



Gulf Power®

February 15, 2019

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:

Attached is Gulf Power Company's Jurisdictional Rate of Return Report for the month of December, 2018.

Sincerely,

C. Shane Boyett
Regulatory Issues Manager

md

Attachment

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

GOV 2-1-5-3

December 2018

Earnings Surveillance
Report
(Rate of Return)



Gulf Power®

GULF POWER COMPANY
Earnings Surveillance Report Summary
December 2018

	(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	152,533,762	(8,509,634)	144,024,128	0	144,024,128
Average Rate Base	3,796,738,160	(1,332,632,282)	2,464,105,878	0	2,464,105,878
Average Rate of Return	4.02%		5.84%		5.84%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	149,501,281	(8,808,151)	140,693,130	0	140,693,130
Year End Rate Base	3,940,322,690	(1,330,000,900)	2,610,321,790	0	2,610,321,790
Year End Rate of Return	3.79%		5.39%		5.39%

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

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

Low	5.13%
Midpoint	5.54%
High	5.94%

IV. Financial Integrity Indicators

A. Tie With AFUDC	3.62 x (System per Books Basis)
B. Tie Without AFUDC	3.62 x (System per Books Basis)
C. AFUDC To Net Income	0.08% (System per Books Basis)
D. Internally Generated Funds	9.95% (System per Books Basis)
E. LTD To Total Investor Funds	44.94% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.56% (FPSC Adjusted Basis)
G. Return on Common Equity	11.00% (FPSC Adjusted Basis)
H. Return on Common Equity	11.00% (Proforma Basis)

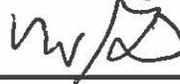
I am aware that Section 837.06, Florida Statutes, provides:

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

Mitchell P. Goldstein
Vice President - Finance

Signature



Date

2/15/2019

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
December 2018

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	5,263,085,983	1,730,897,046	3,532,188,937	14,110,466	128,466,730	0	3,674,766,133	184,295,762	3,859,061,895
JURISDICTIONAL PER BOOKS	5,113,372,375	1,700,508,160	3,412,864,215	13,716,516	125,560,342	0	3,552,141,073	244,597,087	3,796,738,160
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,559,270,858)	(333,238,534)	(1,226,032,324)		(34,553,198)		(1,260,585,522)	(26,237,095)	(1,286,822,617)
INT BEARING CWIP					(2,301,065)		(2,301,065)	0	(2,301,065)
ENERGY CONSERVATION CLAUSE	(16,718,595)	7,175,664	(23,894,259)				(23,894,259)	(954,357)	(24,848,616)
LOANS TO EMPLOYEES / RETIREES								(24,458)	(24,458)
INTEREST AND DIVIDENDS RECEIVABLE								(226,171)	(226,171)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,053,657)			(12,053,657)	(979,278)	(13,032,935)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(5,376,420)	(5,376,420)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,575,989,453)	(326,062,870)	(1,249,926,583)	(12,053,657)	(36,854,263)	0	(1,298,834,503)	(33,797,779)	(1,332,632,282)
FPSC ADJUSTED	3,537,382,922	1,374,445,290	2,162,937,632	1,662,859	88,706,079	0	2,253,306,570	210,799,308	2,464,105,878
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	3,537,382,922	1,374,445,290	2,162,937,632	1,662,859	88,706,079	0	2,253,306,570	210,799,308	2,464,105,878

