

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

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October 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 OCT 15 PM 4:11
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 August 2014.

Sincerely,

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

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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

August 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
August, 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	180,485,672	(65,420,771)	115,064,901	0	115,064,901
Average Rate Base	3,110,031,674	(1,226,425,040)	1,883,606,635	0	1,883,606,635
Average Rate of Return	5.80%		6.11%		6.11%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	180,482,363	(65,754,453)	114,727,910	0	114,727,910
Year End Rate Base	3,216,768,120	(1,304,299,091)	1,912,469,029	0	1,912,469,029
Year End Rate of Return	5.61%		6.00%		6.00%

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

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

Low	5.41%
Midpoint	5.79%
High	6.16%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.30 x (System per Books Basis)
B. Tie Without AFUDC	5.05 x (System per Books Basis)
C. AFUDC To Net Income	8.69% (System per Books Basis)
D. Internally Generated Funds	71.78% (System per Books Basis)
E. LTD To Total Investor Funds	45.62% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.19% (FPSC Adjusted Basis)
G. Return on Common Equity	11.11% (FPSC Adjusted Basis)
H. Return on Common Equity	11.11% (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

Susan D. Ritenour Oct. 10, 2014

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

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
SYSTEM PER BOOKS	4,365,609,425	1,458,779,042	2,906,830,383	16,819,376	310,247,024	0	3,233,896,783	210,609,672	3,444,506,455
JURISDICTIONAL PER BOOKS	3,893,520,067	1,317,959,099	2,575,560,968	16,327,328	296,924,976	0	2,888,813,272	221,218,403	3,110,031,674
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,414,518)	(141,666,795)	(873,747,723)		(7,666,648)		(881,414,371)	(7,435,457)	(888,849,828)
INT BEARING CWIP					(247,167,745)		(247,167,745)	0	(247,167,745)
ENERGY CONSERVATION CLAUSE	(11,439,788)	6,058,824	(17,498,612)		(4,594)		(17,503,206)	(1,766,510)	(19,269,715)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES / RETIREES								(28,661)	(28,661)
INTEREST AND DIVIDENDS RECEIVABLE								(10,015)	(10,015)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,576,593)			(12,576,593)	(4,520,721)	(17,097,314)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(49,182,828)	(49,182,828)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,818,933)	(4,818,933)
TOTAL FPSC ADJUSTMENTS	(1,026,854,306)	(135,607,971)	(891,246,335)	(12,576,593)	(254,838,987)	0	(1,158,661,915)	(67,763,125)	(1,226,425,040)
FPSC ADJUSTED	2,866,665,761	1,182,351,128	1,684,314,633	3,750,735	42,085,989	0	1,730,151,357	153,455,278	1,883,606,635
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	2,866,665,761	1,182,351,128	1,684,314,633	3,750,735	42,085,989	0	1,730,151,357	153,455,278	1,883,606,635

