

**Robert L. McGee, Jr.**  
Regulatory & Pricing Manager

One Energy Place  
Pensacola, Florida 32520-0780

Tel 850.444.6530  
Fax 850.444.6026  
RLMCGEE@southernco.com



October 12, 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 August 2012.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

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  
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DIVISION OF  
ACCOUNTING & FINANCE

**August 2012**

Earnings Surveillance  
Report  
(Rate of Return)



GULF POWER COMPANY  
Earnings Surveillance Report Summary  
August, 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	153,419,013	(72,898,366)	80,520,647	0	80,520,647
Average Rate Base	2,702,580,152	(1,044,809,177)	1,657,770,975	0	1,657,770,975
Average Rate of Return	5.68%		4.86%		4.86%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	153,427,415	(73,691,259)	79,736,156	0	79,736,156
Year End Rate Base	2,812,839,097	(1,102,605,430)	1,710,233,667	0	1,710,233,667
Year End Rate of Return	5.45%		4.66%		4.66%

(a) Includes AFUDC Earnings  
(b) Includes Reversal of AFUDC Earnings

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

Low	5.81%
Midpoint	6.19%
High	6.57%

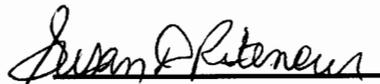
**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.02 x (System per Books Basis)
B. Tie Without AFUDC	3.86 x (System per Books Basis)
C. AFUDC To Net Income	7.80% (System per Books Basis)
D. Internally Generated Funds	72.76% (System per Books Basis)
E. LTD To Total Investor Funds	48.14% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.54% (FPSC Adjusted Basis)
G. Return on Common Equity	6.72% (FPSC Adjusted Basis)
H. Return on Common Equity	6.72% (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  
10-10-12