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
December 2018

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	1,465,753,415	603,154,802	343,643,110	190,852,061	117,824,162	(17,880,854)	3,374,281	(324,233)	(247)	1,240,643,082	225,110,333 (a)
JURISDICTIONAL PER BOOKS	1,287,391,892	458,227,679	337,061,911	190,461,690	116,956,582	29,420,963	3,176,147	(318,391)	(240)	1,134,986,340	152,405,552 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(302,216,430)	(375,162,835)				18,488,266				(356,674,569)	54,458,139
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,530,073)	(83,064,844)				2,163,138				(80,901,706)	6,371,633
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,347,604)		(7,936,690)	(1,321,260)	(329,264)	(446,171)				(10,033,385)	(1,314,220)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,746,328)		(37,575,983)	(57,338,858)	(7,256,416)	(21,942,452)				(124,113,709)	(64,632,619)
FRANCHISE FEE REVENUE & EXPENSE	(44,242,476)				(43,739,393)	(127,506)				(43,866,899)	(375,577)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,113,658)				(31,638,796)	(120,354)				(31,759,150)	(354,508)
MARKETING SUPPORT ACTIVITIES			(200,815)			50,896				(149,919)	149,919
WHOLESALE EXPENSES			(128,560)			32,584				(95,976)	95,976
INSTITUTIONAL ADVERTISING EXPENSE			(253,252)			64,187				(189,065)	189,065
ECONOMIC DEVELOPMENT EXPENSE			(106,046)			26,877				(79,169)	79,169 (b)
MGMT FINANCIAL PLANNING SERVICES			(38,093)			9,655				(28,438)	28,438
DIRECTORS' & OFFICERS' INSURANCE			(36,451)			9,239				(27,212)	27,212
INDUSTRY ASSOCIATION DUES			(985)			250				(735)	735
TALLAHASSEE LIAISON EXPENSES			(485,751)		(21,982)	128,685				(379,048)	379,048
GRT, FPSC FEES ON CLAUSES & FEES					(1,457,057)	369,291				(1,087,766)	1,087,766
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						12,306			(48,555)	(36,249)	36,249
INTEREST SYNCHRONIZATION						4,607,850				4,607,850	(4,607,850)
TOTAL FPSC ADJUSTMENTS	(653,196,568)	(458,227,679)	(46,762,626)	(58,660,118)	(84,442,907)	3,326,741	0	0	(48,555)	(644,815,144)	(8,381,424)
FPSC ADJUSTED	634,195,324	0	290,299,285	131,801,571	32,513,675	32,747,704	3,176,147	(318,391)	(48,795)	490,171,196	144,024,128
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	634,195,324	0	290,299,285	131,801,571	32,513,675	32,747,704	3,176,147	(318,391)	(48,795)	490,171,196	144,024,128
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NO		130,902					128,210				
											AND THE JURISDICTIONAL NOI BY
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:		2,120,908					2,120,908				ON A JURISDICTIONAL BASIS
CURRENT MONTH SYSTEM PER BOOKS	122,982,765	53,288,158	39,685,668	16,116,543	8,428,086	(2,137,679)	(823,026)	(27,018)	0	114,530,732	8,452,033
CURRENT MONTH JURISDICTIONAL PER BOOKS	100,369,212	33,416,045	38,023,797	15,773,356	8,367,305	3,818,825	(700,274)	(26,531)	0	98,672,522	1,696,690

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
December 2018

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 INVESTMENT	(1,604,225,729)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(444,388,867)	(112,630,359)
ACCUMULATED DEPRECIATION	342,846,034	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(194,332,324)	(49,253,527)
CWIP	(35,549,391)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,590,285)	(18,904,908)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,718,595)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,347,604)	(2,876,050)
ACCUMULATED DEPRECIATION	(7,175,664)	FUEL EXPENSE	(517,717,354)	131,215,463
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,472,810)	21,663,084
FAS 143 NET PLANT	(43,406,247)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,257,950)	2,346,427
INTEREST BEARING CWIP	(2,349,363)	CONSERVATION EXPENSES - OTHER TAXES	(329,264)	83,452
PHFU - NORTH ESCAMBIA	(12,399,848)	ENVIRONMENTAL COST RECOVERY EXPENSE	(105,008,751)	26,614,468
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(44,242,476)	(11,213,255)
ECRC WORKING CAPITAL	(26,993,529)	FRANCHISE FEE	(43,739,393)	11,085,749
CONSERVATION/AEM INVENTORY	(954,357)	GROSS RECEIPTS TAX REVENUES	(32,113,658)	(8,139,207)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(31,638,796)	8,018,853
LOANS TO EMPLOYEES AND RETIREES	(24,889)	MARKETING SUPPORT ACTIVITIES	(200,815)	50,896
INTEREST & DIVIDENDS RECEIVABLE	(230,156)	WHOLESALE EXPENSES	(132,303)	33,532
NORTH ESCAMBIA SITE	(996,480)	INSTITUTIONAL ADVERTISING EXPENSE	(258,088)	65,412
UNAMORTIZED RATE CASE EXPENSE	0	ECONOMIC DEVELOPMENT EXPENSE	(106,045)	26,877
FUEL RELATED DEFERRED DEBITS	(5,376,420)	MGMT FINANCIAL PLANNING SERVICES	(38,891)	9,857
UNREALIZED LOSS ON FWD CONTRACT	(26,191)	DIRECTORS' & OFFICERS' INSURANCE	(37,215)	9,432
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,004)	254
FAS 143 WORKING CAPITAL	54,578,143	TALLAHASSEE LIAISON EXPENSE	(518,361)	131,379
FAS 158 REGULATORY ASSETS	(166,616,148)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,457,058)	369,291
FAS 158 REGULATORY LIABILITIES	166,616,147	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFIN. ESC REV	(72,635)	(18,409)
PPA REGULATORY ASSETS	(108,107,474)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	12,660
PPA REGULATORY LIABILITIES	108,107,474	INTEREST SYNCHRONIZATION	4,911,497	4,911,497
FAS 133 REGULATORY ASSETS	(12,692,422)			
FAS 133 REGULATORY LIABILITIES	12,692,422			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
December 2018

