

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

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September 12, 2014

Mr. Bart Fletcher
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. Fletcher:

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

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

wb

enclosure

cc/enc.: Office of the Public Counsel
c/o Florida Legislature
111 W. Madison, Rm. 801
Tallahassee FL 32399-1400

GOV 2-1-5-3

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
14 SEP 15 PM 2:31
DIVISION OF
ACCOUNTING & FINANCE

July 2014

Earnings Surveillance
Report
(Rate of Return)



14 SEP 15 PM 2:31
DIVISION OF
ACCOUNTING & FINANCE

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION

GULF POWER COMPANY
Earnings Surveillance Report Summary
July, 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	177,245,388	(64,939,139)	112,306,249	0	112,306,249
Average Rate Base	3,096,814,715	(1,211,399,755)	1,885,414,960	0	1,885,414,960
Average Rate of Return	5.72%		5.96%		5.96%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	177,246,316	(65,390,099)	111,856,217	0	111,856,217
Year End Rate Base	3,194,237,347	(1,279,969,294)	1,914,268,053	0	1,914,268,053
Year End Rate of Return	5.55%		5.84%		5.84%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.42%
Midpoint	5.79%
High	6.16%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.18 x (System per Books Basis)
B. Tie Without AFUDC	4.94 x (System per Books Basis)
C. AFUDC To Net Income	8.49% (System per Books Basis)
D. Internally Generated Funds	79.95% (System per Books Basis)
E. LTD To Total Investor Funds	45.67% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.36% (FPSC Adjusted Basis)
G. Return on Common Equity	10.70% (FPSC Adjusted Basis)
H. Return on Common Equity	10.70% (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
9-12-14

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
July, 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	4,355,120,483	1,450,726,593	2,904,393,890	17,055,166	295,263,456	0	3,216,712,512	216,637,109	3,433,349,621
JURISDICTIONAL PER BOOKS	3,884,454,856	1,310,616,591	2,573,838,265	16,556,221	281,636,383	0	2,872,030,868	224,783,847	3,096,814,715
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,505,028)	(138,441,021)	(877,064,007)		(6,597,885)		(883,661,892)	(7,503,800)	(891,165,692)
INT BEARING CWIP					(232,813,486)		(232,813,486)	0	(232,813,486)
ENERGY CONSERVATION CLAUSE	(11,376,199)	5,965,898	(17,342,097)		(4,594)		(17,346,691)	(1,850,938)	(19,197,629)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES / RETIREES								(28,260)	(28,260)
INTEREST AND DIVIDENDS RECEIVABLE								(7,431)	(7,431)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,587,653)			(12,587,653)	(4,519,348)	(17,107,001)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(46,328,012)	(46,328,012)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,752,244)	(4,752,244)
TOTAL FPSC ADJUSTMENTS	(1,026,881,227)	(132,475,123)	(894,406,104)	(12,587,653)	(239,415,965)	0	(1,146,409,721)	(64,990,034)	(1,211,399,755)
FPSC ADJUSTED	2,857,573,629	1,178,141,468	1,679,432,161	3,968,568	42,220,418	0	1,725,621,147	159,793,813	1,885,414,960
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	2,857,573,629	1,178,141,468	1,679,432,161	3,968,568	42,220,418	0	1,725,621,147	159,793,813	1,885,414,960

