



Gulf Power®

Mitchell P. Goldstein

Vice President, Finance

September 15, 2020

Mr. Andrew Maurey, Director
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. Maurey:

Attached is Gulf Power Company's Jurisdictional Rate of Return Report for the month of July 2020.

Sincerely,

Mitchell P. Goldstein
Vice President, Finance

md

Attachment

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

July 2020

Earnings Surveillance
Report
(Rate of Return)



Gulf Power[®]

GULF POWER COMPANY
Earnings Surveillance Report Summary
July 2020

	(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	252,694,995	(88,754,506)	163,940,488	0	163,940,488
Average Rate Base	5,006,156,820	(2,203,870,721)	2,802,286,099	0	2,802,286,099
Average Rate of Return	5.05%		5.85%		5.85%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	252,608,158	(90,761,422)	161,846,735	0	161,846,735
Year End Rate Base	5,484,837,119	(2,540,284,467)	2,944,552,652	0	2,944,552,652
Year End Rate of Return	4.61%		5.50%		5.50%

(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	5.56%
High	5.99%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.28	x (System per Books Basis)
B. Tie Without AFUDC	4.89	x (System per Books Basis)
C. AFUDC To Net Income	10.56%	(System per Books Basis)
D. Internally Generated Funds	-17.59%	(System per Books Basis)
E. LTD To Total Investor Funds	39.43%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	7.11%	(FPSC Adjusted Basis)
G. Return on Common Equity	10.93%	(FPSC Adjusted Basis)
H. Return on Common Equity	10.93%	(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

September 15, 2020

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
July 2020

	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	5,904,016,399	1,882,082,086	4,021,934,313	14,109,788	630,123,652	0	4,666,167,753	457,393,969	5,123,561,722
JURISDICTIONAL PER BOOKS	5,712,652,820	1,834,884,250	3,877,768,570	13,715,857	616,689,489	0	4,508,173,916	497,982,904	5,006,156,820
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,585,386,559)	(403,515,290)	(1,181,871,269)		(78,690,299)		(1,260,561,568)	(37,619,313)	(1,298,180,881)
INT BEARING CWIP					(411,484,023)		(411,484,023)	0	(411,484,023)
ENERGY CONSERVATION CLAUSE	(17,474,489)	5,809,651	(23,284,140)				(23,284,140)	(733,334)	(24,017,474)
LOANS TO EMPLOYEES / RETIREES								(8,766)	(8,766)
INTEREST AND DIVIDENDS RECEIVABLE								(24,261)	(24,261)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,053,751)			(12,053,751)	(43,918,775)	(55,972,526)
INTERCOMPANY RECEIVABLES								(2,627,502)	(2,627,502)
MICHAEL STORM RECOVERY								(208,328,563)	(208,328,563)
FUEL RELATED DEFERRED DEBITS								(1,698,991)	(1,698,991)
LEASES	(200,210,981)	(59,672,968)	(140,538,013)				(140,538,013)	(60,989,721)	(201,527,734)
TOTAL FPSC ADJUSTMENTS	(1,803,072,029)	(457,378,607)	(1,345,693,422)	(12,053,751)	(490,174,322)	0	(1,847,921,495)	(355,949,226)	(2,203,870,721)
FPSC ADJUSTED	3,909,580,791	1,377,505,643	2,532,075,148	1,662,106	126,515,167	0	2,660,252,421	142,033,678	2,802,286,099
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	3,909,580,791	1,377,505,643	2,532,075,148	1,662,106	126,515,167	0	2,660,252,421	142,033,678	2,802,286,099

