



Gulf Power®

March 15, 2021

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 January 2021.

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

GULF POWER COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
JANUARY, 2021

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 288,601,112 (A)	(107,546,816) (B)	181,054,296	0	\$ 181,054,296
RATE BASE	\$ 5,501,313,019	(2,436,009,357)	3,065,303,662	0	\$ 3,065,303,662
AVERAGE RATE OF RETURN	5.25%		5.91%		5.91%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 288,601,112 (A)	(108,082,788) (B)	180,518,325	0	\$ 180,518,325
RATE BASE	\$ 5,799,285,633	(2,521,711,630)	3,277,574,003	0	\$ 3,277,574,003
YEAR END RATE OF RETURN	4.98%		5.51%		5.51%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	5.26%
MIDPOINT	5.73%
HIGH	6.19%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.22	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.46	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	14.53%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	74.26%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	35.69%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.55%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.64%	(FPSC ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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

MITCHELL P. GOLDSTEIN
(VICE PRESIDENT - FINANCE)

(SIGNATURE)

March 12, 2021

(DATE)

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
JANUARY, 2021

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 UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 5,896,293,979	1,760,431,389	4,135,862,590	13,999,315	914,890,801	0	5,064,752,706	515,858,391	\$ 5,580,611,097
JURISDICTIONAL PER BOOKS	\$ 5,813,594,566	1,731,837,339	4,081,757,227	13,608,468	894,174,388	0	4,989,540,083	511,772,936	\$ 5,501,313,019
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,751,343,417)	(347,665,420)	(1,403,677,997)	(12,025,737)	(763,791,407)	0	(2,179,495,141)	(256,514,216)	\$ (2,436,009,357)
FPSC ADJUSTED:	\$ 4,062,251,149	1,384,171,919	2,678,079,230	1,582,731	130,382,982	0	2,810,044,943	255,258,719	\$ 3,065,303,662
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,062,251,149	1,384,171,919	2,678,079,230	1,582,731	130,382,982	0	2,810,044,943	255,258,719	\$ 3,065,303,662

NOTE:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
JANUARY, 2021

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,403,092,145	457,518,441	232,985,494	276,001,216	111,274,758	(48,193,167)	92,352,699	24,235,491	(11,812)	1,146,163,121	\$ 256,929,024
JURISDICTIONAL PER BOOKS	\$ 1,385,708,542	455,824,841	229,077,824	273,045,559	110,595,303	(46,933,482)	89,708,272	23,796,123	(11,812)	1,135,102,627	\$ 250,605,915
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (43,759,722)	0	(31,507)	0	(1,093,993)	(10,454,687)	0	0	0	(11,580,187)	\$ (32,179,535)
FRANCHISE EXPENSE	0	0	0	0	(42,634,222)	10,454,687	0	0	0	(32,179,535)	32,179,535
GROSS RECEIPTS TAX	(31,303,566)	0	0	0	(30,488,025)	(199,985)	0	0	0	(30,888,010)	(615,555)
FINANCIAL PLANNING SERVICES	0	0	(18,444)	0	0	4,523	0	0	0	(13,921)	13,921
ECONOMIC DEVELOPMENT 5%	0	0	(59,206)	0	0	14,518	0	0	0	(44,687)	44,687
FUEL COST REC RETAIL	(372,805,460)	(378,771,553)	(220,724)	0	0	1,389,773	131,622	0	0	(377,470,882)	4,665,422
CONSERVATION COST RECOVERY	(7,872,179)	0	(4,603,514)	(1,395,771)	(249,036)	474,469	(901,963)	0	0	(6,675,816)	(1,196,363)
CAPACITY COST RECOVERY	(81,914,998)	(72,836,430)	(9,067,704)	0	0	243,363	(254,286)	0	0	(81,915,057)	59
ENVIRONMENTAL COST RECOVERY	(175,347,679)	0	(21,510,820)	(54,010,616)	(6,931,375)	(23,666,756)	917,018	0	39	(105,202,510)	(70,145,169)
STORM DEFICIENCY RECOVERY	(67,536,788)	0	0	(67,394,490)	0	(34,894)	0	0	0	(67,429,384)	(107,404)
STORM PROTECTION COST RECOVERY	160,220	0	208	(423)	0	(139,707)	179,049	0	0	39,127	121,093
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,200,746	(2,972,206)	0	0	2,228,541	(2,228,541)
NORTH ESCAMBIA TIMBER SALES	(134,549)	0	0	0	0	(32,994)	0	0	0	(32,994)	(101,555)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(719)	0	0	2,933	2,214	(2,214)
TOTAL FPSC ADJUSTMENTS	\$ (780,514,721)	(451,607,983)	(35,511,711)	(122,801,300)	(81,396,652)	(16,747,663)	(2,900,767)	0	2,973	(710,963,102)	\$ (69,551,619)
FPSC ADJUSTED	\$ 605,193,820	4,216,857	193,566,113	150,244,259	29,198,651	(63,681,145)	86,807,505	23,796,123	(8,840)	424,139,524	\$ 181,054,296
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 605,193,820	4,216,857	193,566,113	150,244,259	29,198,651	(63,681,145)	86,807,505	23,796,123	(8,840)	424,139,524	\$ 181,054,296
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 38,664,695 \$ 37,995,197										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: ON A TOTAL COMPANY BASIS ON A JURISDICTIONAL BASIS	\$ 1,207,844 \$ 1,184,113										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 117,210,836	44,077,624	16,583,637	22,081,071	9,936,524	4,772,646	259,734	(74,999)	(2,414)	97,633,822	\$ 19,577,014
JURISDICTIONAL PER BOOKS	\$ 116,147,333	43,938,576	16,339,115	21,822,232	9,871,661	4,704,628	257,161	(73,639)	(2,414)	96,857,319	\$ 19,290,014