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

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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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,554,985,682	700,032,539	316,379,404	147,455,025	104,410,729	28,253,714	82,573,445	(1,305,444)	0	1,357,799,412	197,186,270 (a)
JURISDICTIONAL PER BOOKS	1,307,416,592	532,326,520	298,767,924	136,979,628	102,850,784	27,267,528	46,409,091	(956,692)	0	1,143,844,782	163,773,810 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(486,068,178)	(485,748,540)				(123,301)				(485,871,841)	(196,337)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(46,114,049)	(46,384,834)				104,378				(46,280,258)	166,206
ENERGY CONSERVATION COST REVENUES & EXPENSES	(20,265,604)		(17,930,151)	(319,916)	(392,902)	(625,932)				(19,266,900)	(996,704)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,057,463)		(29,380,266)	(39,461,504)	(1,859,852)	(28,690,481)				(99,372,103)	(45,685,360)
FRANCHISE FEE REVENUE & EXPENSE	(40,160,683)				(39,138,305)	(394,382)				(39,532,687)	(627,996)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,970,093)				(29,814,511)	(137,165)				(29,751,676)	(218,417)
MARKETING SUPPORT ACTIVITIES			(162,765)			62,787				(99,978)	99,978
WHOLESALE EXPENSES		(193,346)				74,583				(118,763)	118,763
INSTITUTIONAL ADVERTISING EXPENSE			(379,842)			146,524				(233,318)	233,318
ECONOMIC DEVELOPMENT EXPENSE			(54,275)			20,937				(33,338)	33,338
MGMT FINANCIAL PLANNING SERVICES			(34,698)			13,385				(21,313)	21,313
DIRECTORS' & OFFICERS' INSURANCE			(47,936)			18,491				(29,445)	29,445
INDUSTRY ASSOCIATION DUES			(189)			73				(116)	116
TALLAHASSEE LIAISON EXPENSES			(295,070)		(13,040)	118,853				(189,257)	189,257
DEPRECIATION CREDIT ADJUSTMENT						0				0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,408,335)	543,265				(865,070)	865,070
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						186,976			(484,709)	(297,733)	297,733
INTEREST SYNCRONIZATION						5,797,283				5,797,283	(5,797,283)
TOTAL FPSC ADJUSTMENTS	(767,836,071)	(532,326,520)	(48,265,192)	(39,781,420)	(72,426,945)	(22,883,725)	0	0	(484,709)	(716,168,510)	(51,467,561)
FPSC ADJUSTED	539,762,521	0	250,502,732	97,198,208	30,423,839	4,383,803	46,409,091	(956,692)	(484,709)	427,476,272	112,306,249
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	539,762,521	0	250,502,732	97,198,208	30,423,839	4,383,803	46,409,091	(956,692)	(484,709)	427,476,272	112,306,249
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				13,791,993	AND THE JURISDICTIONAL NOI BY	13,471,578					
CURRENT MONTH SYSTEM PER BOOKS	151,264,036	67,178,018	28,838,420	12,920,278	10,284,766	10,410,543	392,524	(105,992)	0	129,918,556	21,345,480
CURRENT MONTH JURISDICTIONAL PER BOOKS	132,693,644	55,666,294	25,916,246	12,002,071	10,147,373	9,456,677	332,244	(76,985)	0	113,443,920	19,249,724

TOTALS MAY NOT ADD DUE TO ROUNDING.

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

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<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	(1,045,518,906)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(655,442,345)	(252,836,885)
ACCUMULATED DEPRECIATION	142,544,082	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,086,382)	(57,510,078)
CWIP	(6,796,943)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(46,430,250)	(17,910,469)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,378,189)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(20,285,604)	(7,817,457)
ACCUMULATED DEPRECIATION	(5,985,898)	FUEL EXPENSE	(652,099,437)	251,547,358
CWIP	(4,584)	PURCHASED POWER CAPACITY COST EXPENSE	(47,891,968)	18,474,327
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(18,250,068)	7,039,963
FAS 143 NET PLANT	(15,025,525)	CONSERVATION EXPENSES - OTHER TAXES	(382,902)	151,562
INTEREST BEARING CWIP	(238,350,842)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,728,943)	28,055,190
PHFU - NORTH ESCAMBIA	(12,987,000)	FRANCHISE FEE REVENUES	(40,160,683)	(15,491,983)
WORKING CAPITAL:		FRANCHISE FEE	(38,138,305)	15,097,801
ECRC WORKING CAPITAL	(7,725,157)	GROSS RECEIPTS TAX REVENUES	(29,970,093)	(11,580,983)
CONSERVATION/AEM INVENTORY	(1,850,938)	GROSS RECEIPTS TAX EXPENSE	(29,814,511)	11,423,798
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(162,765)	62,787
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(189,239)	76,856
LOANS TO EMPLOYEES AND RETIREES	(29,494)	INSTITUTIONAL ADVERTISING EXPENSE	(387,325)	149,411
INTEREST & DIVIDENDS RECEIVABLE	(7,755)	ECONOMIC DEVELOPMENT EXPENSE	(54,275)	20,937
NORTH ESCAMBIA SITE	(4,716,815)	MGMT FINANCIAL PLANNING SERVICES	(35,484)	13,680
UNAMORTIZED RATE CASE EXPENSE	(4,959,887)	DIRECTORS' & OFFICERS' INSURANCE	(48,994)	18,900
DEPRECIATION CREDIT ADJUSTMENT	0	INDUSTRY ASSOCIATION DUES	(193)	74
FUEL RELATED DEFERRED DEBITS	(46,328,012)	TALLAHASSEE LIAISON EXPENSE	(314,916)	121,479
UNREALIZED LOSS ON FWD CONTRACT	136	DEPRECIATION CREDIT ADJUSTMENT	0	0
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,408,335)	543,285
FAS 143 WORKING CAPITAL	26,167,023	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	39,181	15,114
FAS 158 REGULATORY ASSETS	(101,767,813)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(505,744)	195,091
FAS 158 REGULATORY LIABILITIES	101,767,813	INTEREST SYNCHRONIZATION	6,214,523	6,214,523
PPA REGULATORY ASSETS	(187,811,220)			
PPA REGULATORY LIABILITIES	187,811,220			
FAS 133 REGULATORY ASSETS	(27,527,271)			
FAS 133 REGULATORY LIABILITIES	27,527,271			

