

Susan D. Ritenour
Corporate Secretary, Treasurer &
Corporate Planning Manager

One Energy Place
Pensacola, Florida 32520-0786
Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



May 14, 2014

Mr. Bart Fletcher
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 MAY 15 AM 8:09
DIVISION OF
ACCOUNTING & FINANCE

RE: Monthly Rate of Return Report

Dear Mr. Fletcher:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of March 2014.

Sincerely,

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

March 2014

Earnings Surveillance
Report
(Rate of Return)

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 MAY 15 AM 8:09
DIVISION OF
ACCOUNTING & FINANCE



GULF POWER COMPANY
Earnings Surveillance Report Summary
March, 2014

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	174,277,763	(65,203,696)	109,074,067	0	109,074,067
Average Rate Base	3,050,622,090	(1,161,663,926)	1,888,958,164	0	1,888,958,164
Average Rate of Return	5.71%		5.77%		5.77%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	173,976,340	(65,297,247)	108,679,093	0	108,679,093
Year End Rate Base	3,146,616,336	(1,224,232,034)	1,922,384,302	0	1,922,384,302
Year End Rate of Return	5.53%		5.65%		5.65%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.40%
Midpoint	5.77%
High	6.14%

IV. Financial Integrity Indicators

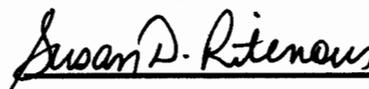
A. Tie With AFUDC	5.01 x (System per Books Basis)
B. Tie Without AFUDC	4.81 x (System per Books Basis)
C. AFUDC To Net Income	7.32% (System per Books Basis)
D. Internally Generated Funds	93.90% (System per Books Basis)
E. LTD To Total Investor Funds	45.98% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.23% (FPSC Adjusted Basis)
G. Return on Common Equity	10.25% (FPSC Adjusted Basis)
H. Return on Common Equity	10.25% (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

5/14/14

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
March, 2014

	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	4,307,077,421	1,420,031,149	2,887,046,272	17,978,492	247,868,926	0	3,152,893,690	235,944,951	3,388,838,641
JURISDICTIONAL PER BOOKS	3,840,704,856	1,282,698,569	2,558,006,287	17,452,535	233,362,146	0	2,808,820,967	241,801,123	3,050,622,090
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,372,728)	(125,752,536)	(889,620,192)		(3,100,201)		(892,720,393)	(7,780,065)	(900,500,458)
INT BEARING CWIP					(187,295,986)		(187,295,986)	0	(187,295,986)
ENERGY CONSERVATION CLAUSE	(11,093,826)	5,554,390	(16,648,216)		(4,594)		(16,652,810)	(2,263,127)	(18,915,937)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES / RETIREES								(26,882)	(26,882)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,612,640)			(12,612,640)	(4,595,276)	(17,207,916)
DEPRECIATION CREDIT ADJUSTMENT (1)								(58,462)	(58,462)
FUEL RELATED DEFERRED DEBITS								(33,703,834)	(33,703,834)
ACCRUED PROVISION FOR REFUND								251,165	251,165
UNAMORTIZED RATE CASE EXPENSES								(4,205,616)	(4,205,616)
TOTAL FPSC ADJUSTMENTS	(1,026,466,554)	(120,198,146)	(906,268,408)	(12,612,640)	(190,400,781)	0	(1,109,281,828)	(52,382,098)	(1,161,663,926)
FPSC ADJUSTED	2,814,238,302	1,162,500,423	1,651,737,879	4,839,895	42,961,365	0	1,699,539,139	189,419,025	1,888,958,164
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUST	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	2,814,238,302	1,162,500,423	1,651,737,879	4,839,895	42,961,365	0	1,699,539,139	189,419,025	1,888,958,164

