



Gulf Power®

July 15, 2021

Mr. Andrew Maurey
Director Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Maurey:

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

Sincerely,

Mitchell P. Goldstein
Vice President, Finance

md

Enclosures

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

GULF POWER COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
MAY, 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	\$ 320,227,505 (A)	(138,389,681) (B)	181,837,824	0	\$ 181,837,824
RATE BASE	\$ 5,693,776,612	(2,519,811,387)	3,173,965,225	0	\$ 3,173,965,225
AVERAGE RATE OF RETURN	5.62%		5.73%		5.73%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 320,227,505 (A)	(138,531,261) (B)	181,696,244	0	\$ 181,696,244
RATE BASE	\$ 5,622,291,080	(2,327,696,441)	3,294,594,639	0	\$ 3,294,594,639
YEAR END RATE OF RETURN	5.70%		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	5.33%
MIDPOINT	5.82%
HIGH	6.31%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	8.38	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.37	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	16.09%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	77.40%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	33.75%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	5.75%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.06%	(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)

July 1, 2021
(DATE)

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
MAY, 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	\$ 5,831,961,377	1,716,591,103	4,115,370,275	13,877,775	1,020,954,944	0	5,150,202,993	626,144,219	\$ 5,776,347,212
JURISDICTIONAL PER BOOKS	\$ 5,747,714,893	1,672,516,993	4,075,197,901	13,490,321	998,076,000	0	5,086,764,222	607,012,390	\$ 5,693,776,612
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,580,010,635)	(291,508,275)	(1,288,502,360)	(12,003,325)	(874,069,251)	0	(2,174,574,937)	(345,236,450)	\$ (2,519,811,387)
FPSC ADJUSTED:	\$ 4,167,704,258	1,381,008,718	2,786,695,540	1,486,996	124,006,749	0	2,912,189,285	261,775,940	\$ 3,173,965,225
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,167,704,258	1,381,008,718	2,786,695,540	1,486,996	124,006,749	0	2,912,189,285	261,775,940	\$ 3,173,965,225

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
MAY, 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	\$ 1,412,074,858	471,958,453	220,689,799	277,280,815	114,615,918	(19,516,539)	90,680,264	(653,294)	(20,397)	1,155,035,019	\$ 257,039,838
JURISDICTIONAL PER BOOKS	\$ 1,428,676,804	470,428,697	216,939,771	274,305,406	113,928,787	(21,230,985)	98,818,677	(641,450)	(20,397)	1,152,528,506	\$ 276,148,298
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,585,256)	0	(32,821)	0	(1,139,631)	(10,890,828)	0	0	0	(12,063,280)	\$ (33,521,975)
FRANCHISE EXPENSE	0	0	0	0	(44,425,596)	10,893,965	0	0	0	(33,531,631)	33,531,631
GROSS RECEIPTS TAX	(32,622,273)	0	0	0	(31,891,160)	(179,282)	0	0	0	(32,070,442)	(551,831)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,742	0	0	0	(23,830)	23,830
ECONOMIC DEVELOPMENT 5%	0	0	(45,888)	0	0	11,253	0	0	0	(34,635)	34,635
FUEL COST REC RETAIL	(422,093,371)	(396,326,779)	(251,097)	0	0	(2,245,251)	(4,146,280)	0	0	(402,969,407)	(19,123,964)
CONSERVATION COST RECOVERY	(7,675,262)	0	(4,378,876)	(1,412,843)	(246,517)	232,308	(655,011)	0	0	(6,460,938)	(1,214,324)
CAPACITY COST RECOVERY	(78,730,303)	(69,875,781)	(8,850,166)	0	0	(321,856)	331,556	0	0	(78,716,247)	(14,056)
ENVIRONMENTAL COST RECOVERY	(167,243,119)	0	(18,519,168)	(46,402,077)	(6,916,330)	(26,530,604)	3,240,675	0	31	(95,127,473)	(72,115,646)
STORM PROTECTION COST RECOVERY	(316,205)	0	(135)	(28,926)	0	(421,821)	351,408	0	0	(99,474)	(216,731)
STORM DEFICIENCY RECOVERY	(73,575,589)	0	0	(73,575,678)	0	22	0	0	0	(73,575,656)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,579,174	(3,448,134)	0	0	1,131,040	(1,131,040)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(3,597)	0	0	14,667	11,070	(11,070)
TOTAL FPSC ADJUSTMENTS	\$ (827,841,378)	(466,202,560)	(32,109,724)	(121,419,524)	(84,619,234)	(24,868,776)	(4,325,785)	0	14,698	(733,530,905)	\$ (94,310,474)
FPSC ADJUSTED	\$ 600,835,426	4,226,137	184,830,047	152,885,882	29,309,553	(46,099,761)	94,492,892	(641,450)	(5,698)	418,997,601	\$ 181,837,824
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 600,835,426	4,226,137	184,830,047	152,885,882	29,309,553	(46,099,761)	94,492,892	(641,450)	(5,698)	418,997,601	\$ 181,837,824
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 44,855,909 \$ 44,079,207										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE: ON A TOTAL COMPANY BASIS ON A JURISDICTIONAL BASIS	\$ 936,154 \$ 917,761										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 114,691,283	38,115,312	18,096,468	24,986,905	9,339,432	3,918,012	1,083,337	(80,717)	(4,240)	95,454,509	\$ 19,236,774
JURISDICTIONAL PER BOOKS	\$ 114,158,086	38,004,743	17,734,202	24,729,120	9,272,019	3,976,176	1,110,223	(79,254)	(4,240)	94,742,989	\$ 19,415,097