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
JANUARY, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,457,448,002	\$ 1,452,556,592
STORM PROTECTION	20,115	19,679
LOAD CONTROL	17,669,872	17,669,872
ASSET RETIREMENT OBLIGATION	70,484,032	69,363,815
CAPITAL LEASES	215,642,871	211,733,460
TOTAL	\$ 1,761,264,893	\$ 1,751,343,417
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (256,434,438)	\$ (255,573,806)
STORM PROTECTION	(33)	(33)
ASSET RETIREMENT OBLIGATION	(9,957,756)	(9,799,495)
LOAD CONTROL	5,444,000	5,444,000
CAPITAL LEASES	(89,963,307)	(87,736,086)
TOTAL	\$ (350,911,535)	\$ (347,665,420)
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,371,126	12,025,737
TOTAL	\$ 12,371,126	\$ 12,025,737
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 689,373,435	\$ 670,504,576
CWIP - CLAUSE PROJECTS	93,605,268	93,286,830
TOTAL	\$ 782,978,703	\$ 763,791,407
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 258,414,933	\$ 256,514,216
TOTAL ADJUSTMENTS	\$ 2,464,118,120	\$ 2,436,009,357

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JANUARY, 2021

SCHEDULE 2: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,403,092,145	457,518,441	232,985,494	276,001,216	111,274,758	(48,193,167)	92,352,699	24,235,491	(11,812)	1,146,163,121	\$ 256,929,024
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (43,759,722)	0	(31,507)	0	(1,093,993)	(10,805,593)	0	0	0	(11,931,093)	\$ (31,828,629)
FRANCHISE EXPENSE	0	0	0	0	(42,634,222)	10,558,245	0	0	0	(32,075,977)	32,075,977
GROSS RECEIPTS TAX	(31,303,566)	0	0	0	(30,488,025)	45,736	0	0	0	(30,442,289)	(861,277)
FINANCIAL PLANNING SERVICES	0	0	(18,814)	0	0	4,636	0	0	0	(14,178)	14,178
INDUSTRY ASSOCIATION DUES	0	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT 5%	0	0	(60,392)	0	0	14,987	0	0	0	(45,405)	45,405
FUEL COST RECOVERY	(377,898,075)	(378,317,569)	(220,724)	0	0	1,343,345	(1,179,225)	0	0	(378,374,173)	476,099
CONSERVATION COST RECOVERY	(7,872,179)	0	(4,603,514)	(1,395,771)	(249,036)	477,613	(901,963)	0	0	(6,672,671)	(1,199,507)
CAPACITY COST RECOVERY	(81,916,133)	(74,892,887)	(9,321,103)	0	0	825,719	(254,286)	0	0	(83,642,558)	1,726,425
ENVIRONMENTAL COST RECOVERY	(175,347,924)	0	(21,582,832)	(54,192,494)	(6,954,716)	(23,813,784)	917,018	0	39	(105,626,768)	(69,721,156)
STORM DEFICIENCY RECOVERY	(67,536,788)	0	0	(67,394,490)	0	(34,839)	0	0	0	(67,429,329)	(107,460)
INTEREST TAX DEFICIENCIES	0	0	0	0	0	0	0	0	0	0	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,296,383	(3,027,084)	0	0	2,269,299	(2,269,299)
NORTH ESCAMBIA TIMBER SALES	(134,549)	0	0	0	0	(33,640)	0	0	0	(33,640)	(100,909)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	2,933	2,933	(2,933)
STORM PROTECTION PLAN COST RECOVERY	160,220	0	208	(432)	0	(139,705)	179,049	0	0	39,120	121,100
TOTAL FPSC ADJUSTMENTS	\$ (785,608,716)	(453,210,456)	(35,838,678)	(122,983,187)	(81,419,993)	(16,260,896)	(4,266,492)	0	2,973	(713,976,730)	\$ (71,631,987)
FPSC ADJUSTED	\$ 617,483,429	4,307,985	197,146,816	153,018,029	29,854,766	(64,454,063)	88,086,207	24,235,491	(8,840)	432,186,391	\$ 185,297,038
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 617,483,429	4,307,985	197,146,816	153,018,029	29,854,766	(64,454,063)	88,086,207	24,235,491	(8,840)	432,186,391	\$ 185,297,038
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 38,664,695										