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
March, 2014

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	1,521,268,930	678,372,392	310,305,707	145,144,912	101,526,912	15,226,820	74,601,483	(1,332,276)	0	1,323,845,950	197,422,980 (a)
JURISDICTIONAL PER BOOKS	1,276,243,461	514,943,506	293,152,421	134,428,123	99,684,101	18,158,282	53,883,287	(983,006)	0	1,113,466,713	162,776,748 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(470,017,694)	(469,712,671)				(117,662)				(469,830,333)	(187,360)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(44,842,183)	(45,070,704)				49,577				(45,021,127)	78,944
ENERGY CONSERVATION COST REVENUES & EXPENSES	(25,007,712)		(22,672,511)	(312,011)	(400,375)	(626,001)				(24,010,897)	(996,815)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,259,245)		(27,867,703)	(39,525,081)	(1,729,186)	(29,369,954)				(98,491,924)	(46,767,321)
FRANCHISE FEE REVENUE & EXPENSE	(38,995,194)				(38,035,150)	(370,337)				(38,405,487)	(589,707)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,908,463)				(28,585,626)	(124,535)				(28,710,161)	(198,302)
MARKETING SUPPORT ACTIVITIES			(185,519)			71,564				(113,955)	113,955
WHOLESALE EXPENSES		(160,130)				61,770				(98,360)	98,360
INSTITUTIONAL ADVERTISING EXPENSE			(164,751)			63,553				(101,196)	101,196
ECONOMIC DEVELOPMENT EXPENSE			(53,939)			20,807				(33,132)	33,132
MGMT FINANCIAL PLANNING SERVICES			(31,509)			12,155				(19,354)	19,354
DIRECTORS' & OFFICERS' INSURANCE			(45,767)			17,663				(28,124)	28,124
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(189,271)		(7,622)	75,951				(120,942)	120,942
DEPRECIATION CREDIT ADJUSTMENT (1)				760,000		(293,170)				466,830	(466,830)
GRT, FPSC FEES ON CLAUSES & FEES					(1,358,564)	524,066				(834,498)	834,498
(GAIN) / LOSS ON DISPOSITION						44,238			(114,680)	(70,442)	70,442
INTEREST SYNCHRONIZATION						5,995,338				5,995,338	(5,995,338)
TOTAL FPSC ADJUSTMENTS	(753,130,491)	(514,943,506)	(51,211,061)	(39,077,092)	(70,116,522)	(23,964,950)	0	0	(114,680)	(699,427,810)	(53,702,681)
FPSC ADJUSTED	523,112,970	0	241,941,360	95,351,031	29,767,579	(5,806,668)	53,883,287	(983,006)	(114,680)	414,038,903	109,074,067
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	523,112,970	0	241,941,360	95,351,031	29,767,579	(5,806,668)	53,883,287	(983,006)	(114,680)	414,038,903	109,074,067
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,774,561	AND THE JURISDICTIONAL NOI BY	11,501,015					
CURRENT MONTH SYSTEM PER BOOKS	125,570,897	58,471,488	30,415,705	10,408,269	8,206,369	947,229	4,401,309	(105,992)	0	112,744,377	12,826,520
CURRENT MONTH JURISDICTIONAL PER BOOKS	98,512,477	38,155,986	27,204,670	9,498,813	8,069,607	1,860,545	2,714,680	(76,986)	0	87,427,314	11,085,183

TOTALS MAY NOT ADD DUE TO ROUNDING.