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
July 2020

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	1,443,046,047	494,884,029	267,068,304	276,668,034	114,217,139	29,601,082	(2,400,084)	24,471,241	(8,930)	1,204,500,816	238,545,231	(a)
JURISDICTIONAL PER BOOKS	1,334,350,010	406,856,299	262,073,824	272,362,844	113,381,435	27,699,275	(2,162,185)	24,030,318	(8,680)	1,104,233,130	230,116,881	(a)
LESS FPSC ADJUSTMENTS:												
RETAIL FUEL REVENUES & EXPENSES	(321,125,786)	(324,282,791)				782,515				(323,500,276)	2,374,490	
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(79,180,009)	(82,573,508)				841,133				(81,732,375)	2,552,366	
ENERGY CONSERVATION COST REVENUES & EXPENSES	(7,907,206)		(4,556,161)	(1,382,256)	(280,799)	(418,395)				(6,637,611)	(1,269,594)	
ENVIRONMENTAL COST RECOVERY CLAUSE	(175,158,136)		(22,676,664)	(58,532,662)	(6,916,133)	(21,572,450)				(109,697,909)	(65,460,227)	
FRANCHISE FEE REVENUE & EXPENSE	(43,447,568)				(42,364,351)	(268,493)				(42,632,844)	(814,723)	
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,161,124)				(30,536,296)	(154,874)				(30,691,170)	(469,954)	
ECONOMIC DEVELOPMENT EXPENSE			(80,323)			19,909				(60,414)	60,414	(b)
GRT, FPSC FEES ON CLAUSES & FEES					(1,394,242)	345,585				(1,048,657)	1,048,657	
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,481			(34,218)	(25,737)	25,737	
MICHAEL STORM RECOVERY	(68,208,232)			(68,745,153)		133,085				(68,612,068)	403,836	
INTEREST SYNCHRONIZATION						4,627,394				4,627,394	(4,627,394)	
TOTAL FPSC ADJUSTMENTS	(726,188,059)	(406,856,299)	(27,313,148)	(128,660,071)	(81,491,821)	(15,656,110)	0	0	(34,218)	(660,011,667)	(66,176,392)	
FPSC ADJUSTED	608,161,951	0	234,760,676	143,702,773	31,889,614	12,043,165	(2,162,185)	24,030,318	(42,898)	444,221,463	163,940,488	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	608,161,951	0	234,760,676	143,702,773	31,889,614	12,043,165	(2,162,185)	24,030,318	(42,898)	444,221,463	163,940,488	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI		23,052,017					22,578,114					
AND THE JURISDICTIONAL NOI BY							1,606,470					
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:		1,606,470										
ON A JURISDICTIONAL BASIS												
CURRENT MONTH SYSTEM PER BOOKS	140,780,962	45,976,004	14,429,834	25,353,745	11,619,450	10,907,567	(1,328,707)	(93,145)	0	106,864,747	33,916,214	
CURRENT MONTH JURISDICTIONAL PER BOOKS	132,305,294	38,499,717	13,443,752	24,974,253	11,550,723	11,024,382	(1,314,626)	(91,467)	0	98,086,734	34,218,560	