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
August, 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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,564,187,021	703,180,479	316,117,467	147,817,762	105,320,093	36,731,897	56,194,551	(1,298,736)	0	1,364,063,513	200,123,508 (a)
JURISDICTIONAL PER BOOKS	1,314,071,035	534,085,822	298,008,219	137,305,642	103,782,217	33,387,914	42,109,321	(950,108)	0	1,147,739,027	166,332,008 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(487,352,603)	(487,083,724)				(103,720)				(467,187,444)	(165,159)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(46,511,977)	(46,810,303)				115,079				(46,695,224)	183,247
ENERGY CONSERVATION COST REVENUES & EXPENSES	(19,037,617)		(16,699,311)	(321,911)	(390,889)	(627,039)				(18,039,150)	(998,467)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,520,580)		(30,017,283)	(39,458,220)	(1,892,570)	(28,604,329)				(99,972,402)	(45,548,178)
FRANCHISE FEE REVENUE & EXPENSE	(40,569,461)				(39,536,561)	(398,442)				(39,935,003)	(634,459)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,353,364)				(29,994,274)	(138,519)				(30,132,793)	(220,571)
MARKETING SUPPORT ACTIVITIES			(173,698)			67,004				(106,694)	106,694
WHOLESALE EXPENSES		(191,795)				73,965				(117,810)	117,810
INSTITUTIONAL ADVERTISING EXPENSE			(392,864)			151,547				(241,317)	241,317
ECONOMIC DEVELOPMENT EXPENSE			(53,196)			20,521				(32,675)	32,675
MGMT FINANCIAL PLANNING SERVICES			(28,828)			11,120				(17,708)	17,708
DIRECTORS' & OFFICERS' INSURANCE			(47,952)			18,498				(29,454)	29,454
INDUSTRY ASSOCIATION DUES			(189)			73				(118)	116
TALLAHASSEE LIAISON EXPENSES			(314,980)		(13,937)	126,880				(202,037)	202,037
DEPRECIATION CREDIT ADJUSTMENT						0				0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,426,816)	550,394				(876,422)	876,422
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						186,976			(484,709)	(297,733)	297,733
INTEREST SYNCHRONIZATION						5,805,487				5,805,487	(5,805,487)
TOTAL FPSC ADJUSTMENTS	(769,345,602)	(534,085,822)	(47,728,302)	(39,780,131)	(73,255,047)	(22,744,485)	0	0	(484,709)	(718,078,496)	(51,267,107)
FPSC ADJUSTED	544,725,432	0	250,279,917	97,525,511	30,527,170	10,653,429	42,109,321	(950,108)	(484,709)	429,660,531	115,064,901
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	544,725,432	0	250,279,917	97,525,511	30,527,170	10,653,429	42,109,321	(950,108)	(484,709)	429,660,531	115,064,901
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				14,490,303	AND THE JURISDICTIONAL NOI BY	14,153,664					
CURRENT MONTH SYSTEM PER BOOKS	151,664,528	67,221,068	26,528,641	12,933,516	10,302,517	12,262,439	(429,031)	(105,992)	0	128,713,158	22,951,371
CURRENT MONTH JURISDICTIONAL PER BOOKS	133,917,375	56,141,401	23,809,614	12,010,250	10,164,494	11,266,056	(371,809)	(76,962)	0	112,943,044	20,974,332

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(658,684,094)	(254,087,389)
INVESTMENT	(1,045,619,021)	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,640,365)	(57,723,771)
ACCUMULATED DEPRECIATION	145,889,442	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(46,863,591)	(18,077,630)
CWIP	(7,897,942)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(19,037,817)	(7,343,781)
ENERGY CONSERVATION COST RECOVERY		FUEL EXPENSE	(654,846,509)	252,607,041
INVESTMENT	(11,439,788)	PURCHASED POWER CAPACITY COST EXPENSE	(48,301,337)	18,632,241
ACCUMULATED DEPRECIATION	(6,058,824)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(17,021,222)	6,585,936
CWIP	(4,594)	CONSERVATION EXPENSES - OTHER TAXES	(390,889)	150,785
TRANSMISSION PURSUANT TO STIP. & SETT.		ENVIRONMENTAL COST RECOVERY EXPENSE	(73,442,553)	28,330,465
INVESTMENT	0	FRANCHISE FEE REVENUES	(40,569,461)	(15,649,670)
FAS 143 NET PLANT	(15,065,530)	FRANCHISE FEE	(39,536,561)	15,251,228
INTEREST BEARING CWIP	(253,046,510)	GROSS RECEIPTS TAX REVENUES	(30,353,364)	(11,708,810)
PHFU - NORTH ESCAMBIA	(12,955,807)	GROSS RECEIPTS TAX EXPENSE	(29,994,274)	11,570,291
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(173,698)	67,004
ECRC WORKING CAPITAL	(7,656,339)	WHOLESALE EXPENSE	(197,641)	76,240
CONSERVATION/AEM INVENTORY	(1,766,510)	INSTITUTIONAL ADVERTISING EXPENSE	(400,604)	154,533
CAPITALIZED DEF. EARNINGS ON TRANSMISSION		ECONOMIC DEVELOPMENT EXPENSE	(53,195)	20,520
PURSUANT TO STIP. & SETT.	0	MGMT FINANCIAL PLANNING SERVICES	(29,484)	11,366
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(49,011)	16,906
LOANS TO EMPLOYEES AND RETIREES	(29,912)	INDUSTRY ASSOCIATION DUES	(193)	74
INTEREST & DIVIDENDS RECEIVABLE	(10,452)	TALLAHASSEE LIAISON EXPENSE	(338,183)	129,682
NORTH ESCAMBIA SITE	(4,718,246)	DEPRECIATION CREDIT ADJUSTMENT	0	0
UNAMORTIZED RATE CASE EXPENSE	(5,029,490)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,426,815)	550,394
DEPRECIATION CREDIT ADJUSTMENT	0	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFN. ESC REV	34,721	13,394
FUEL RELATED DEFERRED DEBITS	(49,182,828)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(505,744)	195,091
UNREALIZED LOSS ON FWD CONTRACT	301	INTEREST SYNCHRONIZATION	6,227,702	6,227,702
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	26,274,529			
FAS 158 REGULATORY ASSETS	(97,266,630)			
FAS 158 REGULATORY LIABILITIES	97,266,630			
PPA REGULATORY ASSETS	(189,638,474)			
PPA REGULATORY LIABILITIES	189,638,474			
FAS 133 REGULATORY ASSETS	(26,918,067)			
FAS 133 REGULATORY LIABILITIES	26,918,067			