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
March, 2014

SCHEDULE 2
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE		FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(635,478,816)	(245,135,954)
INVESTMENT	(1,045,227,482)	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,066,667)	(57,502,467)
ACCUMULATED DEPRECIATION	129,463,721	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,127,702)	(17,408,011)
CWIP	(3,194,621)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(25,007,712)	(9,646,725)
ENERGY CONSERVATION COST RECOVERY		FUEL EXPENSE	(631,631,003)	243,651,659
INVESTMENT	(11,093,826)	PURCHASED POWER CAPACITY COST EXPENSE	(46,648,250)	17,994,562
ACCUMULATED DEPRECIATION	(5,554,390)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(22,984,521)	8,866,279
CWIP	(4,594)	CONSERVATION EXPENSES - OTHER TAXES	(400,375)	154,445
TRANSMISSION PURSUANT TO STIP. & SETT.		ENVIRONMENTAL COST RECOVERY EXPENSE	(71,101,671)	27,427,470
INVESTMENT	0	FRANCHISE FEE REVENUES	(38,995,194)	(15,042,396)
FAS 143 NET PLANT	(14,770,163)	FRANCHISE FEE	(38,035,150)	14,672,059
INTEREST BEARING CWIP	(191,750,730)	GROSS RECEIPTS TAX REVENUES	(28,908,463)	(11,151,440)
PHFU - NORTH ESCAMBIA	(12,992,740)	GROSS RECEIPTS TAX EXPENSE	(28,585,626)	11,026,905
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(185,519)	71,564
ECRC WORKING CAPITAL	(8,008,205)	WHOLESALE EXPENSE	(165,011)	63,653
CONSERVATION/AEM INVENTORY	(2,263,127)	INSTITUTIONAL ADVERTISING EXPENSE	(167,997)	64,805
CAPITALIZED DEF. EARNINGS ON TRANSMISSION		ECONOMIC DEVELOPMENT EXPENSE	(53,938)	20,807
PURSUANT TO STIP. & SETT.	0	MGMT FINANCIAL PLANNING SERVICES	(32,204)	12,423
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(46,798)	18,052
LOANS TO EMPLOYEES AND RETIREES	(28,055)	INDUSTRY ASSOCIATION DUES	(72)	28
INTEREST & DIVIDENDS RECEIVABLE	0	TALLAHASSEE LIAISON EXPENSE	(201,242)	77,629
NORTH ESCAMBIA SITE	(4,796,060)	DEPRECIATION CREDIT ADJUSTMENT (1)	760,000	(293,170)
UNAMORTIZED RATE CASE EXPENSE	(4,389,375)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,358,565)	524,066
DEPRECIATION CREDIT ADJUSTMENT (1)	(58,462)	COMP SALESTRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	74,361	28,685
FUEL RELATED DEFERRED DEBITS	(33,703,834)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
UNREALIZED LOSS ON FWD CONTRACT	(96)	INTEREST SYNCHRONIZATION	6,393,832	6,393,832
ACCUM. PROV. FOR RATE REFUNDS	262,139			
FAS 143 WORKING CAPITAL	25,640,450			
FAS 158 REGULATORY ASSETS	(120,023,619)			
FAS 158 REGULATORY LIABILITIES	120,023,619			
PPA REGULATORY ASSETS	(175,308,496)			
PPA REGULATORY LIABILITIES	175,308,496			
FAS 133 REGULATORY ASSETS	(28,660,464)			
FAS 133 REGULATORY LIABILITIES	28,660,464			

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
March, 2014

	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	4,374,974,147	1,464,524,830	2,910,449,318	15,476,655	322,811,030	0	3,248,737,003	235,944,951	3,484,681,954
JURISDICTIONAL PER BOOKS	3,902,024,994	1,323,281,380	2,578,743,614	15,023,888	309,099,172	0	2,902,866,674	243,749,662	3,146,616,336
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(1,015,086,929)	(144,726,218)	(870,360,711)		(8,322,751)		(878,683,462)	(7,780,065)	(886,463,527)
ENERGY CONSERVATION CLAUSE	(11,543,022)	6,116,042	(17,659,064)		(262,927,266)		(262,927,266)	0	(262,927,266)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.							(17,659,064)	(2,263,127)	(19,922,191)
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(26,882)	(26,882)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,580,144)			(12,580,144)	(4,595,276)	(17,175,420)
DEPRECIATION CREDIT ADJUSTMENT (1)								(58,462)	(58,462)
FUEL RELATED DEFERRED DEBITS								(33,703,834)	(33,703,834)
ACCRUED PROVISION FOR REFUND								251,165	251,165
								(4,205,616)	(4,205,616)
TOTAL FPSC ADJUSTMENTS	(1,026,629,951)	(138,610,176)	(888,019,775)	(12,580,144)	(271,250,017)	0	(1,171,849,936)	(52,382,097)	(1,224,232,034)
FPSC ADJUSTED	2,875,395,043	1,184,671,204	1,690,723,839	2,443,744	37,849,155	0	1,731,016,738	191,367,564	1,922,384,302
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	2,875,395,043	1,184,671,204	1,690,723,839	2,443,744	37,849,155	0	1,731,016,738	191,367,564	1,922,384,302

