



Gulf Power®

April 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:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of February 2021.

Sincerely,

Mitchell P. Goldstein
Vice President, Finance

md

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

bc w/att: M. Campbell
K. Dubin
M. Goldstein
R. Hume
L. Roddy
A. Stewart-Stover
K. Wilson

Gulf Power Company

700 Universe Boulevard, Juno Beach, FL 33408

GULF POWER COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
FEBRUARY, 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	\$ 292,416,987 (A)	(108,479,580) (B)	183,937,407	0	\$ 183,937,407
RATE BASE	\$ 5,559,943,071	(2,447,701,469)	3,112,241,602	0	\$ 3,112,241,602
AVERAGE RATE OF RETURN	5.26%		5.91%		5.91%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 292,416,987 (A)	(108,932,386) (B)	183,484,600	0	\$ 183,484,600
RATE BASE	\$ 5,826,613,769	(2,530,838,917)	3,295,774,853	0	\$ 3,295,774,853
YEAR END RATE OF RETURN	5.02%		5.57%		5.57%
(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS					

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

LOW	5.31%
MIDPOINT	5.78%
HIGH	6.26%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	7.57	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	6.76	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	14.54%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	76.41%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	35.04%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.13%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.52%	(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)

April 9, 2021

(DATE)

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
FEBRUARY, 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	\$ 5,886,164,788	1,723,284,280	4,162,880,508	13,970,959	934,221,944	0	5,111,073,411	529,186,852	\$ 5,640,260,264
JURISDICTIONAL PER BOOKS	\$ 5,802,984,164	1,694,793,623	4,108,190,541	13,580,903	913,047,680	0	5,034,819,125	525,123,946	\$ 5,559,943,071
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,707,742,992)	(311,053,181)	(1,396,689,811)	(12,020,134)	(783,912,138)	0	(2,192,622,083)	(255,079,386)	\$ (2,447,701,469)
FPSC ADJUSTED:	\$ 4,095,241,172	1,383,740,441	2,711,500,731	1,560,770	129,135,541	0	2,842,197,042	270,044,560	\$ 3,112,241,602
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,095,241,172	1,383,740,441	2,711,500,731	1,560,770	129,135,541	0	2,842,197,042	270,044,560	\$ 3,112,241,602

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
FEBRUARY, 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	\$ 1,418,002,566	468,533,748	230,195,914	276,417,139	111,737,209	(47,815,289)	93,731,810	24,184,102	(14,185)	1,156,970,447	\$ 261,032,119
JURISDICTIONAL PER BOOKS	\$ 1,398,956,073	466,892,970	226,326,059	273,440,408	111,057,534	(46,309,996)	90,409,360	23,745,666	(14,185)	1,145,547,814	\$ 253,408,259
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (44,041,038)	0	(31,710)	0	(1,101,026)	(10,521,897)	0	0	0	(11,654,632)	\$ (32,386,405)
FRANCHISE EXPENSE	0	0	0	0	(42,908,302)	10,521,897	0	0	0	(32,386,405)	32,386,405
GROSS RECEIPTS TAX	(31,746,965)	0	0	0	(30,697,855)	(257,261)	0	0	0	(30,955,116)	(791,849)
FINANCIAL PLANNING SERVICES	0	0	(18,444)	0	0	4,523	0	0	0	(13,921)	13,921
ECONOMIC DEVELOPMENT 5%	0	0	(56,765)	0	0	13,920	0	0	0	(42,845)	42,845
FUEL COST REC RETAIL	(383,573,281)	(390,534,442)	(225,322)	0	0	3,434,204	(1,728,073)	0	0	(389,053,634)	5,480,353
CONSERVATION COST RECOVERY	(7,681,898)	0	(4,423,720)	(1,400,088)	(259,129)	377,982	(795,927)	0	0	(6,500,882)	(1,181,015)
CAPACITY COST RECOVERY	(81,189,451)	(72,083,227)	(9,013,310)	0	0	(23,624)	868	0	0	(81,119,292)	(70,159)
ENVIRONMENTAL COST RECOVERY	(173,895,675)	0	(21,287,910)	(52,245,492)	(6,931,719)	(24,342,471)	1,479,646	0	39	(103,327,906)	(70,567,770)
STORM PROTECTION COST RECOVERY	(206,969)	0	(56)	(1,529)	0	(269,424)	219,060	0	0	(51,949)	(155,020)
STORM DEFICIENCY RECOVERY	(68,764,253)	0	0	(68,541,234)	0	(54,688)	0	0	0	(68,595,923)	(168,330)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,019,336	(3,051,491)	0	0	1,967,845	(1,967,845)
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	(1,439)	0	0	5,867	4,428	(4,428)
TOTAL FPSC ADJUSTMENTS	\$ (791,234,079)	(462,617,668)	(35,057,237)	(122,188,343)	(81,898,031)	(16,131,937)	(3,875,916)	0	5,906	(721,763,227)	\$ (69,470,852)
FPSC ADJUSTED	\$ 607,721,994	4,275,301	191,268,821	151,252,064	29,159,503	(62,441,933)	86,533,444	23,745,666	(8,279)	423,784,587	\$ 183,937,407
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 607,721,994	4,275,301	191,268,821	151,252,064	29,159,503	(62,441,933)	86,533,444	23,745,666	(8,279)	423,784,587	\$ 183,937,407
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 39,696,085 \$ 39,008,728										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: ON A TOTAL COMPANY BASIS ON A JURISDICTIONAL BASIS	\$ 1,158,061 \$ 1,135,308										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 121,790,709	48,350,485	15,282,215	22,698,733	9,447,451	2,619,127	3,033,352	(74,999)	(2,414)	101,353,950	\$ 20,436,759
JURISDICTIONAL PER BOOKS	\$ 120,095,006	48,239,697	14,983,758	22,439,582	9,384,223	2,516,579	2,911,816	(73,639)	(2,414)	100,399,602	\$ 19,695,404