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

SCHEDULE 3
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
SYSTEM PER BOOKS	4,428,535,136	1,508,044,158	2,920,490,979	15,390,708	406,082,066	0	3,341,963,753	210,609,672	3,552,573,425
JURISDICTIONAL PER BOOKS	3,949,089,196	1,362,949,554	2,586,139,642	14,940,455	394,057,604	0	2,995,137,701	221,630,419	3,216,768,120
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,104,672)	(161,101,694)	(854,002,978)		(13,385,619)		(867,388,597)	(7,435,457)	(874,824,054)
INT BEARING CWIP					(338,264,316)		(338,264,316)	0	(338,264,316)
ENERGY CONSERVATION CLAUSE	(11,736,003)	6,650,339	(18,386,342)				(18,386,342)	(1,766,510)	(20,152,852)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(28,661)	(28,661)
INTEREST AND DIVIDENDS RECEIVABLE								(10,015)	(10,015)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,496,711)			(12,496,711)	(4,520,721)	(17,017,432)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(49,182,828)	(49,182,828)
ACCRUED PROVISION FOR REFUND								0	0
								(4,818,933)	(4,818,933)
TOTAL FPSC ADJUSTMENTS	(1,026,840,675)	(154,451,355)	(872,389,320)	(12,496,711)	(351,649,935)	0	(1,236,535,966)	(67,763,125)	(1,304,299,091)
FPSC ADJUSTED	2,922,248,521	1,208,498,199	1,713,750,322	2,443,744	42,407,669	0	1,758,601,735	153,867,294	1,912,469,029
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	2,922,248,521	1,208,498,199	1,713,750,322	2,443,744	42,407,669	0	1,758,601,735	153,867,294	1,912,469,029

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
August, 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 INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,564,187,021	703,180,479	316,117,467	147,817,762	105,320,093	36,731,897	56,194,551	(1,298,736)	0	1,364,063,513	200,123,508 (a)
JURISDICTIONAL PER BOOKS	1,314,071,035	534,085,822	298,008,219	137,305,642	103,782,217	33,398,255	42,112,289	(950,108)	0	1,147,742,336	166,328,699 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(487,352,603)	(487,083,724)				(103,720)				(487,187,444)	(165,159)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(46,511,977)	(46,810,303)				115,079				(46,695,224)	183,247
ENERGY CONSERVATION COST REVENUES & EXPENSES	(19,037,617)		(16,699,311)	(321,911)	(390,889)	(627,039)				(18,039,150)	(998,467)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,520,580)		(30,017,283)	(39,458,220)	(1,892,570)	(28,604,329)				(99,972,402)	(45,548,178)
FRANCHISE FEE REVENUE & EXPENSE	(40,569,461)				(39,536,561)	(398,442)				(39,935,003)	(634,459)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,353,364)				(29,994,274)	(138,519)				(30,132,793)	(220,571)
MARKETING SUPPORT ACTIVITIES			(173,698)			67,004				(106,694)	106,694
WHOLESALE EXPENSES		(191,795)				73,985				(117,810)	117,810
INSTITUTIONAL ADVERTISING EXPENSE			(392,864)			151,547				(241,317)	241,317
ECONOMIC DEVELOPMENT EXPENSE			(53,196)			20,521				(32,675)	32,675
MGMT FINANCIAL PLANNING SERVICES			(28,828)			11,120				(17,708)	17,708
DIRECTORS' & OFFICERS' INSURANCE			(47,952)			18,498				(29,454)	29,454
INDUSTRY ASSOCIATION DUES			(189)			73				(116)	116
TALLAHASSEE LIAISON EXPENSES			(314,980)		(13,937)	126,880				(202,037)	202,037
DEPRECIATION CREDIT ADJUSTMENT										0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,426,816)	550,394				(876,422)	876,422
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						186,976			(484,709)	(297,733)	297,733
INTEREST SYNCHRONIZATION						6,139,169				6,139,169	(6,139,169)
TOTAL FPSC ADJUSTMENTS	(769,345,602)	(534,085,822)	(47,728,302)	(39,780,131)	(73,255,047)	(22,410,803)	0	0	(484,709)	(717,744,814)	(51,600,789)
FPSC ADJUSTED	544,725,432	0	250,279,917	97,525,511	30,527,170	10,987,452	42,112,289	(950,108)	(484,709)	429,997,522	114,727,910
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	544,725,432	0	250,279,917	97,525,511	30,527,170	10,987,452	42,112,289	(950,108)	(484,709)	429,997,522	114,727,910