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
March, 2014

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 INVESTMENT TAXES (NET)	CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,521,268,930	678,372,392	310,305,707	145,144,912	101,526,912	15,226,820	74,601,483	(1,332,276)	0	1,323,845,950	197,422,980 (a)
JURISDICTIONAL PER BOOKS	1,276,243,461	514,943,506	293,152,421	134,428,123	99,884,101	18,345,459	53,997,533	(983,006)	0	1,113,768,136	162,475,325 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(470,017,694)	(469,712,671)				(117,662)				(469,830,333)	(187,360)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(44,942,183)	(45,070,704)				49,577				(45,021,127)	78,944
ENERGY CONSERVATION COST REVENUES & EXPENSES	(25,007,712)		(22,672,511)	(312,011)	(400,375)	(626,001)				(24,010,897)	(996,815)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,259,245)		(27,867,703)	(39,525,081)	(1,729,186)	(29,369,954)				(98,491,924)	(46,767,321)
FRANCHISE FEE REVENUE & EXPENSE	(38,995,194)				(38,035,150)	(370,337)				(38,405,487)	(589,707)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(28,908,463)				(28,585,626)	(124,535)				(28,710,161)	(198,302)
MARKETING SUPPORT ACTIVITIES			(185,519)			71,564				(113,955)	113,955
WHOLESALE EXPENSES		(160,130)				61,770				(98,360)	98,360
INSTITUTIONAL ADVERTISING EXPENSE			(164,751)			63,553				(101,198)	101,198
ECONOMIC DEVELOPMENT EXPENSE			(53,939)			20,807				(33,132)	33,132
MGMT FINANCIAL PLANNING SERVICES			(31,509)			12,155				(19,354)	19,354
DIRECTORS' & OFFICERS' INSURANCE			(45,787)			17,663				(28,124)	28,124
INDUSTRY ASSOCIATION DUES			(71)			27				(44)	44
TALLAHASSEE LIAISON EXPENSES			(189,271)		(7,622)	75,951				(120,942)	120,942
DEPRECIATION CREDIT ADJUSTMENT (1)				760,000		(293,170)				466,830	(466,830)
GRT, FPSC FEES ON CLAUSES & FEES					(1,358,564)	524,066				(834,498)	834,498
(GAIN) / LOSS ON DISPOSITION						44,238		(114,680)		(70,442)	70,442
INTEREST SYNCHRONIZATION						6,088,889				6,088,889	(6,088,889)
TOTAL FPSC ADJUSTMENTS	(753,130,491)	(514,943,506)	(51,211,061)	(39,077,092)	(70,116,522)	(23,871,399)	0	0	(114,680)	(699,334,259)	(53,796,232)
FPSC ADJUSTED	523,112,970	0	241,941,360	95,351,031	29,767,579	(5,525,940)	53,997,533	(983,006)	(114,680)	414,433,877	108,679,093
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	523,112,970	0	241,941,360	95,351,031	29,767,579	(5,525,940)	53,997,533	(983,006)	(114,680)	414,433,877	108,679,093
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				11,774,561	AND THE JURISDICTIONAL NOI BY	11,501,015					

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, issued December 19, 2013.

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
March, 2014

SCHEDULE 3
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,045,731,180)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(635,478,816)	(245,135,954)
ACCUMULATED DEPRECIATION	149,095,328	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,096,667)	(57,502,467)
CWIP	(8,574,005)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,127,702)	(17,408,011)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,543,022)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(25,007,712)	(9,646,725)
ACCUMULATED DEPRECIATION	(6,116,042)	FUEL EXPENSE	(631,631,003)	243,651,659
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(46,646,250)	17,994,562
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(22,984,521)	8,866,279
FAS 143 NET PLANT	(15,248,939)	CONSERVATION EXPENSES - OTHER TAXES	(400,375)	154,445
INTEREST BEARING CWIP	(269,180,864)	ENVIRONMENTAL COST RECOVERY EXPENSE	(71,101,671)	27,427,470
PHFU - NORTH ESCAMBIA	(12,959,265)	FRANCHISE FEE REVENUES	(36,995,194)	(15,042,396)
		FRANCHISE FEE	(36,035,150)	14,872,059
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(28,908,463)	(11,151,440)
ECRC WORKING CAPITAL	(8,008,205)	GROSS RECEIPTS TAX EXPENSE	(28,585,626)	11,026,905
CONSERVATION/AEM INVENTORY	(2,263,127)	MARKETING SUPPORT ACTIVITIES	(185,519)	71,564
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	WHOLESALE EXPENSE	(165,011)	63,653
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(167,997)	64,805
LOANS TO EMPLOYEES AND RETIREES	(28,055)	ECONOMIC DEVELOPMENT EXPENSE	(53,938)	20,807
INTEREST & DIVIDENDS RECEIVABLE	0	MGMT FINANCIAL PLANNING SERVICES	(32,204)	12,423
NORTH ESCAMBIA SITE	(4,796,060)	DIRECTORS' & OFFICERS' INSURANCE	(46,798)	18,052
UNAMORTIZED RATE CASE EXPENSE	(4,389,375)	INDUSTRY ASSOCIATION DUES	(72)	28
DEPRECIATION CREDIT ADJUSTMENT (1)	(58,462)	TALLAHASSEE LIAISON EXPENSE	(201,242)	77,629
FUEL RELATED DEFERRED DEBITS	(33,703,634)	DEPRECIATION CREDIT ADJUSTMENT (1)	760,000	(293,170)
UNREALIZED LOSS ON FWD CONTRACT	(96)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,358,565)	524,068
ACCUM. PROV. FOR RATE REFUNDS	262,139	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	74,381	26,685
FAS 143 WORKING CAPITAL	25,640,450	GAIN/LOSS ON DISPOSITION OF PROPERTY	(116,789)	45,051
FAS 156 REGULATORY ASSETS	(120,023,619)	INTEREST SYNCHRONIZATION	6,625,446	6,625,446
FAS 156 REGULATORY LIABILITIES	120,023,619			
PPA REGULATORY ASSETS	(175,308,496)			
PPA REGULATORY LIABILITIES	175,308,496			
FAS 133 REGULATORY ASSETS	(28,660,464)			
FAS 133 REGULATORY LIABILITIES	28,660,464			