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

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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
SYSTEM PER BOOKS	4,420,251,271	1,498,341,372	2,921,909,899	15,390,708	376,892,202	0	3,314,192,809	216,637,109	3,530,829,918
JURISDICTIONAL PER BOOKS	3,943,010,181	1,354,055,928	2,588,954,253	14,940,455	364,878,024	0	2,968,772,732	225,464,615	3,194,237,347
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,394,284)	(157,765,367)	(857,628,917)		(12,459,962)		(870,088,879)	(7,503,800)	(877,592,679)
INT BEARING CWIP					(314,082,891)		(314,082,891)	0	(314,082,891)
ENERGY CONSERVATION CLAUSE	(11,776,828)	6,533,952	(18,310,780)				(18,310,780)	(1,850,938)	(20,161,718)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(28,260)	(28,260)
INTEREST AND DIVIDENDS RECEIVABLE								(7,431)	(7,431)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,496,711)			(12,496,711)	(4,519,348)	(17,016,059)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(46,328,012)	(46,328,012)
ACCRUED PROVISION FOR REFUND								0	0
								(4,752,244)	(4,752,244)
TOTAL FPSC ADJUSTMENTS	(1,027,171,112)	(151,231,415)	(875,939,697)	(12,496,711)	(326,542,853)	0	(1,214,979,261)	(64,990,033)	(1,279,969,294)
FPSC ADJUSTED	2,915,839,069	1,202,824,513	1,713,014,556	2,443,744	38,335,171	0	1,753,793,471	160,474,582	1,914,268,053
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	2,915,839,069	1,202,824,513	1,713,014,556	2,443,744	38,335,171	0	1,753,793,471	160,474,582	1,914,268,053

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

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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,554,985,682	700,032,539	318,379,404	147,455,025	104,410,729	28,253,714	62,573,445	(1,305,444)	0	1,357,799,412	197,186,270 (a)
JURISDICTIONAL PER BOOKS	1,307,418,592	532,326,520	298,787,924	136,979,828	102,850,784	27,287,557	46,408,134	(956,692)	0	1,143,643,854	163,774,738 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(486,068,178)	(485,748,540)				(123,301)				(485,871,841)	(196,337)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(46,114,049)	(46,384,634)				104,378				(46,280,256)	166,208
ENERGY CONSERVATION COST REVENUES & EXPENSES	(20,265,804)		(17,930,151)	(319,916)	(392,902)	(625,932)				(19,268,900)	(986,704)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,057,463)		(29,380,266)	(39,461,504)	(1,859,852)	(28,690,481)				(99,372,103)	(45,685,360)
FRANCHISE FEE REVENUE & EXPENSE	(40,160,683)				(39,138,305)	(394,382)				(39,532,687)	(627,996)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,970,093)				(29,614,511)	(137,165)				(29,751,678)	(218,417)
MARKETING SUPPORT ACTIVITIES			(162,765)			62,787				(99,978)	99,978
WHOLESALE EXPENSES		(193,346)				74,583				(118,763)	118,763
INSTITUTIONAL ADVERTISING EXPENSE			(379,842)			146,524				(233,318)	233,318
ECONOMIC DEVELOPMENT EXPENSE			(54,275)			20,937				(33,338)	33,338
MGMT FINANCIAL PLANNING SERVICES			(34,698)			13,385				(21,313)	21,313
DIRECTORS' & OFFICERS' INSURANCE			(47,936)			18,491				(29,445)	29,445
INDUSTRY ASSOCIATION DUES			(189)			73				(116)	116
TALLAHASSEE LIAISON EXPENSES			(295,070)		(13,040)	118,853				(189,257)	189,257
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,408,335)	543,265				(865,070)	865,070
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						186,976			(484,709)	(297,733)	297,733
INTEREST SYNCHRONIZATION						6,248,243				6,248,243	(6,248,243)
TOTAL FPSC ADJUSTMENTS	(767,636,071)	(532,326,520)	(48,265,192)	(39,781,420)	(72,426,945)	(22,432,765)	0	0	(484,709)	(715,717,550)	(51,918,521)
FPSC ADJUSTED	539,782,521	0	250,502,732	97,198,208	30,423,839	4,834,792	46,408,134	(956,692)	(484,709)	427,926,304	111,856,217
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	539,782,521	0	250,502,732	97,198,208	30,423,839	4,834,792	46,408,134	(956,692)	(484,709)	427,926,304	111,856,217
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				13,791,993							
							13,471,578				
											AND THE JURISDICTIONAL NOI BY