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
JANUARY, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	10,996,067	10,805,665
ASSET RETIREMENT OBLIGATION	73,623,930	72,453,810
INTEREST & DIVIDENDS RECEIVABLE	12,197	11,986
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	2,881,500	2,881,500
POLE ATTACHMENTS RENTS RECEIVABLE	995,832	978,588
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,563,603	1,537,564
TEMPORARY CASH INVESTMENTS	47,019,231	46,205,069
STORM DEFICIENCY RECOVERY	250,870,636	0
JOBGING ACCOUNTS	5,582,819	5,486,150
OTH REG ASSETS - CLAUSES	64,705,579	64,490,549
MISC. DEFFERED DEBIT - CLAUSES	18,354	18,376
EMPLOYEE LOAN RECEIVABLES	5,335	5,242
OPERATING LEASES	52,798,591	51,841,400
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 133 HEDGES	131,302	129,036
FAS 158 PENSION	2,188,915	2,154,120
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 513,432,855	\$ 259,037,344
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,440,183)	(11,242,090)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,045,113)	249,045,715
GAIN ON SALE OF EMISSION ALLOWANCE	(142)	(142)
JOBGING ACCOUNTS	(127,168)	(127,168)
STORM DEFICIENCY RECOVERY	(81,230,699)	(81,230,699)
ASSET RETIREMENT OBLIGATION	(135,348,749)	(133,197,625)
DEFERRED TRANSMISSION CREDIT	(10,059,369)	(10,059,369)
OTHER REG LIAB - CLAUSES	(15,635,196)	(15,582,722)
FAS 133 HEDGES	(131,302)	(129,029)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (255,017,921)	\$ (2,523,128)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 258,414,933	\$ 256,514,216

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
JANUARY, 2021

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 UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	\$ 5,690,206,266	1,374,684,577	4,315,521,689	13,741,154	1,040,474,014	0	5,369,736,857	515,858,391	\$ 5,885,595,248
JURISDICTIONAL PER BOOKS	\$ 5,604,932,553	1,347,889,354	4,257,043,199	13,357,515	1,017,111,984	0	5,287,512,698	511,772,936	\$ 5,799,285,633
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,349,256,904)	14,262,099	(1,363,519,004)	(11,980,913)	(889,697,497)	0	(2,265,197,414)	(256,514,216)	\$ (2,521,711,630)
FPSC ADJUSTED:	\$ 4,255,675,649	1,362,151,454	2,893,524,195	1,376,601	127,414,487	0	3,022,315,284	255,258,719	\$ 3,277,574,003
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,255,675,649	1,362,151,454	2,893,524,195	1,376,601	127,414,487	0	3,022,315,284	255,258,719	\$ 3,277,574,003