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
July 2020

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	(1,628,538,319)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(407,860,730)	(103,372,301)
ACCUMULATED DEPRECIATION	414,498,350	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(177,161,532)	(44,901,590)
CWIP	(80,832,127)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(79,216,440)	(20,077,407)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,474,489)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(7,880,871)	(1,997,407)
ACCUMULATED DEPRECIATION	(5,809,651)	FUEL EXPENSE	(409,943,053)	103,900,067
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(84,940,975)	21,528,290
FAS 143 NET PLANT	(62,012,598)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(5,938,417)	1,505,092
INTEREST BEARING CWIP	(420,120,868)	CONSERVATION EXPENSES - OTHER TAXES	(280,799)	71,169
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(90,278,970)	22,881,205
LEASES	(143,133,262)	FRANCHISE FEE REVENUES	(43,447,568)	(11,011,786)
		FRANCHISE FEE	(42,364,351)	10,737,245
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(99,369,356)	(25,185,163)
ECRC WORKING CAPITAL	(38,643,252)	GROSS RECEIPTS TAX EXPENSE	(30,536,296)	7,739,424
CONSERVATION/AEM INVENTORY	(733,828)	ECONOMIC DEVELOPMENT EXPENSE	(80,324)	20,358
TEMPORARY CASH INVESTMENT	(44,457,692)	MICHAEL STORM RECOVERY	(68,745,153)	17,423,459
LOANS TO EMPLOYEES AND RETIREES	(8,920)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,394,243)	353,371
INTERCOMPANY RECEIVABLES	(2,673,800)	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFIN. ESC REV	(102,988)	(26,102)
INTEREST & DIVIDENDS RECEIVABLE	(24,688)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
NORTH ESCAMBIA SITE	(234,946)	INTEREST SYNCHRONIZATION	4,636,043	4,636,043
MICHAEL STORM RECOVERY	(208,328,563)			
FUEL RELATED DEFERRED DEBITS	(1,698,991)			
UNREALIZED LOSS ON FWD CONTRACT LEASES	(38,963)			
FAS 143 WORKING CAPITAL	(62,115,989)			
FAS 158 REGULATORY ASSETS	66,970,618			
FAS 158 REGULATORY LIABILITIES	(3,666,968)			
FAS 133 REGULATORY ASSETS	1,118,617			
FAS 133 REGULATORY LIABILITIES	(1,432,832)			
	1,432,832			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
July 2020

	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	6,123,194,843	1,972,252,297	4,150,942,545	14,109,788	997,264,483	0	5,162,316,816	457,393,969	5,619,710,785
JURISDICTIONAL PER BOOKS	5,930,181,690	1,924,226,574	4,005,955,116	13,715,857	976,331,700	0	4,996,002,673	488,834,446	5,484,837,119
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,608,184,453)	(431,358,936)	(1,176,825,517)		(84,479,375)		(1,261,304,892)	(37,619,313)	(1,298,924,205)
INT BEARING CWIP					(773,593,058)		(773,593,058)	0	(773,593,058)
ENERGY CONSERVATION CLAUSE	(17,595,225)	5,412,839	(23,008,064)				(23,008,064)	(733,334)	(23,741,398)
LOANS TO EMPLOYEES AND RETIREES								(8,766)	(8,766)
INTEREST AND DIVIDENDS RECEIVABLE								(24,261)	(24,261)
INTERCOMPANY RECEIVABLES								(2,627,502)	(2,627,502)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER IN				(12,053,751)			(12,053,751)	(43,918,775)	(55,972,526)
LEASES	(211,273,556)	(87,749,622)	(123,523,934)				(123,523,934)	(51,841,263)	(175,365,197)
FUEL RELATED DEFERRED DEBITS								(1,698,991)	(1,698,991)
MICHAEL STORM RECOVERY								(208,328,563)	(208,328,563)
TOTAL FPSC ADJUSTMENTS	(1,837,053,234)	(513,695,719)	(1,323,357,515)	(12,053,751)	(858,072,433)	0	(2,193,483,699)	(346,800,768)	(2,540,284,467)
FPSC ADJUSTED	4,093,128,456	1,410,530,855	2,682,597,601	1,662,106	118,259,267	0	2,802,518,974	142,033,678	2,944,552,652
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	4,093,128,456	1,410,530,855	2,682,597,601	1,662,106	118,259,267	0	2,802,518,974	142,033,678	2,944,552,652