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

SCHEDULE 3
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<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	(1,045,747,102)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(655,442,345)	(252,838,885)
ACCUMULATED DEPRECIATION CWIP	162,481,390	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,088,392)	(57,510,078)
	(12,832,423)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(46,430,250)	(17,910,489)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,778,828)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(20,265,604)	(7,817,457)
ACCUMULATED DEPRECIATION CWIP	(6,533,952)	FUEL EXPENSE	(652,099,437)	251,547,358
	0	PURCHASED POWER CAPACITY COST EXPENSE	(47,891,968)	18,474,327
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(18,250,066)	7,039,983
FAS 143 NET PLANT	(15,213,381)	CONSERVATION EXPENSES - OTHER TAXES	(392,902)	151,562
INTEREST BEARING CWIP	(321,553,189)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,728,943)	28,055,190
PHFU - NORTH ESCAMBIA	(12,873,318)	FRANCHISE FEE REVENUES	(40,160,683)	(15,491,983)
		FRANCHISE FEE	(39,138,305)	15,097,801
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(29,970,093)	(11,560,963)
ECRC WORKING CAPITAL	(7,725,157)	GROSS RECEIPTS TAX EXPENSE	(29,614,511)	11,423,798
CONSERVATION/AEM INVENTORY	(1,850,938)	MARKETING SUPPORT ACTIVITIES	(162,765)	62,787
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	WHOLESALE EXPENSE	(199,239)	78,856
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(387,325)	149,411
LOANS TO EMPLOYEES AND RETIREES	(29,494)	ECONOMIC DEVELOPMENT EXPENSE	(54,275)	20,937
INTEREST & DIVIDENDS RECEIVABLE	(7,755)	MGMT FINANCIAL PLANNING SERVICES	(35,484)	13,680
NORTH ESCAMBIA SITE	(4,716,815)	DIRECTORS' & OFFICERS' INSURANCE	(48,994)	18,900
UNAMORTIZED RATE CASE EXPENSE	(4,959,887)	INDUSTRY ASSOCIATION DUES	(193)	74
DEPRECIATION CREDIT ADJUSTMENT	0	TALLAHASSEE LIAISON EXPENSE	(314,916)	121,479
FUEL RELATED DEFERRED DEBITS	(48,328,012)	DEPRECIATION CREDIT ADJUSTMENT	0	0
UNREALIZED LOSS ON FWD CONTRACT	136	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,408,335)	543,265
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	39,181	15,114
FAS 143 WORKING CAPITAL	26,167,023	GAIN/LOSS ON DISPOSITION OF PROPERTY	(505,744)	195,091
FAS 158 REGULATORY ASSETS	(101,767,813)	INTEREST SYNCHRONIZATION	6,713,549	6,713,549
FAS 158 REGULATORY LIABILITIES	101,767,813			
PPA REGULATORY ASSETS	(187,811,220)			
PPA REGULATORY LIABILITIES	187,811,220			
FAS 133 REGULATORY ASSETS	(27,527,271)			
FAS 133 REGULATORY LIABILITIES	27,527,271			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
July, 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	1,216,223,163	1,108,167,109	(433,488,435)	0	674,678,674	35.78	4.68	1.67	4.68	1.67	4.68	1.67
SHORT TERM DEBT	86,656,823	32,879,139	(12,861,532)	0	20,017,607	1.06	0.23	0.00	0.23	0.00	0.23	0.00
PREFERENCE STOCK	146,512,435	133,495,454	(52,220,225)	0	81,275,229	4.31	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,693,985	35,205,222	(13,771,440)	0	21,433,782	1.14	2.38	0.03	2.38	0.03	2.38	0.03
COMMON EQUITY	1,256,230,223	1,151,743,644	(450,534,532)	0	701,209,112	37.19	9.25	3.44	10.25	3.81	11.25	4.18
DEFERRED INCOME TAXES	725,146,750	672,695,209	(263,142,256)	0	409,552,953	21.72						
FASB 109 DEFERRED TAXES	(43,980,793)	(40,799,560)	15,959,811	0	(24,839,749)	(1.32)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,957,042	3,428,498	(1,341,146)	0	2,087,352	0.11	6.96	0.01	7.44	0.01	7.92	0.01
TOTAL	3,425,439,628	3,096,814,715	(1,211,399,755)	0	1,885,414,960	100.00 %		5.42 %		5.79 %		6.16 %

