

**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



November 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 September 2012.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." followed by a stylized flourish.

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

**September 2012**

Earnings Surveillance  
Report  
(Rate of Return)



GULF POWER COMPANY  
Earnings Surveillance Report Summary  
September, 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	157,779,083	(72,436,430)	85,342,653	0	85,342,653
Average Rate Base	2,717,898,254	(1,052,416,247)	1,665,482,007	0	1,665,482,007
Average Rate of Return	5.81%		5.12%		5.12%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	157,768,757	(72,937,797)	84,830,960	0	84,830,960
Year End Rate Base	2,825,573,648	(1,109,041,378)	1,716,532,269	0	1,716,532,269
Year End Rate of Return	5.58%		4.94%		4.94%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

**III. Required Rates of Return**

Average Capital Structure  
(FPSC Adjusted Basis)

Low	5.78%
Midpoint	6.16%
High	6.54%

**IV. Financial Integrity Indicators**

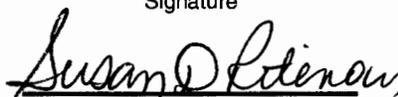
A. Tie With AFUDC	4.16 x (System per Books Basis)
B. Tie Without AFUDC	4.01 x (System per Books Basis)
C. AFUDC To Net Income	7.07% (System per Books Basis)
D. Internally Generated Funds	89.33% (System per Books Basis)
E. LTD To Total Investor Funds	48.11% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.53% (FPSC Adjusted Basis)
G. Return on Common Equity	7.50% (FPSC Adjusted Basis)
H. Return on Common Equity	7.50% (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



GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
September, 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>	3,965,066,357	1,354,106,150	2,610,960,207	12,458,896	230,673,558	0	2,854,092,661	198,734,080	3,052,826,741
<b>JURISDICTIONAL PER BOOKS</b>	3,508,545,292	1,224,187,293	2,284,357,999	12,044,053	220,761,706	0	2,517,163,758	200,734,496	2,717,898,254
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(914,745,102)	(82,538,291)	(832,206,811)		(4,991,734)		(837,198,545)	(9,056,054)	(846,254,599)
INT BEARING CWIP					(168,384,328)		(168,384,328)	0	(168,384,328)
ENERGY CONSERVATION CLAUSE	(10,389,253)	2,494,773	(12,884,026)		(0)		(12,884,026)	(2,071,599)	(14,955,625)
LOANS TO EMPLOYEES / RETIREES								(41,667)	(41,667)
INTEREST AND DIVIDENDS RECEIVABLE								(88,043)	(88,043)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(6,778,078)			(6,778,078)	(11,444,955)	(18,223,033)
FUEL RELATED DEFERRED DEBITS								(2,773,440)	(2,773,440)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								846,961	846,961
UNAMORTIZED RATE CASE EXPENSES								(2,542,473)	(2,542,473)
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(925,134,355)</b>	<b>(80,043,518)</b>	<b>(845,090,837)</b>	<b>(6,778,078)</b>	<b>(173,376,062)</b>	<b>0</b>	<b>(1,025,244,977)</b>	<b>(27,171,270)</b>	<b>(1,052,416,247)</b>
<b>FPSC ADJUSTED</b>	<b>2,583,410,937</b>	<b>1,144,143,775</b>	<b>1,439,267,162</b>	<b>5,265,975</b>	<b>47,385,644</b>	<b>0</b>	<b>1,491,918,781</b>	<b>173,563,226</b>	<b>1,665,482,007</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>2,583,410,937</b>	<b>1,144,143,775</b>	<b>1,439,267,162</b>	<b>5,265,975</b>	<b>47,385,644</b>	<b>0</b>	<b>1,491,918,781</b>	<b>173,563,226</b>	<b>1,665,482,007</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
September, 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	1,436,322,731	625,359,110	316,907,427	138,918,108	98,274,292	(79,840,355)	154,620,734	(1,351,425)	0	1,252,887,892	183,434,839 (a)
JURISDICTIONAL PER BOOKS	1,203,706,556	468,781,602	304,163,881	128,294,483	96,781,599	(32,673,102)	91,096,256	(999,036)	0	1,055,445,683	148,260,873 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(145,606,387)		(22,460,361)	(35,752,283)	(1,317,009)	(33,204,100)				(92,733,753)	(52,872,634)
GROSS RECEIPTS TAX REVENUE	(28,927,593)					(11,158,819)				(11,158,819)	(17,768,774)
MARKETING SUPPORT ACTIVITIES			(170,535)			65,784				(104,751)	104,751
GAIN/LOSS ON DISPOSITION						(397)			1,029	632	(632)
MGMT FINANCIAL PLANNING SERVICES			(176,827)			68,211				(108,616)	108,616
DIRECTORS' & OFFICERS' INSURANCE			(41,440)			15,985				(25,455)	25,455
FRANCHISE FEE REVENUES	(38,516,209)					(14,857,627)				(14,857,627)	(23,658,582)
RETAIL FUEL REVENUES	(430,133,005)					(165,923,807)				(165,923,807)	(264,209,198)
ECCR and PPCC REVENUES	(64,926,101)					(25,045,243)				(25,045,243)	(39,880,858)
INT ON TAX ASSESSMENT			252,671			(97,468)				155,203	(155,203)
ECON DEV EXPENSE TOTAL			(978,838)			377,587				(601,251)	601,251
ECON DEV EXPENSE ALLOWED			929,896			(358,707)				571,189	(571,189)
LIAISON EXPENSES			(540,755)		(24,290)	217,966				(347,079)	347,079
CORP ADV & WHOLESALE EXPENSES		(21,483)	(18,730)			15,512				(24,701)	24,701
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(429,797,052)				165,794,213				(264,002,839)	264,002,839
ECCR AND PPCC EXPENSES		(38,963,067)	(20,363,567)	(293,773)	(202,057)	23,076,515				(36,745,949)	36,745,949
FRANCHISE FEE					(37,531,545)	14,477,793				(23,053,752)	23,053,752
GRT, FPSC FEES ON CLAUSES & FEES					(1,368,165)	527,770				(840,395)	840,395
GROSS RECEIPTS TAX ADJUST					(28,577,296)	11,023,692				(17,553,604)	17,553,604
INTEREST SYNCHRONIZATION						7,209,546				7,209,546	(7,209,546)
TOTAL FPSC ADJUSTMENTS	(708,109,295)	(468,781,602)	(43,568,491)	(36,046,056)	(69,020,362)	(27,775,592)	0	0	1,029	(645,191,074)	(62,918,220)
FPSC ADJUSTED	495,597,262	0	260,595,390	92,248,427	27,761,237	(60,448,694)	91,096,256	(999,036)	1,029	410,254,609	85,342,653
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	495,597,262	0	260,595,390	92,248,427	27,761,237	(60,448,694)	91,096,256	(999,036)	1,029	410,254,609	85,342,653
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				9,781,945			9,518,210				
CURRENT MO. SYSTEM PER BOOKS	122,187,631	48,855,791	23,827,705	12,196,945	8,752,147	(20,746,373)	29,735,557	(112,699)	0	102,509,073	19,678,559
CURRENT MO. JURIS PER BOOKS	109,841,752	42,582,330	22,036,381	11,302,800	8,593,891	(15,870,994)	23,838,563	(83,323)	0	92,399,648	17,442,104