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	5,362,897,355	1,757,054,296	3,605,843,058	14,109,788	198,830,343	0	3,818,783,189	184,295,762	4,003,078,951
JURISDICTIONAL PER BOOKS	5,211,987,571	1,724,327,431	3,487,660,140	13,715,856	194,349,607	0	3,695,725,603	244,597,087	3,940,322,690
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,558,423,043)	(350,898,417)	(1,207,524,626)		(50,439,079)		(1,257,963,705)	(26,237,095)	(1,284,200,800)
INT BEARING CWIP					(2,366,134)		(2,366,134)	0	(2,366,134)
ENERGY CONSERVATION CLAUSE	(17,150,781)	6,668,750	(23,819,531)				(23,819,531)	(954,357)	(24,773,888)
LOANS TO EMPLOYEES AND RETIREES								(24,458)	(24,458)
INTEREST AND DIVIDENDS RECEIVABLE								(226,171)	(226,171)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(979,278)	(13,033,029)
FUEL RELATED DEFERRED DEBITS								(5,376,420)	(5,376,420)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
TOTAL FPSC ADJUSTMENTS	(1,575,573,824)	(344,229,667)	(1,231,344,157)	(12,053,751)	(52,805,213)	0	(1,296,203,121)	(33,797,779)	(1,330,000,900)
FPSC ADJUSTED	3,636,413,747	1,380,097,764	2,256,315,983	1,662,105	141,544,394	0	2,399,522,482	210,799,308	2,610,321,790
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	3,636,413,747	1,380,097,764	2,256,315,983	1,662,105	141,544,394	0	2,399,522,482	210,799,308	2,610,321,790

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
December 2018

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	1,465,753,415	603,154,802	343,643,110	190,852,061	117,824,162	(17,880,854)	3,374,281	(324,233)	(247)	1,240,643,082	225,110,333 (a)
JURISDICTIONAL PER BOOKS	1,287,391,892	458,227,679	337,061,911	190,461,690	116,956,582	32,445,913	3,183,678	(318,391)	(240)	1,138,018,821	149,373,071 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(302,216,430)	(375,162,835)				18,488,266				(356,674,569)	54,458,139
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,530,073)	(83,064,844)				2,163,138				(80,901,706)	8,371,633
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,347,604)		(7,936,690)	(1,321,260)	(329,264)	(446,171)				(10,033,385)	(1,314,220)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,746,328)		(37,575,983)	(57,338,858)	(7,256,416)	(21,942,452)				(124,113,709)	(64,632,619)
FRANCHISE FEE REVENUE & EXPENSE	(44,242,476)				(43,739,393)	(127,506)				(43,866,899)	(375,577)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,113,658)				(31,638,796)	(120,354)				(31,759,150)	(354,508)
MARKETING SUPPORT ACTIVITIES			(200,815)			50,896				(149,919)	149,919
WHOLESALE EXPENSES			(128,560)			32,584				(95,976)	95,976
INSTITUTIONAL ADVERTISING EXPENSE			(253,252)			64,187				(189,065)	189,065
ECONOMIC DEVELOPMENT EXPENSE			(106,046)			26,877				(79,169)	79,169
MGMT FINANCIAL PLANNING SERVICES			(38,093)			9,655				(28,438)	28,438
DIRECTORS' & OFFICERS' INSURANCE			(36,451)			9,239				(27,212)	27,212
INDUSTRY ASSOCIATION DUES			(985)			250				(735)	735
TALLAHASSEE LIAISON EXPENSES			(485,751)		(21,982)	128,685				(379,048)	379,048
GRT, FPSC FEES ON CLAUSES & FEES					(1,457,057)	369,291				(1,087,766)	1,087,766
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						12,306			(48,555)	(36,249)	36,249
INTEREST SYNCHRONIZATION						4,906,367				4,906,367	(4,906,367)
TOTAL FPSC ADJUSTMENTS	(653,196,568)	(458,227,679)	(46,762,626)	(58,660,118)	(84,442,907)	3,625,258	0	0	(48,555)	(644,516,627)	(8,679,941)
FPSC ADJUSTED	634,195,324	0	290,299,285	131,801,571	32,513,675	36,071,171	3,183,678	(318,391)	(48,795)	493,502,194	140,693,130
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	634,195,324	0	290,299,285	131,801,571	32,513,675	36,071,171	3,183,678	(318,391)	(48,795)	493,502,194	140,693,130