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
July 2020

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	1,443,046,047	494,884,029	267,068,304	276,668,034	114,217,139	29,601,082	(2,400,084)	24,471,241	(8,930)	1,204,500,816	238,545,231 (a)
JURISDICTIONAL PER BOOKS	1,334,350,010	406,856,299	262,073,824	272,362,844	113,381,435	27,821,851	(2,197,924)	24,030,318	(8,680)	1,104,319,967	230,030,044 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(321,125,786)	(324,282,791)				782,515				(323,500,276)	2,374,490
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(79,180,009)	(82,573,508)				841,133				(81,732,375)	2,552,366
ENERGY CONSERVATION COST REVENUES & EXPENSES	(7,907,206)		(4,556,161)	(1,382,256)	(280,799)	(418,395)				(6,637,611)	(1,269,594)
ENVIRONMENTAL COST RECOVERY CLAUSE	(175,158,136)		(22,676,664)	(58,532,662)	(6,916,133)	(21,572,450)				(109,697,909)	(65,460,227)
FRANCHISE FEE REVENUE & EXPENSE	(43,447,568)				(42,364,351)	(268,493)				(42,632,844)	(814,723)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,161,124)				(30,536,296)	(154,874)				(30,691,170)	(469,954)
ECONOMIC DEVELOPMENT EXPENSE			(80,323)			19,909				(60,414)	60,414
GRT, FPSC FEES ON CLAUSES & FEES					(1,394,242)	345,585				(1,048,657)	1,048,657
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,481			(34,218)	(25,737)	25,737
MICHAEL STORM RECOVERY	(68,208,232)			(68,745,153)		133,085				(68,612,068)	403,836
INTEREST SYNCHRONIZATION						6,634,310				6,634,310	(6,634,310)
TOTAL FPSC ADJUSTMENTS	(726,188,059)	(406,856,299)	(27,313,148)	(128,660,071)	(81,491,821)	(13,649,194)	0	0	(34,218)	(658,004,751)	(68,183,308)
FPSC ADJUSTED	608,161,951	0	234,760,676	143,702,773	31,889,614	14,172,657	(2,197,924)	24,030,318	(42,898)	446,315,216	161,846,735
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	608,161,951	0	234,760,676	143,702,773	31,889,614	14,172,657	(2,197,924)	24,030,318	(42,898)	446,315,216	161,846,735

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 23,052,017 AND THE JURISDICTIONAL NOI BY 22,578,114

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
July 2020

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	(1,865,491,780)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(407,860,730)	(103,372,301)
ACCUMULATED DEPRECIATION	442,659,963	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(177,161,532)	(44,901,590)
CWIP	(86,692,622)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(79,216,440)	(20,077,407)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,595,225)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(7,880,871)	(1,997,407)
ACCUMULATED DEPRECIATION	(5,412,839)	FUEL EXPENSE	(409,943,053)	103,900,067
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(84,940,975)	21,528,290
FAS 143 NET PLANT	(61,691,178)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(5,938,417)	1,505,092
INTEREST BEARING CWIP	(789,830,391)	CONSERVATION EXPENSES - OTHER TAXES	(280,799)	71,169
PHFU - NORTH ESCAMBIA LEASES	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(90,278,970)	22,881,205
		FRANCHISE FEE REVENUES	(43,447,568)	(11,011,786)
		FRANCHISE FEE	(42,364,351)	10,737,245
		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(99,369,356)	(25,185,163)
		GROSS RECEIPTS TAX EXPENSE	(30,536,296)	7,739,424
WORKING CAPITAL:		ECONOMIC DEVELOPMENT EXPENSE	(80,324)	20,358
ECRC WORKING CAPITAL	(38,643,252)	MICHAEL STORM RECOVERY	(68,745,153)	17,423,459
CONSERVATION/AEM INVENTORY	(733,828)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,394,243)	353,371
TEMPORARY CASH INVESTMENT	(44,457,692)	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REFIN. ESC REV	(102,988)	(26,102)
LOANS TO EMPLOYEES AND RETIREES	(8,920)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
INTERCOMPANY RECEIVABLES	(2,673,800)	INTEREST SYNCHRONIZATION	6,801,613	6,801,613
INTEREST & DIVIDENDS RECEIVABLE	(24,688)			
NORTH ESCAMBIA SITE	(234,946)			
MICHAEL STORM RECOVERY	(208,328,563)			
FUEL RELATED DEFERRED DEBITS	(1,698,991)			
UNREALIZED LOSS ON FWD CONTRACT LEASES	(38,963)			
FAS 143 WORKING CAPITAL	(62,115,989)			
FAS 158 REGULATORY ASSETS	66,970,618			
FAS 158 REGULATORY LIABILITIES	(3,666,968)			
FAS 133 REGULATORY ASSETS	1,118,617			
FAS 133 REGULATORY LIABILITIES	(1,432,832)			
	1,432,832			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
July 2020