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
August, 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
<b>SYSTEM PER BOOKS</b>	3,939,113,901	1,348,320,160	2,590,793,741	11,468,380	232,858,871	0	2,835,120,992	202,132,931	3,037,253,923
<b>JURISDICTIONAL PER BOOKS</b>	3,483,374,294	1,219,064,871	2,264,309,423	11,086,518	222,950,345	0	2,498,346,286	204,233,866	2,702,580,152
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(901,491,703)	(80,514,524)	(820,977,179)		(5,188,415)		(826,165,594)	(9,171,235)	(835,336,829)
INT BEARING CWIP					(171,197,850)		(171,197,850)	0	(171,197,850)
ENERGY CONSERVATION CLAUSE	(10,380,947)	2,335,808	(12,716,755)		(0)		(12,716,755)	(1,958,200)	(14,674,955)
LOANS TO EMPLOYEES / RETIREES								(42,752)	(42,752)
INTEREST AND DIVIDENDS RECEIVABLE								(111,951)	(111,951)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(5,809,781)			(5,809,781)	(12,511,840)	(18,321,621)
FUEL RELATED DEFERRED DEBITS								(3,375,226)	(3,375,226)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								749,146	749,146
UNAMORTIZED RATE CASE EXPENSES								(2,497,140)	(2,497,140)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(911,872,650)</b>	<b>(78,178,716)</b>	<b>(833,693,934)</b>	<b>(5,809,781)</b>	<b>(176,386,265)</b>	<b>0</b>	<b>(1,015,889,980)</b>	<b>(28,919,197)</b>	<b>(1,044,809,177)</b>
<b>FPSC ADJUSTED</b>	<b>2,571,501,644</b>	<b>1,140,886,155</b>	<b>1,430,615,489</b>	<b>5,276,737</b>	<b>46,564,080</b>	<b>0</b>	<b>1,482,456,306</b>	<b>175,314,669</b>	<b>1,657,770,975</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>2,571,501,644</b>	<b>1,140,886,155</b>	<b>1,430,615,489</b>	<b>5,276,737</b>	<b>46,564,080</b>	<b>0</b>	<b>1,482,456,306</b>	<b>175,314,669</b>	<b>1,657,770,975</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
August, 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	1,448,331,407	642,753,149	320,146,106	137,740,652	99,222,811	(70,899,394)	142,807,818	(1,351,104)	0	1,270,420,038	177,911,370 (a)
JURISDICTIONAL PER BOOKS	1,206,879,719	476,202,239	306,997,975	127,137,713	97,691,762	(27,020,721)	83,469,407	(998,700)	0	1,063,479,675	143,400,044 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(144,378,636)		(21,288,778)	(35,250,448)	(1,356,946)	(33,360,610)				(91,256,782)	(53,121,854)
GROSS RECEIPTS TAX REVENUE	(29,281,318)					(11,295,268)				(11,295,268)	(17,986,050)
MARKETING SUPPORT ACTIVITIES			(164,787)			63,567				(101,220)	101,220
GAINLOSS ON DISPOSITION						(397)			1,029	632	(632)
MGMT FINANCIAL PLANNING SERVICES			(179,943)			69,413				(110,530)	110,530
DIRECTORS' & OFFICERS' INSURANCE			(41,447)			15,988				(25,459)	25,459
FRANCHISE FEE REVENUES	(38,871,321)					(14,994,612)				(14,994,612)	(23,876,709)
RETAIL FUEL REVENUES	(437,758,363)					(168,865,289)				(168,865,289)	(268,893,074)
ECCR and PPCC REVENUES	(64,304,273)					(24,805,373)				(24,805,373)	(39,498,900)
INT ON TAX ASSESSMENT			286,997			(110,709)				176,288	(176,288)
ECON DEV EXPENSE TOTAL			(867,301)			334,561				(532,740)	532,740
ECON DEV EXPENSE ALLOWED			823,936			(317,833)				506,103	(506,103)
LIAISON EXPENSES			(544,360)			219,336				(349,259)	349,259
CORP ADV & WHOLESALE EXPENSES		(5,153)	(19,671)		(24,235)	9,576				(15,248)	15,248
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(437,413,719)				168,732,342				(268,681,377)	268,681,377
ECCR AND PPCC EXPENSES		(38,783,367)	(20,376,520)	(293,666)		(220,981)	23,019,451			(36,655,083)	36,655,083
FRANCHISE FEE					(37,922,981)	14,628,790				(23,294,191)	23,294,191
GRT, FPSC FEES ON CLAUSES & FEES					(1,385,322)	534,388				(850,934)	850,934
GROSS RECEIPTS TAX ADJUST					(28,939,738)	11,163,504				(17,776,234)	17,776,234
INTEREST SYNCHRONIZATION						7,212,065				7,212,065	(7,212,065)
TOTAL FPSC ADJUSTMENTS	(714,593,911)	(476,202,239)	(42,371,879)	(35,544,114)	(69,850,203)	(27,747,108)	0	0	1,029	(651,714,514)	(62,879,397)
FPSC ADJUSTED	492,285,808	0	264,626,096	91,593,599	27,841,559	(54,767,829)	83,469,407	(998,700)	1,029	411,765,161	80,520,647
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	492,285,808	0	264,626,096	91,593,599	27,841,559	(54,767,829)	83,469,407	(998,700)	1,029	411,765,161	80,520,647
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				10,296,579			10,018,969				
CURRENT MO. SYSTEM PER BOOKS	147,395,340	68,663,945	27,916,950	12,165,131	9,145,085	(7,312,106)	16,855,960	(112,699)	0	127,322,265	20,073,075
CURRENT MO. JURIS PER BOOKS	125,923,268	53,705,878	25,657,294	11,268,900	8,978,831	(5,413,520)	13,940,881	(83,316)	0	108,054,947	17,868,321