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

130,902

AND THE JURISDICTIONAL NOI BY

128,210

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
December 2018

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	(1,603,536,749)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(444,388,867)	(112,630,359)
ACCUMULATED DEPRECIATION CWIP	361,056,332	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(194,332,324)	(49,253,527)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,150,781)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,590,285)	(18,904,908)
ACCUMULATED DEPRECIATION CWIP	(6,668,750)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,347,604)	(2,876,050)
FAS 143 NET PLANT	(40,929,061)	FUEL EXPENSE	(517,717,354)	131,215,463
INTEREST BEARING CWIP	(2,415,798)	PURCHASED POWER CAPACITY COST EXPENSE	(85,472,810)	21,663,084
PHFU - NORTH ESCAMBIA	(12,399,945)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,257,950)	2,346,427
WORKING CAPITAL:		CONSERVATION EXPENSES - OTHER TAXES	(329,264)	83,452
ECRC WORKING CAPITAL	(26,993,529)	ENVIRONMENTAL COST RECOVERY EXPENSE	(105,008,751)	26,614,468
CONSERVATION/NAEM INVENTORY	(954,357)	FRANCHISE FEE REVENUES	(44,242,476)	(11,213,255)
FUNDED PROPERTY INSURANCE RESERVE	0	FRANCHISE FEE	(43,739,393)	11,085,749
LOANS TO EMPLOYEES AND RETIREES	(24,889)	GROSS RECEIPTS TAX REVENUES	(32,113,658)	(8,139,207)
INTEREST & DIVIDENDS RECEIVABLE	(230,156)	GROSS RECEIPTS TAX EXPENSE	(31,638,796)	8,018,853
NORTH ESCAMBIA SITE	(996,480)	MARKETING SUPPORT ACTIVITIES	(200,815)	50,896
UNAMORTIZED RATE CASE EXPENSE	0	WHOLESALE EXPENSES	(132,303)	33,532
FUEL RELATED DEFERRED DEBITS	(5,376,420)	INSTITUTIONAL ADVERTISING EXPENSE	(258,088)	65,412
UNREALIZED LOSS ON FWD CONTRACT	(26,191)	ECONOMIC DEVELOPMENT EXPENSE	(106,045)	26,877
ACCUM. PROV. FOR RATE REFUNDS	0	MGMT FINANCIAL PLANNING SERVICES	(38,891)	9,857
FAS 143 WORKING CAPITAL	54,578,143	DIRECTORS' & OFFICERS' INSURANCE	(37,215)	9,432
FAS 158 REGULATORY ASSETS	(166,616,148)	INDUSTRY ASSOCIATION DUES	(1,004)	254
FAS 158 REGULATORY LIABILITIES	166,616,147	TALLAHASSEE LIAISON EXPENSE	(518,361)	131,379
PPA REGULATORY ASSETS	(108,107,474)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,457,058)	369,291
PPA REGULATORY LIABILITIES	108,107,474	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(72,635)	(18,409)
FAS 133 REGULATORY ASSETS	(12,692,422)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	12,660
FAS 133 REGULATORY LIABILITIES	12,692,422	INTEREST SYNCHRONIZATION	5,252,532	5,252,532