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY

14,490,303

AND THE JURISDICTIONAL NOI BY

14,153,664

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(1,045,468,462)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(658,884,094)	(254,067,389)
ACCUMULATED DEPRECIATION	165,920,585	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,640,365)	(57,723,771)
CWIP	(13,766,009)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(46,863,591)	(18,077,630)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,736,003)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(19,037,617)	(7,343,761)
ACCUMULATED DEPRECIATION	(8,650,339)	FUEL EXPENSE	(654,846,509)	252,607,041
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(48,301,337)	18,632,241
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(17,021,222)	6,565,936
FAS 143 NET PLANT	(15,148,297)	CONSERVATION EXPENSES - OTHER TAXES	(390,889)	150,785
INTEREST BEARING CWIP	(348,309,769)	ENVIRONMENTAL COST RECOVERY EXPENSE	(73,442,553)	28,330,465
PHFU - NORTH ESCAMBIA	(12,873,318)	FRANCHISE FEE REVENUES	(40,569,461)	(15,649,670)
		FRANCHISE FEE	(39,636,561)	15,251,228
		GROSS RECEIPTS TAX REVENUES	(30,353,364)	(11,709,810)
		GROSS RECEIPTS TAX EXPENSE	(29,994,274)	11,570,291
		MARKETING SUPPORT ACTIVITIES	(173,698)	67,004
WORKING CAPITAL:		WHOLESALE EXPENSE	(197,841)	76,240
ECRC WORKING CAPITAL	(7,856,339)	INSTITUTIONAL ADVERTISING EXPENSE	(400,604)	154,533
CONSERVATION/AEM INVENTORY	(1,766,510)	ECONOMIC DEVELOPMENT EXPENSE	(53,195)	20,520
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MGMT FINANCIAL PLANNING SERVICES	(29,464)	11,366
FUNDED PROPERTY INSURANCE RESERVE	0	DIRECTORS' & OFFICERS' INSURANCE	(49,011)	18,908
LOANS TO EMPLOYEES AND RETIREES	(29,912)	INDUSTRY ASSOCIATION DUES	(193)	74
INTEREST & DIVIDENDS RECEIVABLE	(10,452)	TALLAHASSEE LIAISON EXPENSE	(336,183)	129,882
NORTH ESCAMBIA SITE	(4,718,248)	DEPRECIATION CREDIT ADJUSTMENT	0	0
UNAMORTIZED RATE CASE EXPENSE	(5,029,490)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,426,815)	550,394
DEPRECIATION CREDIT ADJUSTMENT	0	COMP SALES/TRANS REV/GL SALE GAS/PROV RT REF.N. ESC REV	34,721	13,394
FUEL RELATED DEFERRED DEBITS	(49,182,828)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(505,744)	195,091
UNREALIZED LOSS ON FWD CONTRACT	301	INTEREST SYNCHRONIZATION	6,590,918	6,590,918
ACCUM. PROV. FOR RATE REFUNDS	0			
FAS 143 WORKING CAPITAL	26,274,528			
FAS 158 REGULATORY ASSETS	(97,266,630)			
FAS 158 REGULATORY LIABILITIES	97,266,630			
PPA REGULATORY ASSETS	(189,638,474)			
PPA REGULATORY LIABILITIES	189,638,474			
FAS 133 REGULATORY ASSETS	(26,918,067)			
FAS 133 REGULATORY LIABILITIES	26,918,067			