Note:

(1) Reflects an adjustment to the depreciation credit provided for in Order No. PSC-13-0670-S-EI, Issued December 19, 2013.

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
March, 2014

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,219,403,097	1,104,556,995	(420,610,609)	0	683,946,386	36.21	4.73	1.71	4.73	1.71	4.73	1.71
SHORT TERM DEBT	96,030,078	53,549,720	(20,391,506)	0	33,158,214	1.76	0.37	0.01	0.37	0.01	0.37	0.01
PREFERENCE STOCK	135,323,887	122,606,415	(46,688,002)	0	75,918,413	4.02	6.17	0.25	6.17	0.25	6.17	0.25
CUSTOMER DEPOSITS	34,767,175	35,139,924	(13,381,134)	0	21,758,790	1.15	2.39	0.03	2.39	0.03	2.39	0.03
COMMON EQUITY	1,233,272,385	1,121,658,528	(427,122,800)	0	694,535,728	36.77	9.25	3.40	10.25	3.77	11.25	4.14
DEFERRED INCOME TAXES	703,269,184	648,819,623	(247,067,755)	0	401,751,868	21.27						
FASB 109 DEFERRED TAXES	(42,761,290)	(39,450,564)	15,022,608	0	(24,427,956)	(1.29)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	4,396,490	3,741,449	(1,424,726)	0	2,316,721	0.12	6.96	0.01	7.44	0.01	7.92	0.01
TOTAL	3,383,701,006	3,050,622,090	(1,161,663,926)	0	1,888,958,164	100.00 %		5.40 %		5.77 %		6.14 %

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,207,853,977	1,114,174,663	(433,484,152)	0	680,690,511	35.41	4.73	1.67	4.73	1.67	4.73	1.67
SHORT TERM DEBT	60,489,363	21,839,498	(8,496,941)	0	13,342,557	0.69	0.24	0.00	0.24	0.00	0.24	0.00
PREFERENCE STOCK	146,503,864	135,141,248	(52,578,461)	0	82,562,787	4.29	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,507,769	35,456,364	(13,794,760)	0	21,661,604	1.13	2.39	0.03	2.39	0.03	2.39	0.03
COMMON EQUITY	1,293,594,615	1,181,514,851	(459,683,728)	0	721,831,123	37.55	9.25	3.47	10.25	3.85	11.25	4.22
DEFERRED INCOME TAXES	741,439,132	696,892,049	(271,134,921)	0	425,757,128	22.15						
FASB 109 DEFERRED TAXES	(44,372,375)	(41,706,398)	16,226,417	0	(25,479,981)	(1.33)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,737,318	3,304,061	(1,285,488)	0	2,018,573	0.11	7.00	0.01	7.49	0.01	7.98	0.01
TOTAL	3,443,753,663	3,146,616,336	(1,224,232,034)	0	1,922,384,302	100.00 %		5.45 %		5.82 %		6.20 %