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
December 2018

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	1,268,719,006	1,289,481,361	(452,600,210)	0	836,881,151	33.96	3.93	1.34	3.93	1.34	3.93	1.34
SHORT TERM DEBT	49,359,483	44,771,943	(15,714,683)	0	29,057,260	1.18	2.80	0.03	2.80	0.03	2.80	0.03
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,912,207	34,803,222	(12,215,722)	0	22,587,500	0.92	2.37	0.02	2.37	0.02	2.37	0.02
COMMON EQUITY	1,587,141,959	1,535,316,768	(538,886,961)	0	996,429,807	40.44	9.25	3.74	10.25	4.14	11.25	4.55
DEFERRED INCOME TAXES	555,648,875	545,851,287	(191,590,522)	0	354,260,765	14.38						
FASB 109 DEFERRED TAXES	351,692,887	345,491,593	(121,265,473)	0	224,226,120	9.10						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,040,330	1,021,986	(358,711)	0	663,275	0.03	6.82	0.00	7.37	0.00	7.91	0.00
TOTAL	3,848,514,747	3,796,738,160	(1,332,632,282)	0	2,464,105,878	100.00 %		5.13 %		5.54 %		5.94 %

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	1,269,646,924	1,232,580,569	(416,040,359)	0	816,540,210	31.28	3.99	1.25	3.99	1.25	3.99	1.25
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,412,174	32,868,392	(11,094,267)	0	21,774,125	0.83	2.25	0.02	2.25	0.02	2.25	0.02
COMMON EQUITY	1,925,850,190	1,767,210,846	(596,497,343)	0	1,170,713,503	44.85	9.25	4.15	10.25	4.60	11.25	5.05
DEFERRED INCOME TAXES	617,489,648	581,098,551	(196,141,701)	0	384,956,850	14.76						
FASB 109 DEFERRED TAXES	346,049,246	325,655,200	(109,920,365)	0	215,734,835	8.26						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	966,065	909,132	(306,865)	0	602,267	0.02	7.09	0.00	7.68	0.00	8.27	0.00
TOTAL	4,194,414,246	3,940,322,690	(1,330,000,900)	0	2,610,321,790	100.00 %		5.42 %		5.87 %		6.31 %

GULF POWER COMPANY
Financial Integrity Indicators
December 2018

A. Times Interest Earned with AFUDC

Earnings Before Interest	212,772,700
AFUDC - Debt	40,435
Income Taxes	<u>(19,708,401)</u>
Total	193,104,735
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,277,441</u>
T.I.E. With AFUDC	<u>3.62 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	212,772,700
AFUDC - Other	(90,466)
Income Taxes	<u>(19,708,401)</u>
Total	192,973,833
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,277,441</u>
T.I.E. Without AFUDC	<u>3.62 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	40,435
X (1 - Income Tax Rate)	0.74655
Subtotal	30,187
AFUDC - Other	<u>90,466</u>
Total	<u>120,653</u>
Net Income Available for Common Stockholders	<u>159,535,695</u>
Percent AFUDC to Available Net Income	<u>0.08%</u>

D. Percent Internally Generated Funds

Net Income	159,535,695
Preference Dividends	0
Common Dividends	(153,370,000)
AFUDC (Debt & Other)	(130,902)
Depreciation & Amortization	201,085,316
Deferred Income Taxes	3,374,281
Investment Tax Credits	0
Other	<u>(174,138,315)</u>
Total	36,356,075
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>365,365,797</u>
Percent Internally Generated Funds	<u>9.95%</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	836,881,151
Short Term Debt	29,057,260
Preference Stock	0
Common Equity	<u>996,429,807</u>
Total	<u>1,862,368,218</u>
% Long Term Debt To Total	<u>44.94%</u>
% Short Term Debt To Total	<u>1.56%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.84%	5.84%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.34)	(1.34)
Short Term Debt	(0.03)	(0.03)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	<u>(1.39)</u>	<u>(1.39)</u>
Total	4.45	4.45
Divided by Common Equity Ratio	<u>40.44</u>	<u>40.44</u>
Jurisdictional Return on Common Equity	<u>11.00%</u>	<u>11.00%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
December 2018

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	2018	0
February	2018	0
March	2018	0
April	2018	0
May	2018	4,200,000
June	2018	5,700,000
July	2018	0
August	2018	0
September	2018	0
October	2018	0
November	2018	10,900,000
December	2018	7,444,428
12 - M-T-D		<u>28,244,428</u>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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8 **Seventy Seventh Quarterly Report**