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
September, 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	(38,516,209)	(14,857,627)
INVESTMENT	(367,919,906)	IIC FUEL REVENUES	(115,901,600)	(44,709,042)
ACCUMULATED DEPRECIATION	111,911,882	FUEL REVENUES	(467,578,422)	(180,368,376)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(398,921)	(153,884)
INVESTMENT	(10,389,253)	ECCR, PPCC, AND ECRC REVENUES	(210,728,632)	(81,288,570)
ACCUMULATED DEPRECIATION	(2,494,773)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(28,927,593)	(11,158,819)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	16,006	6,174
INVESTMENT	(943,942,489)	CORP ADVERTISING & WHOLESALE EXPENSES	(41,326)	15,941
ACCUMULATED DEPRECIATION	85,194,261	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(7,011,541)	FUEL AND PPCC EXPENSES	(625,343,105)	241,226,103
INTEREST BEARING CWIP	(173,049,990)	GAIN/LOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(3,774,123)	ECON DEVELOP EXPENSE- TOTAL	(978,838)	377,587
ECRC CWIP	(5,150,818)	ECON DEV EXPENSE - ALLOWED	929,896	(358,708)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	258,205	(99,603)
FAS 143 NET PLANT	(14,657,027)	CONSERVATION EXPENSES - O & M	(20,363,567)	7,855,246
		CONSERVATION EXPENSES - OTHER TAXES	(87,634)	33,805
		MARKETING SUPPORT ACTIVITIES	(170,535)	65,784
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(180,700)	69,705
ECRC WORKING CAPITAL	(9,343,259)	DIRECTORS' & OFFICERS' INSURANCE	(42,347)	16,336
LOANS TO EMPLOYEES AND RETIREES	(43,664)	FRANCHISE FEE	(37,531,545)	14,477,793
UNREALIZED LOSS ON FWD CONTRACT	0	GROSS RECEIPTS TAX EXPENSE	(28,577,296)	11,023,692
CONSERVATION/AEM INVENTORY	(2,071,599)	LIAISON EXPENSE	(577,490)	222,767
INTEREST & DIVIDENDS RECEIVABLE	(92,263)	ECRC/ECCR EXPENSES	(61,764,921)	23,825,818
PLANT SCHERER	(10,994,501)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	(98,616)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,368,164)	527,769
FUNDED PROPERTY INSURANCE RESERVE	0	INTEREST SYNCHRONIZATION	7,522,654	7,522,654
NORTH ESCAMBIA SITE	(11,894,732)			
UNAMORTIZED RATE CASE EXPENSES	(2,664,297)			
FUEL RELATED DEFERRED DEBITS	(2,773,440)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	887,544			
FAS 143 WORKING CAPITAL	19,589,400			
FAS 158 REGULATORY ASSETS	(109,205,222)			
FAS 158 REGULATORY LIABILITIES	109,205,222			
PPA REGULATORY ASSETS	(112,208,964)			
PPA REGULATORY LIABILITIES	112,208,964			
FAS 133 REGULATORY ASSETS	(39,287,732)			
FAS 133 REGULATORY LIABILITIES	39,287,732			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
September, 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	4,131,463,288	1,388,215,203	2,743,248,085	18,455,978	200,696,350	0	2,962,400,412	198,734,080	3,161,134,492
JURISDICTIONAL PER BOOKS	3,671,960,232	1,254,375,831	2,417,584,401	17,841,451	189,889,563	0	2,625,315,415	200,258,233	2,825,573,648
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,014,025,610)	(95,118,306)	(918,907,304)		(839,980)		(919,747,284)	(9,056,054)	(928,803,338)
ENERGY CONSERVATION CLAUSE	(10,357,806)	3,605,833	(13,963,639)		(135,571,327)		(135,571,327)	0	(135,571,327)
LOANS TO EMPLOYEES AND RETIREES							(13,963,639)	(2,071,599)	(16,035,238)
INTEREST AND DIVIDENDS RECEIVABLE							(41,667)	(41,667)	(41,667)
NOTES RECEIVABLE							(88,043)	(88,043)	(88,043)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,587,859)			0	0	0
FUEL RELATED DEFERRED DEBITS							(12,587,859)	(11,444,955)	(24,032,814)
FLAME RESISTANT CLOTHING							(2,773,440)	(2,773,440)	(2,773,440)
ACCRUED PROVISION FOR REFUND							0	0	0
UNAMORTIZED RATE CASE EXPENSES							846,961	846,961	846,961
SALE OF RAILCARS							(2,542,473)	(2,542,473)	(2,542,473)
							0	0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,024,383,416)</b>	<b>(91,512,473)</b>	<b>(932,870,943)</b>	<b>(12,587,859)</b>	<b>(136,411,307)</b>	<b>0</b>	<b>(1,081,870,109)</b>	<b>(27,171,270)</b>	<b>(1,109,041,378)</b>
<b>FPSC ADJUSTED</b>	<b>2,647,576,816</b>	<b>1,162,863,358</b>	<b>1,484,713,458</b>	<b>5,253,592</b>	<b>53,478,256</b>	<b>0</b>	<b>1,543,445,306</b>	<b>173,086,963</b>	<b>1,716,532,269</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>2,647,576,816</b>	<b>1,162,863,358</b>	<b>1,484,713,458</b>	<b>5,253,592</b>	<b>53,478,256</b>	<b>0</b>	<b>1,543,445,306</b>	<b>173,086,963</b>	<b>1,716,532,269</b>