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,747,797,666	1,708,754,369	(628,141,034)	(201,527,734)	879,085,601	31.37	3.59	1.12	3.59	1.12	3.59	1.12
SHORT TERM DEBT	280,550,000	271,678,111	(113,222,634)	0	158,455,477	5.65	0.84	0.05	0.84	0.05	0.84	0.05
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,781,274	33,999,885	(14,169,550)	0	19,830,335	0.71	2.29	0.02	2.29	0.02	2.29	0.02
COMMON EQUITY	2,090,884,258	2,043,750,683	(851,738,974)	0	1,192,011,709	42.54	9.25	3.93	10.25	4.36	11.25	4.79
DEFERRED INCOME TAXES	630,911,242	614,682,283	(256,170,609)	0	358,511,674	12.79						
FASB 109 DEFERRED TAXES	333,783,099	325,197,181	(135,526,860)	0	189,670,321	6.77						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	8,308,016	8,094,308	(3,373,326)	0	4,720,982	0.17	6.85	0.01	7.42	0.01	8.00	0.01
TOTAL	5,127,015,555	5,006,156,820	(2,002,342,987)	(201,527,734)	2,802,286,099	100.00 %		5.13 %		5.56 %		5.99 %

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,718,160,494	1,679,442,693	(669,938,914)	(175,365,197)	834,138,582	28.33	2.86	0.81	2.86	0.81	2.86	0.81
SHORT TERM DEBT	340,000,000	329,115,374	(146,592,976)	0	182,522,398	6.20	0.17	0.01	0.17	0.01	0.17	0.01
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	36,389,383	36,264,709	(16,152,851)	0	20,111,858	0.68	2.31	0.02	2.31	0.02	2.31	0.02
COMMON EQUITY	2,542,927,729	2,471,521,255	(1,100,853,028)	0	1,370,668,227	46.55	9.25	4.31	10.25	4.77	11.25	5.24
DEFERRED INCOME TAXES	639,553,854	622,188,523	(277,132,199)	0	345,056,324	11.72						
FASB 109 DEFERRED TAXES	330,697,916	321,718,722	(143,298,395)	0	178,420,327	6.06						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	25,272,036	24,585,843	(10,950,907)	0	13,634,936	0.46	6.83	0.03	7.46	0.03	8.08	0.04
TOTAL	5,633,001,413	5,484,837,119	(2,364,919,270)	(175,365,197)	2,944,552,652	100.00 %		5.17 %		5.64 %		6.11 %

GULF POWER COMPANY
Financial Integrity Indicators
July 2020

A. Times Interest Earned with AFUDC

Earnings Before Interest	253,778,694
AFUDC - Debt	7,135,126
Income Taxes	<u>52,208,022</u>
 Total	 313,121,843
Interest Charges (Before Deducting AFUDC - Debt)	<u>59,358,344</u>
T.I.E. With AFUDC	<u>5.28</u> x

B. Times Interest Earned without AFUDC

Earnings Before Interest	253,778,694
AFUDC - Other	(15,916,891)
Income Taxes	<u>52,208,022</u>
 Total	 290,069,826
Interest Charges (Before Deducting AFUDC - Debt)	<u>59,358,344</u>
T.I.E. Without AFUDC	<u>4.89</u> x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	7,135,126
X (1 - Income Tax Rate)	0.75213
 Subtotal	 5,366,570
AFUDC - Other	<u>15,916,891</u>
 Total	 <u>21,283,461</u>
 Net Income Available for Common Stockholders	 <u>201,555,481</u>
Percent AFUDC to Available Net Income	<u>10.56%</u>