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10 **Report Period: Fourth Quarter, 2018**

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<u>Rate Class</u>	<u>Fourth Quarter Total Revenue</u>	<u>Fourth Quarter Total KWH Sales</u>	<u>Fourth Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$26,968,844.40	326,087,900	8.270	8.377
PX/PXT	\$2,510,184.58	34,791,025	7.215	7.549
LP/LPT	\$17,545,052.73	196,298,278	8.938	9.029

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

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

GULF POWER COMPANY
CALCULATION OF AFUDC RATE
 December 2018

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	836,881,151	33.96%	3.99	1.36
SHORT-TERM DEBT	29,057,260	1.18%	2.80	0.03
PREFERENCE STOCK	0	0.00%	0.00	0.00
CUSTOMER DEPOSITS	22,587,500	0.92%	2.37	0.02
COMMON EQUITY	996,429,807	40.44%	10.25	4.15
ITC	663,275	0.03%		
FASB 109 DIT	224,226,120	9.10%		
DEFERRED TAXES	354,260,765	14.37%		
TOTAL	2,464,105,878	100.00%		5.56 %

AFUDC Rate Currently Authorized per order: PSC-14-0175-PAA-EI

5.73 %

GULF POWER COMPANY
13 MONTH AVERAGE CAPITAL STRUCTURE
December 2018

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	COMMON EQUITY RATIO ADJUSTMENT *	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,268,719,006	-	-	-	43,907,500	(463,383,398)	849,243,108	0.9854436	836,881,151
SHORT-TERM DEBT	49,359,483	-	-	-	1,592,500	(21,465,505)	29,486,478	0.9854436	29,057,260
PREFERENCE STOCK	-	-	-	-	-	-	-	0.9854436	-
CUSTOMER DEPOSITS	34,912,207	-	-	-	-	(12,324,707)	22,587,500	1.0000000	22,587,500
COMMON EQUITY	1,587,141,959	(2,324,730)	(38,157)	23,595,385	(45,500,000)	(551,725,927)	1,011,148,530	0.9854436	996,429,807
ITC - ZERO COST	-	-	-	-	-	-	-	0.9854436	-
ITC - WEIGHTED COST	1,040,330	-	-	-	-	(367,257)	673,073	0.9854436	663,275
FASB 109 DIT	351,692,887	-	-	-	-	(124,154,620)	227,538,267	0.9854436	224,226,120
DEFERRED TAXES	555,648,875	-	-	-	-	(196,155,161)	359,493,714	0.9854436	354,260,765
TOTAL	3,848,514,747	(2,324,730)	(38,157)	23,595,385	-	(1,369,576,575)	2,500,170,670		2,464,105,878

*In compliance with Gulf's 2017 comprehensive settlement agreement approved by the Florida Public Service Commission (FPSC) as evidenced by its order No. PSC-2017-0178-S-EI, and the subsequent approval by the FPSC of Gulf's 2018 settlement agreement as evidenced by its order No. PSC-2018-0180-FOF-EI, Gulf will be deemed to have an equity ratio not greater than 53.5% for all retail regulatory purposes including earnings surveillance reporting. This adjustment fulfills the requirements of paragraph 3(b) of the above-referenced 2017 settlement agreement and the subsequent amendment to paragraph 3(b) as provided for in the 2018 settlement agreement.

GULF POWER COMPANY
SUPPLEMENTAL SURVEILLANCE REPORT INFORMATION
COMMERCIAL/INDUSTRIAL SERVICE RIDER
DECEMBER 2018

CONFIDENTIAL

The information below is presented to comply with FPSC Order No. PSC-96-1219-FOF-EI, FPSC Order No. PSC-01-0390-TRF-EI and FPSC Order No. PSC-14-0197-PAA-EI. This supplemental information is to be treated as confidential. For CSA-3, it is estimated that the calendar year 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 pre-contract load would have been [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA. For CSA-4, it is estimated that the contract calendar year 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 pre-contract load would have been [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA. For CSA-5, it is estimated that the calendar year 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 pre-contract load would have been [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA. For CSA-6, it is estimated that the calendar year 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 pre-contract load would have been [REDACTED] than the revenues actually received by Gulf Power pursuant to the executed CSA.