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
September, 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	1,436,322,731	625,359,110	316,907,427	138,918,108	98,274,292	(79,840,355)	154,620,734	(1,351,425)	0	1,252,887,892	183,434,839 (a)
JURISDICTIONAL PER BOOKS	1,203,706,556	468,781,602	304,163,881	128,294,483	96,781,599	(32,702,910)	91,136,390	(999,036)	0	1,055,456,009	148,250,547 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(145,606,387)		(22,460,361)	(35,752,283)	(1,317,009)	(33,204,100)				(92,733,753)	(52,872,634)
GROSS RECEIPTS TAX REVENUE	(28,927,593)					(11,158,819)				(11,158,819)	(17,768,774)
MARKETING SUPPORT ACTIVITIES			(170,535)			65,784				(104,751)	104,751
GAIN/LOSS ON DISPOSITION						(397)			1,029	632	(632)
MGMT FINANCIAL PLANNING SERVICES			(176,827)			68,211				(108,616)	108,616
DIRECTORS' & OFFICERS' INSURANCE			(41,440)			15,985				(25,455)	25,455
FRANCHISE FEE REVENUES	(38,516,209)					(14,857,627)				(14,857,627)	(23,658,582)
RETAIL FUEL REVENUES	(430,133,005)					(165,923,807)				(165,923,807)	(264,209,198)
ECCR & PPCC REVENUES	(64,926,101)					(25,045,243)				(25,045,243)	(39,880,858)
INT ON TAX ASSESSMENT			252,671			(97,468)				155,203	(155,203)
ECON DEV EXPENSE TOTAL			(978,838)			377,587				(601,251)	601,251
ECON DEV EXPENSE ALLOWED			929,896			(358,707)				571,189	(571,189)
LIAISON EXPENSES			(540,755)		(24,290)	217,966				(347,079)	347,079
CORP ADV & WHOLESALE EXPENSES		(21,483)	(18,730)			15,512				(24,701)	24,701
INDUSTRY ASSOCIATION DUES			(5)			2				(3)	3
RETAIL FUEL EXPENSES		(429,797,052)				165,794,213				(264,002,839)	264,002,839
ECCR AND PPCC EXPENSES		(38,963,067)	(20,363,567)	(293,773)	(202,057)	23,076,515				(36,745,949)	36,745,949
FRANCHISE FEE					(37,531,545)	14,477,793				(23,053,752)	23,053,752
GRT, FPSC FEES ON CLAUSES & FEES					(1,368,165)	527,770				(840,395)	840,395
GROSS RECEIPTS TAX ADJUST					(28,577,296)	11,023,692				(17,553,604)	17,553,604
INTEREST SYNCHRONIZATION						7,710,913				7,710,913	(7,710,913)
TOTAL FPSC ADJUSTMENTS	(708,109,295)	(468,781,602)	(43,568,491)	(36,046,056)	(69,020,362)	(27,274,225)	0	0	1,029	(644,689,707)	(63,419,587)
FPSC ADJUSTED	495,597,262	0	260,595,390	92,248,427	27,761,237	(59,977,135)	91,136,390	(999,036)	1,029	410,766,302	84,830,960
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	495,597,262	0	260,595,390	92,248,427	27,761,237	(59,977,135)	91,136,390	(999,036)	1,029	410,766,302	84,830,960

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 9,781,945 AND THE JURISDICTIONAL NOI BY 9,518,210