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	1,220,486,233	1,118,777,532	(448,307,603)	0	670,469,929	35.02	4.53	1.59	4.53	1.59	4.53	1.59
SHORT TERM DEBT	109,483,185	54,112,962	(21,683,714)	0	32,429,248	1.69	0.25	0.00	0.25	0.00	0.25	0.00
PREFERENCE STOCK	146,503,864	134,295,026	(53,813,631)	0	80,481,395	4.20	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	35,001,022	35,612,264	(14,270,262)	0	21,342,002	1.11	2.22	0.02	2.22	0.02	2.22	0.02
COMMON EQUITY	1,284,323,595	1,193,892,412	(478,407,038)	0	715,485,374	37.38	9.25	3.46	10.25	3.83	11.25	4.21
DEFERRED INCOME TAXES	749,370,454	697,967,711	(279,684,050)	0	418,283,661	21.87						
FASB 109 DEFERRED TAXES	(46,575,591)	(43,380,758)	17,383,191	0	(25,997,567)	(1.36)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,313,350	2,960,198	(1,186,187)	0	1,774,011	0.09	6.92	0.01	7.41	0.01	7.90	0.01
TOTAL	3,501,906,111	3,194,237,347	(1,279,969,294)	0	1,914,268,053	100.00 %		5.34 %		5.71 %		6.09 %

GULF POWER COMPANY
Financial Integrity Indicators
July, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	204,425,553
AFUDC - Debt	4,448,902
Income Taxes	90,108,485
	<hr/>
Total	298,982,941
Interest Charges (Before Deducting AFUDC - Debt)	57,710,136
	<hr/>
T.I.E. With AFUDC	5.18 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	204,425,553
AFUDC - Other	(9,343,091)
Income Taxes	90,108,485
	<hr/>
Total	285,190,947
Interest Charges (Before Deducting AFUDC - Debt)	57,710,136
	<hr/>
T.I.E. Without AFUDC	4.94 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	4,448,902
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	2,732,738
AFUDC - Other	9,343,091
	<hr/>
Total	12,075,829
	<hr/>
Net Income Available for Common Stockholders	142,161,819
Percent AFUDC to Available Net Income	8.49%

D. Percent Internally Generated Funds

Net Income	151,164,319
Preference Dividends	(9,002,500)
Common Dividends	(121,150,000)
AFUDC (Debt & Other)	(13,791,993)
Depreciation & Amortization	156,171,830
Deferred Income Taxes	62,550,879
Investment Tax Credits	0
Other	32,334,552
	<hr/>
Total	258,277,087
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	323,067,845
	<hr/>
Percent Internally Generated Funds	79.95%

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	674,678,674
Short Term Debt	20,017,607
Preference Stock	81,275,229
Common Equity	701,209,112
	<hr/>
Total	1,477,180,622
	<hr/>
% Long Term Debt To Total	45.67%
	<hr/>
% Short Term Debt To Total	1.36%

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.96%	5.96%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.67)	(1.67)
Short Term Debt	(0.00)	(0.00)
Preference Stock	(0.26)	(0.26)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(1.98)	(1.98)
	<hr/>	<hr/>
Total	3.98	3.98
Divided by Common Equity Ratio	37.19	37.19
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.70%	10.70%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
April	2014	291,667
May	2014	291,667
June	2014	291,667
July	2014	291,667
12 - M-T-D		<u>3,500,000</u>