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
MAY, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,281,782,248	\$ 1,277,469,701
STORM PROTECTION	730,423	715,109
LOAD CONTROL	17,880,935	17,880,935
ASSET RETIREMENT OBLIGATION	66,735,851	65,675,205
CAPITAL LEASES	222,299,781	218,269,686
TOTAL	\$ 1,589,429,238	\$ 1,580,010,635
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (175,751,178)	\$ (175,159,865)
STORM PROTECTION	(4,232)	(4,143)
ASSET RETIREMENT OBLIGATION	(14,780,881)	(14,545,965)
LOAD CONTROL	5,081,577	5,081,577
CAPITAL LEASES	(109,593,075)	(106,879,879)
TOTAL	\$ (295,047,789)	\$ (291,508,275)
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,348,071	12,003,325
TOTAL	\$ 12,348,071	\$ 12,003,325
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 789,068,588	\$ 768,780,439
CWIP - CLAUSE PROJECTS	105,719,358	105,288,813
TOTAL	\$ 894,787,946	\$ 874,069,251
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 346,850,254	\$ 345,236,450
TOTAL ADJUSTMENTS	\$ 2,548,367,721	\$ 2,519,811,387

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 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	\$ 1,412,074,858	471,958,453	220,689,799	277,280,815	114,615,918	(19,516,539)	90,680,264	(653,294)	(20,397)	1,155,035,019	\$ 257,039,838
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,585,256)	0	(32,821)	0	(1,139,631)	(11,109,534)	0	0	0	(12,281,987)	\$ (33,303,269)
FRANCHISE EXPENSE	0	0	0	0	(44,425,596)	10,938,026	0	0	0	(33,487,569)	33,487,569
GROSS RECEIPTS TAX	(32,622,273)	0	0	0	(31,891,160)	(4,944)	0	0	0	(31,896,104)	(726,169)
FINANCIAL PLANNING SERVICES	0	0	(32,205)	0	0	7,920	0	0	0	(24,285)	24,285
ECONOMIC DEVELOPMENT 5%	0	0	(46,808)	0	0	11,513	0	0	0	(35,294)	35,294
FUEL COST RECOVERY	(394,171,798)	(395,840,245)	(251,097)	0	0	(2,571,236)	2,908,162	0	0	(395,754,417)	1,582,619
CONSERVATION COST RECOVERY	(7,675,262)	0	(4,378,876)	(1,412,843)	(246,517)	232,448	(655,011)	0	0	(6,460,798)	(1,214,464)
CAPACITY COST RECOVERY	(78,731,470)	(71,809,792)	(9,086,336)	0	0	199,366	331,556	0	0	(80,365,207)	1,633,737
ENVIRONMENTAL COST RECOVERY	(167,243,365)	0	(18,581,280)	(46,558,723)	(6,939,679)	(26,527,325)	3,240,675	0	32	(95,366,301)	(71,877,064)
STORM DEFICIENCY RECOVERY	(73,575,589)	0	0	(73,575,678)	0	22	0	0	0	(73,575,656)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,666,020	(3,511,800)	0	0	1,154,220	(1,154,220)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	14,667	14,667	(14,667)
STORM PROTECTION PLAN COST RECOVERY	(316,205)	0	(135)	(29,545)	0	(421,669)	351,408	0	0	(99,941)	(216,264)
TOTAL FPSC ADJUSTMENTS	\$ (799,921,218)	(467,650,038)	(32,409,559)	(121,576,789)	(84,642,582)	(24,579,393)	2,664,990	0	14,698	(728,178,672)	\$ (71,742,545)
FPSC ADJUSTED	\$ 612,153,640	4,308,416	188,280,240	155,704,025	29,973,336	(44,095,932)	93,345,254	(653,294)	(5,698)	426,856,347	\$ 185,297,293
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 612,153,640	4,308,416	188,280,240	155,704,025	29,973,336	(44,095,932)	93,345,254	(653,294)	(5,698)	426,856,347	\$ 185,297,293
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 44,855,909										

