPA REGULATORY LIABILITIES	104,637,522			
FAS 133 REGULATORY ASSETS	(35,560,042)			
FAS 133 REGULATORY LIABILITIES	35,560,042			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
July, 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	1,217,204,137	1,078,758,829	(416,583,242)	0	662,175,587	40.15	5.06	2.03	5.06	2.03	5.06	2.03
SHORT TERM DEBT	68,433,941	56,234,195	(21,715,904)	0	34,518,291	2.09	0.44	0.01	0.44	0.01	0.44	0.01
PREFERRED STOCK	97,998,345	86,845,490	(33,537,038)	0	53,308,452	3.23	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	35,935,701	35,931,034	(13,875,452)	0	22,055,582	1.34	6.30	0.08	6.30	0.08	6.30	0.08
COMMON EQUITY	1,138,303,839	1,014,422,817	(391,738,667)	0	622,684,150	37.76	9.25	3.49	10.25	3.87	11.25	4.25
DEFERRED INCOME TAXES	489,743,925	445,287,789	(171,956,350)	0	273,331,439	16.57						
FASB 109 DEFERRED TAXES	(39,891,686)	(36,270,547)	14,006,561	0	(22,263,986)	(1.35)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,647,322	5,353,941	(2,067,526)	0	3,286,415	0.20	7.06	0.01	7.52	0.01	7.99	0.02
<b>TOTAL</b>	<b>3,014,375,524</b>	<b>2,686,563,548</b>	<b>(1,037,467,618)</b>	<b>0</b>	<b>1,649,095,930</b>	<b>100.00 %</b>		<b>5.84 %</b>		<b>6.21 %</b>		<b>6.59 %</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	1,217,393,777	1,085,634,667	(424,503,975)	0	661,130,692	38.71	4.86	1.88	4.86	1.88	4.86	1.88
SHORT TERM DEBT	93,411,833	78,839,112	(30,827,605)	0	48,011,507	2.81	0.44	0.01	0.44	0.01	0.44	0.01
PREFERRED STOCK	97,998,345	87,391,938	(34,171,924)	0	53,220,014	3.12	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	36,040,719	36,000,946	(14,077,060)	0	21,923,886	1.28	6.44	0.08	6.44	0.08	6.44	0.08
COMMON EQUITY	1,156,714,165	1,045,580,660	(408,842,090)	0	636,738,570	37.28	9.25	3.45	10.25	3.82	11.25	4.19
DEFERRED INCOME TAXES	561,749,306	502,893,954	(196,641,181)	0	306,252,773	17.93						
FASB 109 DEFERRED TAXES	(40,778,489)	(36,506,063)	14,274,571	0	(22,231,492)	(1.30)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	5,971,189	4,851,049	(1,896,853)	0	2,954,196	0.17	6.99	0.01	7.46	0.01	7.93	0.01
<b>TOTAL</b>	<b>3,128,500,846</b>	<b>2,804,686,263</b>	<b>(1,096,686,117)</b>	<b>0</b>	<b>1,708,000,146</b>	<b>100.00 %</b>		<b>5.64 %</b>		<b>6.01 %</b>		<b>6.38 %</b>

**GULF POWER COMPANY**  
**Financial Integrity Indicators**  
**July, 2012**

**A. Times Interest Earned with AFUDC**

Earnings Before Interest	185,574,100
AFUDC - Debt	3,167,606
Income Taxes	70,354,407
	<hr/>
Total	259,096,113
Interest Charges (Before Deducting AFUDC - Debt)	64,288,118
	<hr/>
T.I.E. With AFUDC	4.03 x

**B. Times Interest Earned without AFUDC**

Earnings Before Interest	185,574,100
AFUDC - Other	(7,948,424)
Income Taxes	70,354,407
	<hr/>
Total	247,980,083
Interest Charges (Before Deducting AFUDC - Debt)	64,288,118
	<hr/>
T.I.E. Without AFUDC	3.86 x

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

AFUDC - Debt	3,167,606
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,945,702
AFUDC - Other	7,948,424
	<hr/>
Total	9,894,126
	<hr/>
Net Income Available for Common Stockholders	118,251,087
Percent AFUDC to Available Net Income	8.37%

**D. Percent Internally Generated Funds**

Net Income	124,453,587
Preferred Dividends	(6,202,500)
Common Dividends	(114,350,000)
AFUDC (Debt & Other)	(11,116,030)
Depreciation & Amortization	145,025,615
Deferred Income Taxes	130,434,186
Investment Tax Credits	0
Other	(7,300,014)
	<hr/>
Total	260,944,844
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	333,447,500
	<hr/>
Percent Internally Generated Funds	78.26%

**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	662,175,587
Short Term Debt	34,518,291
Preferred Stock	53,308,452
Common Equity	622,684,150
	<hr/>
Total	1,372,686,480
	<hr/>
% Long Term Debt To Total	48.24%
	<hr/>
% Short Term Debt To Total	2.51%

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

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.91%	4.91%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.03)	(2.03)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.20)	(0.20)
Customer Deposits	(0.08)	(0.08)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(2.34)	(2.34)
	<hr/>	<hr/>
Total	2.57	2.57
Divided by Common Equity Ratio	37.76	37.76
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.80%	6.80%

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

Supplemental 1

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