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
JANUARY, 2021

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,403,092,145	457,518,441	232,985,494	276,001,216	111,274,758	(48,193,167)	92,352,699	24,235,491	(11,812)	1,146,163,121	\$ 256,929,024
JURISDICTIONAL PER BOOKS	\$ 1,385,708,542	455,824,841	229,077,824	273,045,559	110,595,303	(46,933,482)	89,708,272	23,796,123	(11,812)	1,135,102,627	\$ 250,605,915
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (43,759,722)	0	(31,507)	0	(1,093,993)	(10,454,687)	0	0	0	(11,580,187)	\$ (32,179,535)
FRANCHISE EXPENSE	0	0	0	0	(42,634,222)	10,454,687	0	0	0	(32,179,535)	32,179,535
GROSS RECEIPTS TAX	(31,303,566)	0	0	0	(30,488,025)	(199,985)	0	0	0	(30,688,010)	(615,555)
FINANCIAL PLANNING SERVICES	0	0	(18,444)	0	0	4,523	0	0	0	(13,921)	13,921
INDUSTRY ASSOCIATION DUES	0	0	0	0	0	0	0	0	0	0	0
ECONOMIC DEVELOPMENT 5%	0	0	(59,206)	0	0	14,518	0	0	0	(44,687)	44,687
FUEL COST REC RETAIL	(372,805,460)	(378,771,553)	(220,724)	0	0	1,389,773	131,622	0	0	(377,470,882)	4,665,422
CONSERVATION COST RECOVERY	(7,872,179)	0	(4,603,514)	(1,395,771)	(249,036)	474,469	(901,963)	0	0	(6,675,816)	(1,196,363)
CAPACITY COST RECOVERY	(81,914,998)	(72,836,430)	(9,067,704)	0	0	243,363	(254,286)	0	0	(81,915,057)	59
ENVIRONMENTAL COST RECOVERY	(175,347,679)	0	(21,510,820)	(54,010,616)	(6,931,375)	(23,666,756)	917,018	0	39	(105,202,510)	(70,145,169)
STORM DEFICIENCY RECOVERY	(67,536,788)	0	0	(67,394,490)	0	(34,894)	0	0	0	(67,429,384)	(107,404)
INTEREST TAX DEFICIENCIES	0	0	0	0	0	0	0	0	0	0	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,736,718	(2,972,206)	0	0	2,764,512	(2,764,512)
NORTH ESCAMBIA TIMBER SALES	(134,549)	0	0	0	0	(32,994)	0	0	0	(32,994)	(101,555)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(719)	0	0	2,933	2,214	(2,214)
STORM PROTECTION PLAN COST RECOVERY	160,220	0	208	(423)	0	(139,707)	179,049	0	0	39,127	121,093
TOTAL FPSC ADJUSTMENTS	\$ (780,514,721)	(451,607,983)	(35,511,711)	(122,801,300)	(81,396,652)	(16,211,691)	(2,900,767)	0	2,973	(710,427,131)	\$ (70,087,591)
FPSC ADJUSTED	\$ 605,193,820	4,216,857	193,566,113	150,244,259	29,198,651	(63,145,174)	86,807,505	23,796,123	(8,840)	424,675,496	\$ 180,518,325
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 605,193,820	4,216,857	193,566,113	150,244,259	29,198,651	(63,145,174)	86,807,505	23,796,123	(8,840)	424,675,496	\$ 180,518,325
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 38,664,695										
	\$ 37,995,197										

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
JANUARY, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,049,425,423	\$ 1,045,903,397
LOAD CONTROL	17,950,846	17,950,846
ASSET RETIREMENT OBLIGATION	64,325,558	63,303,219
CAPITAL LEASES	225,939,704	221,843,621
STORM PROTECTION	261,501	255,822
TOTAL	\$ 1,357,903,032	\$ 1,349,256,904
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ 142,134,969	\$ 141,657,943
ASSET RETIREMENT OBLIGATION	(16,098,194)	(15,842,342)
LOAD CONTROL	4,897,117	4,897,117
CAPITAL LEASES	(119,406,338)	(116,450,195)
STORM PROTECTION	(433)	(423)
TOTAL	\$ 11,527,121	\$ 14,262,099
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,325,016	11,980,913
TOTAL	\$ 12,325,016	\$ 11,980,913
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 792,678,253	\$ 771,051,335
CWIP - CLAUSE PROJECTS	119,101,583	118,646,162
TOTAL	\$ 911,779,836	\$ 889,697,497
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 258,414,933	\$ 256,514,216
TOTAL ADJUSTMENTS	\$ 2,551,949,938	\$ 2,521,711,630