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
MAY, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	20,027,816	19,681,024
ASSET RETIREMENT OBLIGATION	83,520,267	82,192,862
INTEREST & DIVIDENDS RECEIVABLE	1,842	1,810
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	7,265,698	7,265,698
POLE ATTACHMENTS RENTS RECEIVABLE	1,176,701	1,156,326
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,374,319	1,360,726
TEMPORARY CASH INVESTMENTS	6,400,000	6,289,181
STORM DEFICIENCY RECOVERY	287,638,703	0
JOBGING ACCOUNTS	2,150,857	2,113,614
OTH REG ASSETS - CLAUSES	162,922,836	162,376,627
MISC. DEFFERED DEBIT - CLAUSES	29,389	29,424
EMPLOYEE LOAN RECEIVABLES	4,266	4,193
OPERATING LEASES	46,586,992	45,742,412
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	1,392,946	1,370,804
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 620,531,595	\$ 329,622,989
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,630,818)	(11,429,425)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,400,662)	285,458,233
GAIN ON SALE OF EMISSION ALLOWANCE	(136)	(136)
JOBGING ACCOUNTS	(226,694)	(226,694)
STORM DEFICIENCY RECOVERY	(99,290,430)	(99,290,430)
ASSET RETIREMENT OBLIGATION	(136,031,600)	(133,869,623)
DEFERRED TRANSMISSION CREDIT	(9,969,753)	(9,969,753)
OTHER REG LIAB - CLAUSES	(15,107,810)	(15,058,711)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (273,681,341)	\$ 15,613,462
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 346,850,254	\$ 345,236,450

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
MAY, 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	\$ 5,775,521,535	1,892,044,598	3,883,476,937	13,670,602	1,133,510,262	0	5,030,657,801	626,144,219	\$ 5,656,802,020
JURISDICTIONAL PER BOOKS	\$ 5,689,078,765	1,795,303,119	3,893,775,645	13,288,933	1,108,214,111	0	5,015,278,690	607,012,390	\$ 5,622,291,080
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,373,666,670)	(414,919,612)	(958,747,058)	(11,980,913)	(1,011,732,019)	0	(1,982,459,991)	(345,236,450)	\$ (2,327,696,441)
FPSC ADJUSTED:	\$ 4,315,412,094	1,380,383,507	2,935,028,587	1,308,019	96,482,092	0	3,032,818,699	261,775,940	\$ 3,294,594,639
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,315,412,094	1,380,383,507	2,935,028,587	1,308,019	96,482,092	0	3,032,818,699	261,775,940	\$ 3,294,594,639

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
MAY, 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	\$ 1,412,074,858	471,958,453	220,689,799	277,280,815	114,615,918	(19,516,539)	90,680,264	(653,294)	(20,397)	1,155,035,019	\$ 257,039,838
JURISDICTIONAL PER BOOKS	\$ 1,428,676,804	470,428,697	216,939,771	274,305,406	113,928,787	(21,230,985)	98,818,677	(641,450)	(20,397)	1,152,528,506	\$ 276,148,298
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,585,256)	0	(32,821)	0	(1,139,631)	(10,890,828)	0	0	0	(12,063,280)	\$ (33,521,975)
FRANCHISE EXPENSE	0	0	0	0	(44,425,596)	10,893,965	0	0	0	(33,531,631)	33,531,631
GROSS RECEIPTS TAX	(32,622,273)	0	0	0	(31,891,160)	(179,282)	0	0	0	(32,070,442)	(551,831)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,742	0	0	0	(23,830)	23,830
ECONOMIC DEVELOPMENT 5%	0	0	(45,888)	0	0	11,253	0	0	0	(34,635)	34,635
FUEL COST REC RETAIL	(422,093,371)	(396,326,779)	(251,097)	0	0	(2,245,251)	(4,146,280)	0	0	(402,969,407)	(19,123,964)
CONSERVATION COST RECOVERY	(7,675,262)	0	(4,378,876)	(1,412,843)	(246,517)	232,308	(655,011)	0	0	(6,460,938)	(1,214,324)
CAPACITY COST RECOVERY	(78,730,303)	(69,875,781)	(8,850,166)	0	0	(321,856)	331,556	0	0	(78,716,247)	(14,056)
ENVIRONMENTAL COST RECOVERY	(167,243,119)	0	(18,519,168)	(46,402,077)	(6,916,330)	(26,530,604)	3,240,675	0	31	(95,127,473)	(72,115,646)
STORM DEFICIENCY RECOVERY	(73,575,589)	0	0	(73,575,678)	0	22	0	0	0	(73,575,656)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,720,754	(3,448,134)	0	0	1,272,620	(1,272,620)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(3,597)	0	0	14,667	11,070	(11,070)
STORM PROTECTION PLAN COST RECOVERY	(316,205)	0	(135)	(28,926)	0	(421,821)	351,408	0	0	(99,474)	(216,731)
TOTAL FPSC ADJUSTMENTS	\$ (827,841,378)	(466,202,560)	(32,109,724)	(121,419,524)	(84,619,234)	(24,727,196)	(4,325,785)	0	14,698	(733,389,324)	\$ (94,452,054)
FPSC ADJUSTED	\$ 600,835,426	4,226,137	184,830,047	152,885,882	29,309,553	(45,958,181)	94,492,892	(641,450)	(5,698)	419,139,182	\$ 181,696,244
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 600,835,426	4,226,137	184,830,047	152,885,882	29,309,553	(45,958,181)	94,492,892	(641,450)	(5,698)	419,139,182	\$ 181,696,244
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 44,855,909										
	\$ 44,079,207										