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
FEBRUARY, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,413,039,134	\$ 1,408,319,357
STORM PROTECTION	53,644	52,477
LOAD CONTROL	17,723,772	17,723,772
ASSET RETIREMENT OBLIGATION	69,382,580	68,279,869
CAPITAL LEASES	217,307,099	213,367,516
TOTAL	\$ 1,717,506,229	\$ 1,707,742,992
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (213,776,263)	\$ (213,062,216)
STORM PROTECTION	(154)	(150)
ASSET RETIREMENT OBLIGATION	(11,002,204)	(10,827,343)
LOAD CONTROL	5,353,158	5,353,158
CAPITAL LEASES	(94,865,208)	(92,516,630)
TOTAL	\$ (314,290,670)	\$ (311,053,181)
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,365,362	12,020,134
TOTAL	\$ 12,365,362	\$ 12,020,134
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 706,869,949	\$ 687,474,868
CWIP - CLAUSE PROJECTS	96,772,481	96,437,270
TOTAL	\$ 803,642,430	\$ 783,912,138
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 257,009,236	\$ 255,079,386
TOTAL ADJUSTMENTS	\$ 2,476,232,588	\$ 2,447,701,469

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
FEBRUARY, 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	\$ 1,418,002,566	468,533,748	230,195,914	276,417,139	111,737,209	(47,815,289)	93,731,810	24,184,102	(14,185)	1,156,970,447	\$ 261,032,119
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (44,041,038)	0	(31,710)	0	(1,101,026)	(10,832,531)	0	0	0	(11,965,266)	\$ (32,075,771)
FRANCHISE EXPENSE	0	0	0	0	(42,908,302)	10,605,760	0	0	0	(32,302,542)	32,302,542
GROSS RECEIPTS TAX	(31,746,965)	0	0	0	(30,697,855)	(33,298)	0	0	0	(30,731,154)	(1,015,812)
FINANCIAL PLANNING SERVICES	0	0	(18,814)	0	0	4,636	0	0	0	(14,178)	14,178
ECONOMIC DEVELOPMENT 5%	0	0	(57,903)	0	0	14,344	0	0	0	(43,559)	43,559
FUEL COST RECOVERY	(389,632,584)	(390,064,314)	(225,322)	0	0	3,390,864	(3,285,258)	0	0	(390,184,031)	551,447
CONSERVATION COST RECOVERY	(7,681,898)	0	(4,423,720)	(1,400,088)	(259,129)	379,564	(795,927)	0	0	(6,499,300)	(1,182,598)
CAPACITY COST RECOVERY	(81,190,559)	(74,110,104)	(9,262,463)	0	0	539,466	868	0	0	(82,832,233)	1,641,673
ENVIRONMENTAL COST RECOVERY	(173,895,919)	0	(21,358,833)	(52,420,585)	(6,954,950)	(24,464,169)	1,479,646	0	39	(103,718,851)	(70,177,068)
STORM DEFICIENCY RECOVERY	(68,764,253)	0	0	(68,541,234)	0	(55,131)	0	0	0	(68,596,366)	(167,888)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,111,186	(3,107,833)	0	0	2,003,353	(2,003,353)
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	5,867	5,867	(5,867)
STORM PROTECTION PLAN COST RECOVERY	(206,969)	0	(56)	(1,563)	0	(269,416)	219,060	0	0	(51,974)	(154,994)
TOTAL FPSC ADJUSTMENTS	\$ (797,294,734)	(464,174,418)	(35,378,822)	(122,363,470)	(81,921,261)	(15,642,364)	(5,489,443)	0	5,906	(724,963,873)	\$ (72,330,860)
FPSC ADJUSTED	\$ 620,707,832	4,359,330	194,817,091	154,053,669	29,815,948	(63,457,653)	88,242,367	24,184,102	(8,279)	432,006,574	\$ 188,701,258
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 620,707,832	4,359,330	194,817,091	154,053,669	29,815,948	(63,457,653)	88,242,367	24,184,102	(8,279)	432,006,574	\$ 188,701,258
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 39,696,085										