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JANUARY, 2021

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE OTHER		DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,403,092,145	457,518,441	232,985,494	276,001,216	111,274,758	(48,193,167)	92,352,699	24,235,491	(11,812)	1,146,163,121	\$ 256,929,024
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (43,759,722)	0	(31,507)	0	(1,093,993)	(10,805,593)	0	0	0	(11,931,093)	\$ (31,828,629)
FRANCHISE EXPENSE	0	0	0	0	(42,634,222)	10,558,245	0	0	0	(32,075,977)	32,075,977
GROSS RECEIPTS TAX	(31,303,566)	0	0	0	(30,488,025)	45,736	0	0	0	(30,442,289)	(861,277)
FINANCIAL PLANNING SERVICES	0	0	(18,814)	0	0	4,636	0	0	0	(14,178)	14,178
ECONOMIC DEVELOPMENT 5%	0	0	(60,392)	0	0	14,987	0	0	0	(45,405)	45,405
FUEL COST REC RETAIL	(377,898,075)	(378,317,569)	(220,724)	0	0	1,343,345	(1,179,225)	0	0	(378,374,173)	476,099
CONSERVATION COST RECOVERY	(7,872,179)	0	(4,603,514)	(1,395,771)	(249,036)	477,613	(901,963)	0	0	(6,672,671)	(1,199,507)
CAPACITY COST RECOVERY	(81,916,133)	(74,892,887)	(9,321,103)	0	0	825,719	(254,286)	0	0	(83,642,558)	1,726,425
ENVIRONMENTAL COST RECOVERY	(175,347,924)	0	(21,582,832)	(54,192,494)	(6,954,716)	(23,813,784)	917,018	0	39	(105,626,768)	(69,721,156)
STORM DEFICIENCY RECOVERY	(67,536,788)	0	0	(67,394,490)	0	(34,839)	0	0	0	(67,429,329)	(107,460)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,838,548	(3,027,084)	0	0	2,811,464	(2,811,464)
NORTH ESCAMBIA TIMBER SALES	(134,549)	0	0	0	0	(33,640)	0	0	0	(33,640)	(100,909)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	2,933	2,933	(2,933)
STORM PROTECTION PLAN COST RECOVERY	160,220	0	208	(432)	0	(139,705)	179,049	0	0	39,120	121,100
TOTAL FPSC ADJUSTMENTS	\$ (785,608,716)	(453,210,456)	(35,838,678)	(122,983,187)	(81,419,993)	(15,718,731)	(4,266,492)	0	2,973	(713,434,564)	\$ (72,174,152)
FPSC ADJUSTED	\$ 617,483,429	4,307,985	197,146,816	153,018,029	29,854,766	(63,911,898)	88,086,207	24,235,491	(8,840)	432,728,556	\$ 184,754,872
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 617,483,429	4,307,985	197,146,816	153,018,029	29,854,766	(63,911,898)	88,086,207	24,235,491	(8,840)	432,728,556	\$ 184,754,872
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 38,664,695										

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JANUARY, 2021

SCHEDULE 4: PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
			LONG TERM DEBT	\$ 1,736,729,817			\$ 1,711,845,165	\$ (652,694,768)	\$ (177,376,338)	\$ 881,774,059	28.77%	2.85%
SHORT TERM DEBT	285,857,853	281,777,690	(119,855,692)	0	161,921,997	5.28%	1.76%	0.09%	1.76%	0.09%	1.76%	0.09%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,508,795,114	2,472,842,495	(1,056,115,985)	10,059,369	1,426,785,879	46.55%	9.25%	4.31%	10.25%	4.77%	11.25%	5.24%
CUSTOMER DEPOSITS	36,153,121	36,236,288	(15,413,305)	-	20,822,984	0.68%	2.34%	0.02%	2.34%	0.02%	2.34%	0.02%
DEFERRED INCOME TAX	665,833,865	656,326,370	(279,284,707)	264,884	377,306,547	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	327,771,568	323,093,153	(137,429,452)	-	185,663,701	6.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	19,469,758	19,191,859	(8,163,363)	-	11,028,496	0.36%	6.84%	0.02%	7.42%	0.03%	8.07%	0.03%
TOTAL	\$ 5,580,611,097	\$ 5,501,313,019	\$ (2,268,957,272)	\$ (167,052,085)	\$ 3,065,303,662	100.00%		5.26%		5.73%		6.19%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA 6	SPECIFIC 7			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
			LONG TERM DEBT	\$ 1,689,229,935			\$ 1,664,581,546	\$ (632,416,328)	\$ (158,772,389)	\$ 873,392,829	26.65%	2.76%
SHORT TERM DEBT	249,697,214	246,000,096	(103,316,198)	-	142,683,897	4.35%	1.18%	0.05%	1.18%	0.05%	1.18%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,834,667,358	2,792,540,679	(1,177,048,249)	10,059,369	1,625,551,799	49.60%	9.25%	4.59%	10.25%	5.08%	11.25%	5.58%
CUSTOMER DEPOSITS	37,215,127	37,295,505	(15,663,530)	-	21,631,976	0.66%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	727,121,949	716,351,793	(300,967,812)	264,884	415,648,865	12.68%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	322,799,189	318,019,693	(133,563,304)	-	184,456,389	5.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,864,475	24,496,322	(10,288,073)	-	14,208,249	0.43%	6.98%	0.03%	7.63%	0.03%	8.28%	0.04%
TOTAL	\$ 5,885,595,248	\$ 5,799,285,633	\$ (2,373,263,494)	\$ (148,448,136)	\$ 3,277,574,003	100.00%		5.42%		5.92%		6.42%