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
MAY, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,064,147,902	\$ 1,060,567,583
LOAD CONTROL	18,118,854	18,118,854
ASSET RETIREMENT OBLIGATION	64,703,184	63,674,843
CAPITAL LEASES	232,151,303	227,942,609
STORM PROTECTION	3,434,796	3,362,781
TOTAL	\$ 1,382,556,038	\$ 1,373,666,670
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (260,082,086)	\$ (259,207,042)
ASSET RETIREMENT OBLIGATION	(24,723,112)	(24,330,183)
LOAD CONTROL	4,584,289	4,584,289
CAPITAL LEASES	(139,388,594)	(135,937,750)
STORM PROTECTION	(29,545)	(28,926)
TOTAL	\$ (419,639,049)	\$ (414,919,612)
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	\$ 904,603,034	\$ 881,566,650
CWIP - CLAUSE PROJECTS	131,000,950	130,165,369
TOTAL	\$ 1,035,603,983	\$ 1,011,732,019
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 346,850,254	\$ 345,236,450
TOTAL ADJUSTMENTS	\$ 2,357,696,242	\$ 2,327,696,441

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
MAY, 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	\$ 1,412,074,858	471,958,453	220,689,799	277,280,815	114,615,918	(19,516,539)	90,680,264	(653,294)	(20,397)	1,155,035,019	\$ 257,039,838
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,585,256)	0	(32,821)	0	(1,139,631)	(11,109,534)	0	0	0	(12,281,987)	\$ (33,303,269)
FRANCHISE EXPENSE	0	0	0	0	(44,425,596)	10,938,026	0	0	0	(33,487,569)	33,487,569
GROSS RECEIPTS TAX	(32,622,273)	0	0	0	(31,891,160)	(4,944)	0	0	0	(31,896,104)	(726,169)
FINANCIAL PLANNING SERVICES	0	0	(32,205)	0	0	7,920	0	0	0	(24,285)	24,285
ECONOMIC DEVELOPMENT 5%	0	0	(46,808)	0	0	11,513	0	0	0	(35,294)	35,294
FUEL COST REC RETAIL	(394,171,798)	(395,840,245)	(251,097)	0	0	(2,571,236)	2,908,162	0	0	(395,754,417)	1,582,619
CONSERVATION COST RECOVERY	(7,675,262)	0	(4,378,876)	(1,412,843)	(246,517)	232,448	(655,011)	0	0	(6,460,798)	(1,214,464)
CAPACITY COST RECOVERY	(78,731,470)	(71,809,792)	(9,086,336)	0	0	199,366	331,556	0	0	(80,365,207)	1,633,737
ENVIRONMENTAL COST RECOVERY	(167,243,365)	0	(18,581,280)	(46,558,723)	(6,939,679)	(26,527,325)	3,240,675	0	32	(95,366,301)	(71,877,064)
STORM DEFICIENCY RECOVERY	(73,575,589)	0	0	(73,575,678)	0	22	0	0	0	(73,575,656)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,903,096	(3,511,800)	0	0	1,391,296	(1,391,296)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	14,667	14,667	(14,667)
STORM PROTECTION PLAN COST RECOVERY	(316,205)	0	(135)	(29,545)	0	(421,669)	351,408	0	0	(99,941)	(216,264)
TOTAL FPSC ADJUSTMENTS	\$ (799,921,218)	(467,650,038)	(32,409,559)	(121,576,789)	(84,642,582)	(24,342,317)	2,664,990	0	14,698	(727,941,596)	\$ (71,979,621)
FPSC ADJUSTED	\$ 612,153,640	4,308,416	188,280,240	155,704,025	29,973,336	(43,858,856)	93,345,254	(653,294)	(5,698)	427,093,423	\$ 185,060,217
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 612,153,640	4,308,416	188,280,240	155,704,025	29,973,336	(43,858,856)	93,345,254	(653,294)	(5,698)	427,093,423	\$ 185,060,217
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 44,855,909										