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

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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	(38,871,321)	(14,994,612)
INVESTMENT	(367,479,566)	IIC FUEL REVENUES	(123,022,118)	(47,455,782)
ACCUMULATED DEPRECIATION	111,349,111	FUEL REVENUES	(478,462,353)	(184,566,852)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(376,944)	(145,406)
INVESTMENT	(10,380,947)	ECCR, PPCC, AND ECRC REVENUES	(208,866,954)	(80,570,428)
ACCUMULATED DEPRECIATION	(2,335,808)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(29,281,318)	(11,295,268)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	7,456	2,876
INVESTMENT	(930,588,252)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,401)	9,799
ACCUMULATED DEPRECIATION	83,133,104	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(6,009,892)	FUEL AND PPCC EXPENSES	(642,745,693)	247,939,151
INTEREST BEARING CWIP	(175,941,471)	GAINLOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(3,707,508)	ECON DEVELOP EXPENSE- TOTAL	(867,301)	334,561
ECRC CWIP	(5,355,593)	ECON DEV EXPENSE - ALLOWED	823,936	(317,833)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	293,283	(113,134)
FAS 143 NET PLANT	(14,663,029)	CONSERVATION EXPENSES - O & M	(20,376,520)	7,860,243
		CONSERVATION EXPENSES - OTHER TAXES	(106,233)	40,979
		MARKETING SUPPORT ACTIVITIES	(164,787)	63,567
		MGMT FINANCIAL PLANNING SERVICES	(183,884)	70,933
WORKING CAPITAL:		DIRECTORS' & OFFICERS' INSURANCE	(42,355)	16,338
ECRC WORKING CAPITAL	(9,465,457)	FRANCHISE FEE	(37,922,981)	14,628,790
LOANS TO EMPLOYEES AND RETIREES	(44,801)	GROSS RECEIPTS TAX EXPENSE	(28,939,738)	11,163,504
UNREALIZED LOSS ON FWD CONTRACT	0	LIAISON EXPENSE	(581,117)	224,166
CONSERVATION/AEM INVENTORY	(1,958,200)	ECRC/ECCR EXPENSES	(60,112,442)	23,188,375
INTEREST & DIVIDENDS RECEIVABLE	(117,316)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(10,765,837)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,385,323)	534,388
TEMPORARY CASH INVESTMENTS	(98,616)	INTEREST SYNCHRONIZATION	7,526,224	7,526,224
FUNDED PROPERTY INSURANCE RESERVE	0			
NORTH ESCAMBIA SITE	(13,012,737)			
UNAMORTIZED RATE CASE EXPENSES	(2,616,792)			
FUEL RELATED DEFERRED DEBITS	(3,375,226)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	785,042			
FAS 143 WORKING CAPITAL	19,534,233			
FAS 158 REGULATORY ASSETS	(106,479,259)			
FAS 158 REGULATORY LIABILITIES	106,479,259			
PPA REGULATORY ASSETS	(108,423,779)			
PPA REGULATORY LIABILITIES	108,423,779			
FAS 133 REGULATORY ASSETS	(37,564,549)			
FAS 133 REGULATORY LIABILITIES	37,564,549			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
August, 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	4,127,987,609	1,383,422,439	2,744,565,170	18,455,978	183,366,987	0	2,946,388,135	202,132,931	3,148,521,066
JURISDICTIONAL PER BOOKS	3,667,980,175	1,250,271,105	2,417,709,070	17,841,451	173,575,693	0	2,609,126,214	203,712,884	2,812,839,097
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,011,617,231)	(91,743,725)	(919,873,506)		(271,341)		(920,144,847)	(9,171,235)	(929,316,082)
INT BEARING CWIP					(127,237,023)		(127,237,023)	0	(127,237,023)
ENERGY CONSERVATION CLAUSE	(10,330,190)	3,386,314	(13,716,504)				(13,716,504)	(1,958,200)	(15,674,704)
LOANS TO EMPLOYEES AND RETIREES								(42,752)	(42,752)
INTEREST AND DIVIDENDS RECEIVABLE								(111,951)	(111,951)
NOTES RECEIVABLE								0	0
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,587,859)			(12,587,859)	(12,511,840)	(25,099,699)
FUEL RELATED DEFERRED DEBITS								(3,375,226)	(3,375,226)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								749,146	749,146
UNAMORTIZED RATE CASE EXPENSES								(2,497,140)	(2,497,140)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,021,947,421)</b>	<b>(88,357,411)</b>	<b>(933,590,010)</b>	<b>(12,587,859)</b>	<b>(127,508,364)</b>	<b>0</b>	<b>(1,073,686,233)</b>	<b>(28,919,198)</b>	<b>(1,102,605,430)</b>
<b>FPSC ADJUSTED</b>	<b>2,646,032,754</b>	<b>1,161,913,694</b>	<b>1,484,119,060</b>	<b>5,253,592</b>	<b>46,067,329</b>	<b>0</b>	<b>1,535,439,981</b>	<b>174,793,686</b>	<b>1,710,233,667</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>2,646,032,754</b>	<b>1,161,913,694</b>	<b>1,484,119,060</b>	<b>5,253,592</b>	<b>46,067,329</b>	<b>0</b>	<b>1,535,439,981</b>	<b>174,793,686</b>	<b>1,710,233,667</b>