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
FEBRUARY, 2021

SCHEDULE 2: PAGE 3B OF 3

<u>WORKING CAPITAL ADJUSTMENTS</u>	<u>SYSTEM</u>	<u>JURISDICTIONAL</u>
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	12,805,104	12,583,377
ASSET RETIREMENT OBLIGATION	75,789,997	74,585,452
INTEREST & DIVIDENDS RECEIVABLE	10,567	10,384
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	3,884,465	3,884,465
POLE ATTACHMENTS RENTS RECEIVABLE	1,009,369	991,891
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,405,474	1,382,314
TEMPORARY CASH INVESTMENTS	47,392,308	46,571,686
STORM DEFICIENCY RECOVERY	260,549,404	0
JOBGING ACCOUNTS	4,761,493	4,679,046
OTH REG ASSETS - CLAUSES	66,624,412	66,403,950
MISC. DEFFERED DEBIT - CLAUSES	21,611	21,637
EMPLOYEE LOAN RECEIVABLES	5,041	4,954
OPERATING LEASES	51,245,691	50,316,653
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 133 HEDGES	44,428	43,662
FAS 158 PENSION	1,989,922	1,958,291
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 527,578,250	\$ 263,476,050
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,464,823)	(11,266,304)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,133,435)	258,636,161
GAIN ON SALE OF EMISSION ALLOWANCE	(141)	(140)
JOBGING ACCOUNTS	(152,229)	(152,229)
STORM DEFICIENCY RECOVERY	(96,781,139)	(96,781,139)
ASSET RETIREMENT OBLIGATION	(135,365,517)	(133,214,125)
DEFERRED TRANSMISSION CREDIT	(10,036,965)	(10,036,965)
OTHER REG LIAB - CLAUSES	(15,590,337)	(15,538,263)
FAS 133 HEDGES	(44,428)	(43,659)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (270,569,014)	\$ (8,396,664)
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 257,009,236	\$ 255,079,386

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
FEBRUARY, 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	\$ 5,708,948,689	1,383,227,761	4,325,720,928	13,741,154	1,044,408,174	0	5,383,870,256	529,186,852	\$ 5,913,057,108
JURISDICTIONAL PER BOOKS	\$ 5,623,406,456	1,356,236,595	4,267,169,861	13,357,515	1,020,962,447	0	5,301,489,823	525,123,946	\$ 5,826,613,769
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,351,216,540)	5,460,550	(1,356,677,090)	(11,980,913)	(907,101,527)	0	(2,275,759,531)	(255,079,386)	\$ (2,530,838,917)
FPSC ADJUSTED:	\$ 4,272,189,916	1,361,697,145	2,910,492,771	1,376,601	113,860,920	0	3,025,730,292	270,044,560	\$ 3,295,774,853
 PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,272,189,916	1,361,697,145	2,910,492,771	1,376,601	113,860,920	0	3,025,730,292	270,044,560	\$ 3,295,774,853