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
September, 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	(38,516,209)	(14,857,627)
INVESTMENT	(370,217,429)	IIC FUEL REVENUES	(115,901,600)	(44,709,042)
ACCUMULATED DEPRECIATION	115,323,869	FUEL REVENUES	(467,578,422)	(180,368,376)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(398,921)	(153,884)
INVESTMENT	(10,357,806)	ECCR, PPCC, AND ECRC REVENUES	(210,728,632)	(81,288,570)
ACCUMULATED DEPRECIATION	(3,605,833)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(28,927,593)	(11,158,819)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	16,006	6,174
INVESTMENT	(1,042,537,089)	CORP ADVERTISING & WHOLESALE EXPENSES	(41,326)	15,941
ACCUMULATED DEPRECIATION	97,833,440	INDUSTRY ASSOCIATION DUES	(5)	2
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(625,343,105)	241,226,103
INTEREST BEARING CWIP	(139,327,793)	GAIN/LOSS ON DISPOSITION OF PROPERTY	1,050	(405)
SCHERER CWIP	(5,545,166)	ECON DEVELOP EXPENSE- TOTAL	(978,838)	377,587
ECRC CWIP	(863,335)	ECON DEV EXPENSE - ALLOWED	929,896	(358,708)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	258,205	(99,603)
FAS 143 NET PLANT	(14,620,158)	CONSERVATION EXPENSES - O & M	(20,363,567)	7,855,246
		CONSERVATION EXPENSES - OTHER TAXES	(87,634)	33,805
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(170,535)	65,784
ECRC WORKING CAPITAL	(9,343,259)	MGMT FINANCIAL PLANNING SERVICES	(180,700)	69,705
LOANS TO EMPLOYEES AND RETIREES	(43,664)	DIRECTORS' & OFFICERS' INSURANCE	(42,347)	16,336
UNREALIZED LOSS ON FWD CONTRACT	0	FRANCHISE FEE	(37,531,545)	14,477,793
CONSERVATION/AEM INVENTORY	(2,071,599)	GROSS RECEIPTS TAX EXPENSE	(28,577,296)	11,023,692
INTEREST & DIVIDENDS RECEIVABLE	(92,263)	LIAISON EXPENSE	(577,490)	222,767
PLANT SCHERER	(10,625,657)	ECRC/ECCR EXPENSES	(61,764,921)	23,825,818
TEMPORARY CASH INVESTMENTS	(98,616)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROPERTY INSURANCE RESERVE	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,368,164)	527,769
NORTH ESCAMBIA SITE	(11,894,732)	INTEREST SYNCHRONIZATION	8,202,637	8,202,637
UNAMORTIZED RATE CASE EXPENSES	(2,664,297)			
FUEL RELATED DEFERRED DEBITS	(2,773,440)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	887,544			
FAS 143 WORKING CAPITAL	19,589,400			
FAS 158 REGULATORY ASSETS	(109,205,222)			
FAS 158 REGULATORY LIABILITIES	109,205,222			
PPA REGULATORY ASSETS	(112,208,964)			
PPA REGULATORY LIABILITIES	112,208,964			
FAS 133 REGULATORY ASSETS	(39,287,732)			
FAS 133 REGULATORY LIABILITIES	39,287,732			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
September, 2012

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)						
LONG TERM DEBT	1,218,871,485	1,081,686,326	(418,847,270)	0	662,839,056	39.80	5.02	2.00	5.02	2.00	5.02	2.00	5.02	2.00	5.02
SHORT TERM DEBT	67,026,318	56,792,490	(21,991,014)	0	34,801,476	2.09	0.49	0.01	0.49	0.01	0.49	0.01	0.49	0.01	0.49
PREFERRED STOCK	97,998,345	86,962,990	(33,673,543)	0	53,289,447	3.20	6.33	0.20	6.33	0.20	6.33	0.20	6.33	0.20	6.33
CUSTOMER DEPOSITS	35,917,400	35,895,253	(13,899,250)	0	21,996,003	1.32	5.72	0.08	5.72	0.08	5.72	0.08	5.72	0.08	5.72
COMMON EQUITY	1,148,135,026	1,022,763,075	(396,031,189)	0	626,731,886	37.63	9.25	3.48	10.25	3.86	11.25	3.86	11.25	4.23	4.23
DEFERRED INCOME TAXES	514,049,811	464,711,136	(179,944,024)	0	284,767,112	17.10									
FASB 109 DEFERRED TAXES	(39,930,514)	(36,097,968)	13,977,744	0	(22,120,224)	(1.33)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	6,422,146	5,184,952	(2,007,701)	0	3,177,251	0.19	7.05	0.01	7.51	0.01	7.98	0.01	7.98	0.02	0.02
<b>TOTAL</b>	<b>3,048,490,017</b>	<b>2,717,898,254</b>	<b>(1,052,416,247)</b>	<b>0</b>	<b>1,665,482,007</b>	<b>100.00 %</b>				<b>5.78 %</b>		<b>6.16 %</b>		<b>6.54 %</b>	<b>6.54 %</b>