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
August, 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	1,448,331,407	642,753,149	320,146,106	137,740,652	99,222,811	(70,899,394)	142,807,818	(1,351,104)	0	1,270,420,038	177,911,370 (a)
JURISDICTIONAL PER BOOKS	1,206,879,719	476,202,239	306,997,975	127,137,713	97,691,762	(26,996,488)	83,436,772	(998,700)	0	1,063,471,273	143,408,446 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(144,378,636)		(21,288,778)	(35,250,448)	(1,356,946)	(33,360,610)				(91,256,782)	(53,121,854)
GROSS RECEIPTS TAX REVENUE	(29,281,318)					(11,295,268)				(11,295,268)	(17,986,050)
MARKETING SUPPORT ACTIVITIES			(164,787)			63,567				(101,220)	101,220
GAIN/LOSS ON DISPOSITION						(397)			1,029	632	(632)
MGMT FINANCIAL PLANNING SERVICES			(179,943)			69,413				(110,530)	110,530
DIRECTORS' & OFFICERS' INSURANCE			(41,447)			15,988				(25,459)	25,459
FRANCHISE FEE REVENUES	(38,871,321)					(14,994,612)				(14,994,612)	(23,876,709)
RETAIL FUEL REVENUES	(437,758,363)					(168,865,289)				(168,865,289)	(268,893,074)
ECCR & PPCC REVENUES	(64,304,273)					(24,805,373)				(24,805,373)	(39,498,900)
INT ON TAX ASSESSMENT			286,997			(110,709)				176,288	(176,288)
ECON DEV EXPENSE TOTAL			(867,301)			334,561				(532,740)	532,740
ECON DEV EXPENSE ALLOWED			823,936			(317,833)				506,103	(506,103)
LIAISON EXPENSES			(544,360)		(24,235)	219,336				(349,259)	349,259
CORP ADV & WHOLESALE EXPENSES		(5,153)	(19,671)			9,576				(15,248)	15,248
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(437,413,719)				168,732,342				(268,681,377)	268,681,377
ECCR AND PPCC EXPENSES		(38,783,367)	(20,376,520)	(293,666)	(220,981)	23,019,451				(36,655,083)	36,655,083
FRANCHISE FEE					(37,922,981)	14,628,790				(23,294,191)	23,294,191
GRT, FPSC FEES ON CLAUSES & FEES					(1,385,322)	534,388				(850,934)	850,934
GROSS RECEIPTS TAX ADJUST					(28,939,738)	11,163,504				(17,776,234)	17,776,234
INTEREST SYNCHRONIZATION						8,004,958				8,004,958	(8,004,958)
TOTAL FPSC ADJUSTMENTS	(714,593,911)	(476,202,239)	(42,371,879)	(35,544,114)	(69,850,203)	(26,954,215)	0	0	1,029	(650,921,621)	(63,672,290)
FPSC ADJUSTED	492,285,808	0	264,626,096	91,593,599	27,841,559	(53,950,703)	83,436,772	(998,700)	1,029	412,549,652	79,736,156
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	492,285,808	0	264,626,096	91,593,599	27,841,559	(53,950,703)	83,436,772	(998,700)	1,029	412,549,652	79,736,156