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

SCHEDULE 3: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE		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)
		NET INTERCHANGE	FUEL & OTHER								
SYSTEM PER BOOKS	\$ 1,418,002,566	468,533,748	230,195,914	276,417,139	111,737,209	(47,815,289)	93,731,810	24,184,102	(14,185)	1,156,970,447	\$ 261,032,119
JURISDICTIONAL PER BOOKS	\$ 1,398,956,073	466,892,970	226,326,059	273,440,408	111,057,534	(46,309,996)	90,409,360	23,745,666	(14,185)	1,145,547,814	\$ 253,408,259
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (44,041,038)	0	(31,710)	0	(1,101,026)	(10,521,897)	0	0	0	(11,654,632)	\$ (32,386,405)
FRANCHISE EXPENSE	0	0	0	0	(42,908,302)	10,521,897	0	0	0	(32,386,405)	32,386,405
GROSS RECEIPTS TAX	(31,746,965)	0	0	0	(30,697,855)	(257,261)	0	0	0	(30,955,116)	(791,849)
FINANCIAL PLANNING SERVICES	0	0	(18,444)	0	0	4,523	0	0	0	(13,921)	13,921
ECONOMIC DEVELOPMENT 5%	0	0	(56,765)	0	0	13,920	0	0	0	(42,845)	42,845
FUEL COST REC RETAIL	(383,573,281)	(390,534,442)	(225,322)	0	0	3,434,204	(1,728,073)	0	0	(389,053,634)	5,480,353
CONSERVATION COST RECOVERY	(7,681,898)	0	(4,423,720)	(1,400,088)	(259,129)	377,982	(795,927)	0	0	(6,500,882)	(1,181,015)
CAPACITY COST RECOVERY	(81,189,451)	(72,083,227)	(9,013,310)	0	0	(23,624)	868	0	0	(81,119,292)	(70,159)
ENVIRONMENTAL COST RECOVERY	(173,895,675)	0	(21,287,910)	(52,245,492)	(6,931,719)	(24,342,471)	1,479,646	0	39	(103,327,906)	(70,567,770)
STORM DEFICIENCY RECOVERY	(68,764,253)	0	0	(68,541,234)	0	(5,688)	0	0	0	(68,595,923)	(168,330)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,472,143	(3,051,491)	0	0	2,420,652	(2,420,652)
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	(1,439)	0	0	5,867	4,428	(4,428)
STORM PROTECTION PLAN COST RECOVERY	(206,969)	0	(56)	(1,529)	0	(269,424)	219,060	0	0	(51,949)	(155,020)
TOTAL FPSC ADJUSTMENTS	\$ (791,234,079)	(462,617,668)	(35,057,237)	(122,188,343)	(81,898,031)	(15,679,130)	(3,875,916)	0	5,906	(721,310,420)	\$ (69,923,659)
FPSC ADJUSTED	\$ 607,721,994	4,275,301	191,268,821	151,252,064	29,159,503	(61,989,126)	86,533,444	23,745,666	(8,279)	424,237,394	\$ 183,484,600
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 607,721,994	4,275,301	191,268,821	151,252,064	29,159,503	(61,989,126)	86,533,444	23,745,666	(8,279)	424,237,394	\$ 183,484,600
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 39,696,085										
AND THE JURISDICTIONAL NOI BY	\$ 39,008,728										

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
FEBRUARY, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,049,489,182	\$ 1,045,983,720
LOAD CONTROL	18,134,844	18,134,844
ASSET RETIREMENT OBLIGATION	64,325,558	63,303,219
CAPITAL LEASES	227,492,604	223,368,368
STORM PROTECTION	435,874	426,389
TOTAL	<u>\$ 1,359,878,062</u>	<u>\$ 1,351,216,540</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ 140,012,831	\$ 139,545,166
ASSET RETIREMENT OBLIGATION	(17,857,849)	(17,574,031)
LOAD CONTROL	4,792,640	4,792,640
CAPITAL LEASES	(124,380,996)	(121,301,696)
STORM PROTECTION	(1,563)	(1,529)
TOTAL	<u>\$ 2,565,063</u>	<u>\$ 5,460,550</u>
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,325,016	11,980,913
TOTAL	<u>\$ 12,325,016</u>	<u>\$ 11,980,913</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 806,150,670	\$ 784,157,276
CWIP - CLAUSE PROJECTS	123,456,417	122,944,251
TOTAL	<u>\$ 929,607,087</u>	<u>\$ 907,101,527</u>
WORKING CAPITAL:	\$ 257,009,236	\$ 255,079,386
(SEE SCHEDULE 2, PAGE 3B OF 3)		
TOTAL ADJUSTMENTS	<u>\$ 2,561,384,464</u>	<u>\$ 2,530,838,917</u>