GULF POWER COMPANY
Financial Integrity Indicators
March, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	202,704,683
AFUDC - Debt	4,081,169
Income Taxes	<u>88,865,786</u>
Total	295,651,638
Interest Charges (Before Deducting AFUDC - Debt)	<u>59,001,292</u>
T.I.E. With AFUDC	<u>5.01 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	202,704,683
AFUDC - Other	(7,693,392)
Income Taxes	<u>88,865,786</u>
Total	283,877,077
Interest Charges (Before Deducting AFUDC - Debt)	<u>59,001,292</u>
T.I.E. Without AFUDC	<u>4.81 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	4,081,169
X (1 - Income Tax Rate)	0.61425
Subtotal	2,506,858
AFUDC - Other	<u>7,693,392</u>
Total	<u>10,200,250</u>
Net Income Available for Common Stockholders	<u>139,380,949</u>
Percent AFUDC to Available Net Income	<u>7.32%</u>

D. Percent Internally Generated Funds

Net Income	147,784,560
Preference Dividends	(8,403,611)
Common Dividends	(117,350,000)
AFUDC (Debt & Other)	(11,774,561)
Depreciation & Amortization	153,719,904
Deferred Income Taxes	74,579,494
Investment Tax Credits	0
Other	<u>67,021,526</u>
Total	305,577,313
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>325,419,676</u>
Percent Internally Generated Funds	<u>93.90%</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	683,946,386
Short Term Debt	33,158,214
Preference Stock	75,918,413
Common Equity	<u>694,535,728</u>
Total	<u>1,487,558,741</u>
% Long Term Debt To Total	<u>45.98%</u>
% Short Term Debt To Total	<u>2.23%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.77%	5.77%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.71)	(1.71)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.25)	(0.25)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.01)</u>	<u>(0.01)</u>
Subtotal	<u>(2.00)</u>	<u>(2.00)</u>
Total	3.77	3.77
Divided by Common Equity Ratio	<u>36.77</u>	<u>36.77</u>
Jurisdictional Return on Common Equity	<u>10.25%</u>	<u>10.25%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
March, 2014

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
April	2013	291,667
May	2013	291,667
June	2013	291,667
July	2013	291,667
August	2013	291,667
September	2013	291,667
October	2013	291,667
November	2013	291,667
December	2013	291,667
January	2014	291,663
February	2014	291,667
March	2014	291,667
12 - M-T-D		<u><u>3,500,000</u></u>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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5
6
7
8 Fifty-Eighth Quarterly Report

9
10 Report Period: First Quarter, 2014

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12

13 <u>Rate Class</u>	14 <u>First Quarter Total Revenue</u>	15 <u>First Quarter Total KWH Sales</u>	16 <u>First Quarter ¢/KWH</u>	17 <u>12-Month Rolling Average ¢/KWH</u>
18 RTP	\$24,753,161.78	329,414,775	7.514	7.444
19 PX/PXT	-	-	-	-
20 LP/LPT	\$19,852,013.92	214,676,267	9.247	8.615

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25 **Notes to Quarterly**
26 **Real Time Pricing Report**

- 27
28 1. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective January 1, 2014.
29 The reason for this change was to reflect a change in the long-term system lambdas.

30
31

32 <u>Multipliers</u> 33 <u>Effective 1/1/2014</u>	
34 On-Peak	35 1.380
36 Intermediate	37 0.483
38 Off-Peak	39 0.383

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41

- 42 2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT
43 and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between
44 RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling
45 average basis.
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GULF POWER COMPANY
SUPPLEMENTAL SURVEILLANCE REPORT INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
MARCH 2014

CONFIDENTIAL

The information below is presented to comply with FPSC Order No. PSC-96-1219-FOF-EI and FPSC Order No. PSC-01-0390-TRF-EI. This supplemental information is to be treated as confidential. For CSA-3, it is estimated that the contract execution-to-date revenues, excluding tax and franchise fees, that would have been produced by the application of Gulf Power's otherwise applicable standard tariff rates to the affected load would have been [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA. Although this dollar amount is required to be calculated and reported, Gulf believes a more accurate representation of the impact of CSA-3 on Gulf's general body of customers is shown in the paragraph below.

For CSA-3, it is estimated that the contract execution-to-date net benefit to Gulf's customers, as represented by the contribution toward fixed costs associated with sales under CSA-3 which would not have occurred in the absence of CSA-3, is [REDACTED].