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 10,296,579 AND THE JURISDICTIONAL NOI BY 10,018,969

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

<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	(38,871,321)	(14,994,612)
INVESTMENT	(370,297,921)	IIC FUEL REVENUES	(123,022,118)	(47,455,782)
ACCUMULATED DEPRECIATION	114,714,341	FUEL REVENUES	(478,462,353)	(184,566,852)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(376,944)	(145,406)
INVESTMENT	(10,330,190)	ECCR, PPCC, AND ECRC REVENUES	(208,866,954)	(80,570,428)
ACCUMULATED DEPRECIATION	(3,386,314)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(29,281,318)	(11,295,268)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	7,456	2,876
INVESTMENT	(1,040,586,225)	CORP ADVERTISING & WHOLESALE EXPENSES	(25,401)	9,799
ACCUMULATED DEPRECIATION	94,408,808	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(642,745,693)	247,939,151
INTEREST BEARING CWIP	(130,762,559)	GAINLOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(4,981,613)	ECON DEVELOP EXPENSE- TOTAL	(867,301)	334,561
ECRC CWIP	(279,031)	ECON DEV EXPENSE - ALLOWED	823,936	(317,833)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	293,283	(113,134)
FAS 143 NET PLANT	(14,626,316)	CONSERVATION EXPENSES - O & M	(20,376,520)	7,860,243
		CONSERVATION EXPENSES - OTHER TAXES	(106,233)	40,979
		MARKETING SUPPORT ACTIVITIES	(164,787)	63,567
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(183,884)	70,933
ECRC WORKING CAPITAL	(9,465,457)	DIRECTORS' & OFFICERS' INSURANCE	(42,355)	16,338
LOANS TO EMPLOYEES AND RETIREES	(44,801)	FRANCHISE FEE	(37,922,981)	14,628,790
UNREALIZED LOSS ON FWD CONTRACT	0	GROSS RECEIPTS TAX EXPENSE	(28,939,738)	11,163,504
CONSERVATION/AEM INVENTORY	(1,958,200)	LIAISON EXPENSE	(581,117)	224,166
INTEREST & DIVIDENDS RECEIVABLE	(117,316)	ECRC/ECCR EXPENSES	(60,112,442)	23,188,375
PLANT SCHERER	(11,961,922)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,385,323)	534,388
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	8,430,882	8,430,882
NORTH ESCAMBIA SITE	(13,012,737)			
UNAMORTIZED RATE CASE EXPENSES	(2,616,792)			
FUEL RELATED DEFERRED DEBITS	(3,375,226)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	785,042			
FAS 143 WORKING CAPITAL	19,534,233			
FAS 158 REGULATORY ASSETS	(106,479,259)			
FAS 158 REGULATORY LIABILITIES	106,479,259			
PPA REGULATORY ASSETS	(108,423,779)			
PPA REGULATORY LIABILITIES	108,423,779			
FAS 133 REGULATORY ASSETS	(37,564,549)			
FAS 133 REGULATORY LIABILITIES	37,564,549			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
August, 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	1,218,035,789	1,080,097,440	(417,562,349)	0	662,535,091	39.97	5.04	2.01	5.04	2.01	5.04	2.01
SHORT TERM DEBT	68,006,828	57,057,694	(22,058,329)	0	34,999,365	2.11	0.46	0.01	0.46	0.01	0.46	0.01
PREFERRED STOCK	97,998,345	86,894,271	(33,593,058)	0	53,301,213	3.22	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	35,931,810	35,913,496	(13,884,047)	0	22,029,449	1.33	5.99	0.08	5.99	0.08	5.99	0.08
COMMON EQUITY	1,143,255,131	1,019,496,202	(394,134,097)	0	625,362,105	37.72	9.25	3.49	10.25	3.87	11.25	4.24
DEFERRED INCOME TAXES	500,960,129	454,022,908	(175,523,860)	0	278,499,048	16.80						
FASB 109 DEFERRED TAXES	(39,909,968)	(36,170,621)	13,983,450	0	(22,187,171)	(1.34)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	6,534,746	5,268,762	(2,036,887)	0	3,231,875	0.19	7.05	0.01	7.52	0.01	7.99	0.02
<b>TOTAL</b>	<b>3,030,812,810</b>	<b>2,702,580,152</b>	<b>(1,044,809,177)</b>	<b>0</b>	<b>1,657,770,975</b>	<b>100.00 %</b>		<b>5.81 %</b>		<b>6.19 %</b>		<b>6.57 %</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	1,217,681,955	1,085,536,072	(425,519,529)	0	660,016,543	38.59	4.86	1.87	4.86	1.87	4.86	1.87
SHORT TERM DEBT	68,620,965	57,873,624	(22,685,895)	0	35,187,729	2.06	0.45	0.01	0.45	0.01	0.45	0.01
PREFERRED STOCK	97,998,345	87,363,321	(34,245,568)	0	53,117,753	3.11	6.33	0.20	6.33	0.20	6.33	0.20
CUSTOMER DEPOSITS	35,973,483	35,943,046	(14,089,323)	0	21,853,723	1.28	2.90	0.04	2.90	0.04	2.90	0.04
COMMON EQUITY	1,171,998,608	1,058,853,603	(415,060,262)	0	643,793,341	37.64	9.25	3.48	10.25	3.86	11.25	4.23
DEFERRED INCOME TAXES	578,749,075	519,213,607	(203,526,658)	0	315,686,949	18.46						
FASB 109 DEFERRED TAXES	(40,923,358)	(36,713,604)	14,391,374	0	(22,322,230)	(1.31)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	5,858,490	4,769,428	(1,869,569)	0	2,899,859	0.17	7.00	0.01	7.47	0.01	7.95	0.01
<b>TOTAL</b>	<b>3,135,957,563</b>	<b>2,812,839,097</b>	<b>(1,102,605,430)</b>	<b>0</b>	<b>1,710,233,667</b>	<b>100.00 %</b>		<b>5.61 %</b>		<b>5.99 %</b>		<b>6.37 %</b>