D. Percent Internally Generated Funds

Net Income	201,555,481
Preference Dividends	0
Common Dividends	(420,000,000)
AFUDC (Debt & Other)	(23,052,017)
Depreciation & Amortization	279,848,214
Deferred Income Taxes	(2,445,429)
Investment Tax Credits	(24,471,241)
Other	<u>(193,031,889)</u>
 Total	 (181,596,881)
 Construction Expenditures (Excluding AFUDC Other & Debt)	 <u>1,032,323,386</u>
 Percent Internally Generated Funds	 <u>-17.59%</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	879,085,601
Short Term Debt	158,455,477
Preference Stock	0
Common Equity	<u>1,192,011,709</u>
 Total	 <u>2,229,552,787</u>
 % Long Term Debt To Total	 <u>39.43%</u>
 % Short Term Debt To Total	 <u>7.11%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.85%	5.85%
 Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.12)	(1.12)
Short Term Debt	(0.05)	(0.05)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.01)</u>	<u>(0.01)</u>
 Subtotal	 <u>(1.20)</u>	 <u>(1.20)</u>
 Total	 4.65	 4.65
Divided by Common Equity Ratio	<u>42.54</u>	<u>42.54</u>
 Jurisdictional Return on Common Equity	 <u>10.93%</u>	 <u>10.93%</u>

GULF POWER COMPANY

Supplemental 1

Storm Accrual - Twelve Month to Date
July 2020

<u>Month</u>	<u>Year</u>	<u>\$</u>
August	2019	291,667
September	2019	291,667
October	2019	875,001
November	2019	291,667
December	2019	291,667
January	2020	291,667
February	2020	291,677
March	2020	291,677
April	2020	291,677
May	2020	291,677
June	2020	291,667
July	2020	291,667
12 - M-T-D		<u><u>4,083,377</u></u>

GULF POWER COMPANY
COVID-19 Regulatory Asset Report
July 2020

Supplemental 2

Order No: 2020-0262-PCO-EI

Line No.		April Activity	May Activity	June Activity	July Activity	Cumulative Balance
1	Incremental Bad Debt Expense	\$ 1,673,598	\$ 2,001,364	\$ 1,639,872	\$ 862,052	\$ 6,176,886
2						
3	Safety Related Costs ⁽¹⁾ :					
4	Testing	\$ -	\$ 251,722	\$ 142,598	\$ 9,871	\$ 404,191
5	Personal Protective Equipment	\$ 4,015	\$ 112,494	\$ 103,343	\$ 51,351	\$ 271,203
6	Temperature Screening ⁽²⁾	\$ 233,744	\$ 81,346	\$ 166,173	\$ (41,838)	\$ 439,425
7	Facility Upgrades/Cleaning ⁽²⁾	\$ 105,600	\$ 145,957	\$ 85,241	\$ (55,843)	\$ 280,955
8	Other	\$ -	\$ -	\$ 534	\$ -	\$ 534
9	Total Safety Related Costs	Sum of Lines 4 - 8 \$ 343,359	\$ 591,519	\$ 497,888	\$ (36,459)	\$ 1,396,308
10						
11	Total COVID-19 Costs	Lines 1 + 9 \$ 2,016,957	\$ 2,592,883	\$ 2,137,761	\$ 825,593	\$ 7,573,194
12						
13	Less Savings:					
14	Reduction in Travel and Meal Expenses	\$ -	\$ (45,903)	\$ (79,827)	\$ (81,948)	\$ (207,678)
15						
16	Total Regulatory Asset	Lines 11 - 14 \$ 2,016,957	\$ 2,546,979	\$ 2,057,934	\$ 743,646	\$ 7,365,516

Notes

(1) Excludes capital costs.

(2) Credits in July 2020 are due to capitalization of prior period costs and prior period accrual actualizations.