GULF POWER COMPANY
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 August, 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	1,216,369,979	1,110,390,261	(437,876,704)	0	672,513,557	35.70	4.65	1.66	4.65	1.66	4.65	1.66
SHORT TERM DEBT	85,503,524	29,061,215	(11,460,141)	0	17,601,074	0.93	0.22	0.00	0.22	0.00	0.22	0.00
PREFERENCE STOCK	146,511,158	133,745,802	(52,741,971)	0	81,003,831	4.30	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,704,290	35,268,206	(13,907,836)	0	21,360,370	1.13	2.38	0.03	2.38	0.03	2.38	0.03
COMMON EQUITY	1,263,701,478	1,160,901,798	(457,795,670)	0	703,106,128	37.33	9.25	3.45	10.25	3.83	11.25	4.20
DEFERRED INCOME TAXES	730,132,706	678,518,004	(267,570,095)	0	410,947,909	21.82						
FASB 109 DEFERRED TAXES	(44,341,050)	(41,206,483)	16,249,565	0	(24,956,918)	(1.32)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,848,470	3,352,872	(1,322,188)	0	2,030,684	0.11	6.95	0.01	7.44	0.01	7.92	0.01
TOTAL	3,436,430,555	3,110,031,674	(1,226,425,040)	0	1,883,606,635	100.00 %		5.41 %		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	1,220,750,338	1,129,176,939	(457,846,012)	0	671,330,927	35.10	4.53	1.59	4.53	1.59	4.53	1.59
SHORT TERM DEBT	85,989,646	29,985,526	(12,158,195)	0	17,827,331	0.93	0.24	0.00	0.24	0.00	0.24	0.00
PREFERENCE STOCK	146,503,864	135,514,020	(54,946,706)	0	80,567,314	4.21	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	35,176,319	36,132,134	(14,650,453)	0	21,481,681	1.12	2.29	0.03	2.29	0.03	2.29	0.03
COMMON EQUITY	1,304,147,991	1,223,086,006	(495,923,208)	0	727,162,798	38.02	9.25	3.52	10.25	3.90	11.25	4.28
DEFERRED INCOME TAXES	749,548,429	704,297,855	(285,570,802)	0	418,727,053	21.91						
FASB 109 DEFERRED TAXES	(47,181,442)	(44,333,077)	17,975,679	0	(26,357,398)	(1.38)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,207,358	2,908,717	(1,179,394)	0	1,729,323	0.09	6.94	0.01	7.43	0.01	7.92	0.01
TOTAL	3,498,142,503	3,216,768,120	(1,304,299,091)	0	1,912,469,029	100.00 %		5.40 %		5.78 %		6.16 %

GULF POWER COMPANY
Financial Integrity Indicators
August, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	208,047,853
AFUDC - Debt	4,632,876
Income Taxes	<u>92,318,499</u>
 Total	 304,999,228
Interest Charges (Before Deducting AFUDC - Debt)	<u>57,572,735</u>
T.I.E. With AFUDC	<u>5.30 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	208,047,853
AFUDC - Other	(9,857,427)
Income Taxes	<u>92,318,499</u>
 Total	 290,508,925
Interest Charges (Before Deducting AFUDC - Debt)	<u>57,572,735</u>
T.I.E. Without AFUDC	<u>5.05 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	4,632,876
X (1 - Income Tax Rate)	0.61425
 Subtotal	 2,845,744
AFUDC - Other	<u>9,857,427</u>
 Total	 <u>12,703,171</u>
 Net Income Available for Common Stockholders	 <u>146,105,494</u>
Percent AFUDC to Available Net Income	<u>8.69%</u>

D. Percent Internally Generated Funds

Net Income	155,107,994
Preference Dividends	(9,002,500)
Common Dividends	(121,150,000)
AFUDC (Debt & Other)	(14,490,303)
Depreciation & Amortization	156,540,501
Deferred Income Taxes	56,174,787
Investment Tax Credits	0
Other	<u>18,193,583</u>
 Total	 <u>241,374,062</u>
 Construction Expenditures (Excluding AFUDC Other & Debt)	 <u>336,283,992</u>
 Percent Internally Generated Funds	 <u>71.78%</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	672,513,557
Short Term Debt	17,601,074
Preference Stock	81,003,831
Common Equity	<u>703,106,128</u>
 Total	 <u>1,474,224,590</u>
 % Long Term Debt To Total	 <u>45.62%</u>
 % Short Term Debt To Total	 <u>1.19%</u>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	6.11%	6.11%
 Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.66)	(1.66)
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)	<u>(0.01)</u>	<u>(0.01)</u>
 Subtotal	 <u>(1.96)</u>	 <u>(1.96)</u>
 Total	 4.15	 4.15
Divided by Common Equity Ratio	<u>37.33</u>	<u>37.33</u>
 Jurisdictional Return on Common Equity	 <u>11.11%</u>	 <u>11.11%</u>

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

Supplemental 1

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