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

**A. Times Interest Earned with AFUDC**

Earnings Before Interest	183,854,944
AFUDC - Debt	3,075,593
Income Taxes	69,991,823
	<hr/>
Total	256,922,361
Interest Charges (Before Deducting AFUDC - Debt)	63,970,003
	<hr/>
T.I.E. With AFUDC	4.02 x

**B. Times Interest Earned without AFUDC**

Earnings Before Interest	183,854,944
AFUDC - Other	(7,220,986)
Income Taxes	69,991,823
	<hr/>
Total	246,625,782
Interest Charges (Before Deducting AFUDC - Debt)	63,970,003
	<hr/>
T.I.E. Without AFUDC	3.86 x

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

AFUDC - Debt	3,075,593
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	1,889,183
AFUDC - Other	7,220,986
	<hr/>
Total	9,110,169
	<hr/>
Net Income Available for Common Stockholders	116,758,034
Percent AFUDC to Available Net Income	7.80%

**D. Percent Internally Generated Funds**

Net Income	122,960,534
Preferred Dividends	(6,202,500)
Common Dividends	(114,350,000)
AFUDC (Debt & Other)	(10,296,579)
Depreciation & Amortization	146,228,076
Deferred Income Taxes	142,792,839
Investment Tax Credits	0
Other	(40,511,518)
	<hr/>
Total	240,620,852
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	330,689,607
	<hr/>
Percent Internally Generated Funds	72.76%

**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	662,535,091
Short Term Debt	34,999,365
Preferred Stock	53,301,213
Common Equity	625,362,105
	<hr/>
Total	1,376,197,774
	<hr/>
% Long Term Debt To Total	48.14%
	<hr/>
% Short Term Debt To Total	2.54%

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

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.86%	4.86%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.01)	(2.01)
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	(2.32)	(2.32)
	<hr/>	<hr/>
Total	2.54	2.54
Divided by Common Equity Ratio	37.72	37.72
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	6.72%	6.72%

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

Supplemental 1

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