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
FEBRUARY, 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	\$ 1,418,002,566	468,533,748	230,195,914	276,417,139	111,737,209	(47,815,289)	93,731,810	24,184,102	(14,185)	1,156,970,447	\$ 261,032,119
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (44,041,038)	0	(31,710)	0	(1,101,026)	(10,832,531)	0	0	0	(11,965,266)	\$ (32,075,771)
FRANCHISE EXPENSE	0	0	0	0	(42,908,302)	10,605,760	0	0	0	(32,302,542)	32,302,542
GROSS RECEIPTS TAX	(31,746,965)	0	0	0	(30,697,855)	(33,298)	0	0	0	(30,731,154)	(1,015,812)
FINANCIAL PLANNING SERVICES	0	0	(18,814)	0	0	4,636	0	0	0	(14,178)	14,178
ECONOMIC DEVELOPMENT 5%	0	0	(57,903)	0	0	14,344	0	0	0	(43,559)	43,559
FUEL COST REC RETAIL	(389,632,584)	(390,064,314)	(225,322)	0	0	3,390,864	(3,285,258)	0	0	(390,184,031)	551,447
CONSERVATION COST RECOVERY	(7,681,898)	0	(4,423,720)	(1,400,088)	(259,129)	379,564	(795,927)	0	0	(6,499,300)	(1,182,598)
CAPACITY COST RECOVERY	(81,190,559)	(74,110,104)	(9,262,463)	0	0	539,466	868	0	0	(82,832,233)	1,641,673
ENVIRONMENTAL COST RECOVERY	(173,895,919)	0	(21,358,833)	(52,420,585)	(6,954,950)	(24,464,169)	1,479,646	0	39	(103,718,851)	(70,177,068)
STORM DEFICIENCY RECOVERY	(68,764,253)	0	0	(68,541,234)	0	(55,131)	0	0	0	(68,596,366)	(167,888)
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,568,287	(3,107,833)	0	0	2,460,454	(2,460,454)
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	5,867	5,867	(5,867)
STORM PROTECTION PLAN COST RECOVERY	(206,969)	0	(56)	(1,563)	0	(269,416)	219,060	0	0	(51,974)	(154,994)
TOTAL FPSC ADJUSTMENTS	\$ (797,294,734)	(464,174,418)	(35,378,822)	(122,363,470)	(81,921,261)	(15,185,263)	(5,489,443)	0	5,906	(724,506,772)	\$ (72,787,962)
FPSC ADJUSTED	\$ 620,707,832	4,359,330	194,817,091	154,053,669	29,815,948	(63,000,552)	88,242,367	24,184,102	(8,279)	432,463,675	\$ 188,244,157
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 620,707,832	4,359,330	194,817,091	154,053,669	29,815,948	(63,000,552)	88,242,367	24,184,102	(8,279)	432,463,675	\$ 188,244,157
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 39,696,085										

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
FEBRUARY, 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	\$ 1,722,508,713			\$ 1,697,816,186	\$ (645,821,016)	\$ (172,549,854)	\$ 879,445,317	28.26%	2.76%
SHORT TERM DEBT	270,895,237	267,017,710	(113,059,369)	-	153,958,341	4.95%	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	2,588,183,952	2,550,993,661	(1,084,379,406)	10,036,965	1,476,651,220	47.45%	9.25%	4.39%	10.25%	4.86%	11.25%	5.34%
CUSTOMER DEPOSITS	36,386,178	36,466,196	(15,440,343)	-	21,025,852	0.68%	3.54%	0.02%	3.54%	0.02%	3.54%	0.02%
DEFERRED INCOME TAX	674,013,490	664,361,716	(281,422,512)	287,269	383,226,473	12.31%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	326,947,927	322,268,075	(136,453,216)	-	185,814,860	5.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	21,324,766	21,019,528	(8,899,989)	-	12,119,539	0.39%	6.83%	0.03%	7.45%	0.03%	8.08%	0.03%
TOTAL	\$ 5,640,260,264	\$ 5,559,943,071	\$ (2,285,475,849)	\$ (162,225,619)	\$ 3,112,241,602	100.00%		5.31%		5.78%		6.26%