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)						
LONG TERM DEBT	1,217,970,133	1,101,010,257	(432,147,976)	0	668,862,281	38.97	4.87	1.90	4.87	1.90	4.87	1.90	4.87	1.90	4.87
SHORT TERM DEBT	19,228,383	14,627,418	(5,741,281)	0	8,886,137	0.52	1.68	0.01	1.68	0.01	1.68	0.01	1.68	0.01	1.68
PREFERRED STOCK	97,998,345	88,587,708	(34,770,792)	0	53,816,916	3.14	6.33	0.20	6.33	0.20	6.33	0.20	6.33	0.20	6.33
CUSTOMER DEPOSITS	35,848,884	36,413,649	(14,292,405)	0	22,121,244	1.29	2.94	0.04	2.94	0.04	2.94	0.04	2.94	0.04	2.94
COMMON EQUITY	1,187,800,398	1,061,798,865	(416,757,453)	0	645,041,412	37.58	9.25	3.48	10.25	3.85	11.25	3.85	11.25	4.23	4.23
DEFERRED INCOME TAXES	608,134,122	556,328,372	(218,359,619)	0	337,968,753	19.67									
FASB 109 DEFERRED TAXES	(41,486,374)	(37,952,232)	14,896,301	0	(23,055,931)	(1.34)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	5,745,791	4,759,610	(1,868,153)	0	2,891,457	0.17	6.99	0.01	7.47	0.01	7.94	0.01	7.94	0.01	7.94
<b>TOTAL</b>	<b>3,131,239,682</b>	<b>2,825,573,648</b>	<b>(1,109,041,378)</b>	<b>0</b>	<b>1,716,532,269</b>	<b>100.00 %</b>				<b>5.63 %</b>		<b>6.01 %</b>		<b>6.39 %</b>	<b>6.39 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
September, 2012

## A. Times Interest Earned with AFUDC

Earnings Before Interest	188,975,682
AFUDC - Debt	2,970,921
Income Taxes	72,988,543
	<u>264,935,145</u>
Total	264,935,145
Interest Charges (Before Deducting AFUDC - Debt)	63,616,059
T.I.E. With AFUDC	<u>4.16 x</u>

## B. Times Interest Earned without AFUDC

Earnings Before Interest	188,975,682
AFUDC - Other	(6,811,024)
Income Taxes	72,988,543
	<u>255,153,200</u>
Total	255,153,200
Interest Charges (Before Deducting AFUDC - Debt)	63,616,059
T.I.E. Without AFUDC	<u>4.01 x</u>

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	2,970,921
X (1 - Income Tax Rate)	0.61425
	<u>1,824,888</u>
Subtotal	1,824,888
AFUDC - Other	6,811,024
	<u>8,635,912</u>
Total	8,635,912
Net Income Available for Common Stockholders	<u>122,128,044</u>
Percent AFUDC to Available Net Income	<u>7.07%</u>

## D. Percent Internally Generated Funds

Net Income	128,330,544
Preferred Dividends	(6,202,500)
Common Dividends	(114,350,000)
AFUDC (Debt & Other)	(9,781,945)
Depreciation & Amortization	147,340,441
Deferred Income Taxes	154,605,497
Investment Tax Credits	0
Other	2,628,797
	<u>302,570,833</u>
Total	302,570,833
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>338,695,001</u>
Percent Internally Generated Funds	<u>89.33%</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	662,839,056
Short Term Debt	34,801,476
Preferred Stock	53,289,447
Common Equity	<u>626,731,886</u>
Total	<u>1,377,661,865</u>
% Long Term Debt To Total	<u>48.11%</u>
% Short Term Debt To Total	<u>2.53%</u>

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.12%	5.12%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.00)	(2.00)
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)
Subtotal	<u>(2.30)</u>	<u>(2.30)</u>
Total	2.82	2.82
Divided by Common Equity Ratio	<u>37.63</u>	<u>37.63</u>
Jurisdictional Return on Common Equity	<u>7.50%</u>	<u>7.50%</u>

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

Supplemental 1

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

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**GULF POWER COMPANY**

**DOCKET NO. 990315-EI**

**RTP QUARTERLY REPORT**

**Fifty-Second Quarterly Report**

**Report Period: Third Quarter, 2012**

<u>Rate Class</u>	<u>Third Quarter Total Revenue</u>	<u>Third Quarter Total KWH Sales</u>	<u>Third Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$26,217,777.91	326,611,326	8.027	7.962
PX/PXT	-	-	-	-
LP/LPT	\$34,512,295.23	417,433,546	8.268	9.154

**Notes to Quarterly  
Real Time Pricing Report**

1. There were no changes made to the "M" multipliers during this period.
2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling average basis.