NOTE:
(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

GULF POWER COMPANY
JANUARY, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	284,681,811
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		11,943,520
INCOME TAXES		69,213,917
TOTAL	\$	365,839,248
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	50,649,199
TIMES INTEREST EARNED WITH AFUDC		7.22

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	284,681,811
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(26,721,176)
INCOME TAXES		69,213,917
TOTAL	\$	327,174,553
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	50,649,199
TIMES INTEREST EARNED WITHOUT AFUDC		6.46

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	11,943,520
X (1 - INCOME_TAX_RATE)		0.7548
SUBTOTAL	\$	9,014,754
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		26,721,176
TOTAL	\$	35,735,929
NET INCOME AVAILABLE FOR COMMON	\$	245,976,132
AFUDC AS PERCENT OF NET INCOME		14.53%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	245,976,132
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		0
AFUDC (DEBT & OTHER)		(38,664,695)
DEPRECIATION AND AMORTIZATION EXPENSE		276,001,216
DEFERRED INCOME TAXES		92,426,940
INVESTMENT TAX CREDITS		24,235,491
CLAUSE OVER/UNDER RECOVERY		(4,937,675)
OTHER		(11,812)
INTERNALLY GENERATED FUNDS	\$	595,025,596
CONSTRUCTION EXPENDITURES	\$	801,300,640
PERCENT INTERNALLY GENERATED FUNDS		74.26%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS		
JURIS ADJUSTED LONG TERM DEBT	\$	881,774,059
JURIS ADJUSTED SHORT TERM DEBT		161,921,997
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,426,785,879
TOTAL	\$	2,470,481,935
LTD TO TOTAL INVESTOR FUNDS		35.69%
STD TO TOTAL INVESTOR FUNDS		6.55%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

G. FPSC ADJ.

RATE OF RETURN	5.91%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :	
LONG TERM DEBT	0.82%
SHORT TERM DEBT	0.09%
PREFERRED STOCK	0.00%
CUSTOMER DEPOSITS	0.02%
TAX CREDITS - WEIGHTED COST	0.03%
SUBTOTAL	0.96%
TOTAL	4.95%
DIVIDED BY COMMON EQUITY RATIO	46.55%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.64%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
January 2021

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
February	2020	291,667
March	2020	291,667
April	2020	291,667
May	2020	291,667
June	2020	291,667
July	2020	291,667
August	2020	291,667
September	2020	291,667
October	2020	291,667
November	2020	291,667
December	2020	291,667
January	2021	0
12 - M-T-D		<u>3,208,333</u>

Order No: 2020-0262-PCO-EI

Line No.			January Activity	Cumulative Balance
1	Incremental Bad Debt Expense		\$ 810,719	\$ 14,700,923
2				
3	Safety Related Costs ⁽¹⁾ :			
4	Testing		\$ 82,364	\$ 1,101,433
5	Personal Protective Equipment		\$ 64,294	\$ 642,335
6	Temperature Screening		\$ -	\$ 1,021,211
7	Facility Upgrades/Cleaning		\$ 22,730	\$ 506,796
8	Other		\$ -	\$ 534
9	Total Safety Related Costs	Sum of Lines 4 - 8	\$ 169,388	\$ 3,272,309
10				
11	Total COVID-19 Costs	Lines 1 + 9	\$ 980,107	\$ 17,973,232
12				
13	Less Savings:			
14	Reduction in Travel and Meal Expenses		\$ (58,049)	\$ (757,633)
15				
16	Total Regulatory Asset	Lines 11 - 14	\$ 922,058	\$ 17,215,598

Notes

(1) Excludes capital costs.