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	\$ 1,667,197,399			\$ 1,642,124,997	\$ (625,232,740)	\$ (153,765,639)	\$ 863,126,618	26.19%	2.71%
SHORT TERM DEBT	316,342,249	311,729,487	(130,951,897)	-	180,777,590	5.49%	1.12%	0.06%	1.12%	0.06%	1.12%	0.06%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,825,816,331	2,784,531,954	(1,173,947,657)	10,036,965	1,620,621,262	49.17%	9.25%	4.55%	10.25%	5.04%	11.25%	5.53%
CUSTOMER DEPOSITS	36,982,804	37,065,693	(15,570,625)	-	21,495,069	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	722,686,001	712,145,839	(299,280,212)	287,269	413,152,896	12.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	319,496,397	314,837,644	(132,257,577)	-	182,580,067	5.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,535,927	24,178,155	(10,156,804)	-	14,021,351	0.43%	6.98%	0.03%	7.63%	0.03%	8.28%	0.04%
TOTAL	\$ 5,913,057,108	\$ 5,826,613,769	\$ (2,387,397,512)	\$ (143,441,405)	\$ 3,295,774,853	100.00%		5.36%		5.86%		6.35%

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
FEBRUARY, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	289,199,959
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		12,262,116
INCOME TAXES		70,797,670
TOTAL	\$	372,259,745
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	49,161,733
TIMES INTEREST EARNED WITH AFUDC		7.57

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	289,199,959
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(27,433,969)
INCOME TAXES		70,797,670
TOTAL	\$	332,563,660
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	49,161,733
TIMES INTEREST EARNED WITHOUT AFUDC		6.76

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	12,262,116
X (1 - INCOME_TAX_RATE)		0.7548
SUBTOTAL	\$	9,255,222
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		27,433,969
TOTAL	\$	36,689,191
NET INCOME AVAILABLE FOR COMMON	\$	252,300,342
AFUDC AS PERCENT OF NET INCOME		14.54%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	252,300,342
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		0
AFUDC (DEBT & OTHER)		(39,696,085)
DEPRECIATION AND AMORTIZATION EXPENSE		276,417,139
DEFERRED INCOME TAXES		93,810,541
INVESTMENT TAX CREDITS		24,184,102
CLAUSE OVER/UNDER RECOVERY		(9,439,976)
OTHER		(14,185)
INTERNALLY GENERATED FUNDS	\$	597,561,878
CONSTRUCTION EXPENDITURES	\$	782,030,525
PERCENT INTERNALLY GENERATED FUNDS		76.41%

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	\$	879,445,317
JURIS ADJUSTED SHORT TERM DEBT		153,958,341
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,476,651,220
TOTAL	\$	2,510,054,877
LTD TO TOTAL INVESTOR FUNDS		35.04%
STD TO TOTAL INVESTOR FUNDS		6.13%

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		0.78%
SHORT TERM DEBT		0.09%
PREFERRED STOCK		0.00%
CUSTOMER DEPOSITS		0.02%
TAX CREDITS - WEIGHTED COST		0.03%
SUBTOTAL		0.92%
TOTAL		4.99%
DIVIDED BY COMMON EQUITY RATIO		47.45%
JURISDICTIONAL RETURN ON COMMON EQUITY		10.52%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
February	2021	583,106
12 - M-T-D		<u><u>3,499,772</u></u>

GULF POWER COMPANY
COVID-19 Regulatory Asset Report
February 2021

Supplemental 2

Order No: 2020-0262-PCO-EI

Line No.			February Activity	Cumulative Balance
1	Incremental Bad Debt Expense		\$ 313,291	\$ 15,014,214
2				\$ -
3	Safety Related Costs ⁽¹⁾ :			\$ -
4	Testing		\$ 87,613	\$ 1,189,046
5	Personal Protective Equipment		\$ 46,252	\$ 688,587
6	Temperature Screening		\$ -	\$ 1,021,211
7	Facility Upgrades/Cleaning		\$ 8,974	\$ 515,770
8	Other		\$ 15,888	\$ 16,421
9	Total Safety Related Costs	Sum of Lines 4 - 8	\$ 158,727	\$ 3,431,035
10				
11	Total COVID-19 Costs	Lines 1 + 9	\$ 472,018	\$ 18,445,250
12				
13	Less Savings:			
14	Reduction in Travel and Meal Expenses		\$ (73,219)	\$ (830,852)
15				
16	Total Regulatory Asset	Lines 11 - 14	\$ 398,799	\$ 17,614,398

Notes

(1) Excludes capital costs.