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
MAY, 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	\$ 1,693,180,400			\$ 1,668,934,983	\$ (645,957,902)	\$ (158,492,945)	\$ 864,484,136	27.24%	2.55%
SHORT TERM DEBT	261,255,442	257,492,995	(110,119,839)	-	147,373,155	4.64%	1.68%	0.08%	1.68%	0.08%	1.68%	0.08%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,736,377,220	2,696,825,942	(1,157,592,297)	9,969,753	1,549,203,398	48.81%	9.25%	4.51%	10.25%	5.00%	11.25%	5.49%
CUSTOMER DEPOSITS	37,124,062	37,216,306	(15,915,981)	-	21,300,325	0.67%	1.85%	0.01%	1.85%	0.01%	1.85%	0.01%
DEFERRED INCOME TAX	699,436,737	689,358,747	(294,964,012)	354,998	394,749,733	12.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	323,981,988	319,316,189	(136,559,239)	-	182,756,950	5.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,991,362	24,631,451	(10,533,923)	-	14,097,528	0.44%	6.85%	0.03%	7.49%	0.03%	8.13%	0.04%
TOTAL	\$ 5,776,347,212	\$ 5,693,776,612	\$ (2,371,643,193)	\$ (148,168,194)	\$ 3,173,965,225	100.00%		5.33%		5.82%		6.31%

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	\$ 1,555,682,525			\$ 1,540,763,658	\$ (561,047,554)	\$ (139,107,996)	\$ 840,608,108	25.51%	2.64%
SHORT TERM DEBT	342,378,068	340,703,493	(136,375,050)	-	204,328,443	6.20%	0.85%	0.05%	0.85%	0.05%	0.85%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,709,145,460	2,696,298,392	(1,083,251,160)	9,969,753	1,623,016,985	49.26%	9.25%	4.56%	10.25%	5.05%	11.25%	5.54%
CUSTOMER DEPOSITS	35,578,866	35,453,643	(14,191,203)	(0)	21,262,440	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	694,418,262	691,036,218	(276,746,537)	354,998	414,644,679	12.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	296,520,852	295,070,565	(118,109,335)	-	176,961,230	5.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	23,077,987	22,965,112	(9,192,357)	-	13,772,754	0.42%	6.99%	0.03%	7.65%	0.03%	8.31%	0.03%
TOTAL	\$ 5,656,802,020	\$ 5,622,291,080	\$ (2,198,913,196)	\$ (128,783,245)	\$ 3,294,594,639	100.00%		5.33%		5.82%		6.32%

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
MAY, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	288,253,986
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		13,855,985
INCOME TAXES		70,963,438
TOTAL	\$	373,073,409
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,510,024
TIMES INTEREST EARNED WITH AFUDC		8.38

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	288,253,986
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(30,999,924)
INCOME TAXES		70,963,438
TOTAL	\$	328,217,500
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,510,024
TIMES INTEREST EARNED WITHOUT AFUDC		7.37

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	13,855,985
X (1 - INCOME_TAX_RATE)		0.7548
SUBTOTAL	\$	10,458,245
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		30,999,924
TOTAL	\$	41,458,169
NET INCOME AVAILABLE FOR COMMON	\$	257,599,948
AFUDC AS PERCENT OF NET INCOME		16.09%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	257,599,948
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		0
AFUDC (DEBT & OTHER)		(44,855,909)
DEPRECIATION AND AMORTIZATION EXPENSE		277,280,815
DEFERRED INCOME TAXES		90,754,162
INVESTMENT TAX CREDITS		(653,294)
CLAUSE OVER/UNDER RECOVERY		25,983,247
OTHER		265,956
INTERNALLY GENERATED FUNDS	\$	606,374,925

CONSTRUCTION EXPENDITURES \$ 783,387,451

PERCENT INTERNALLY GENERATED FUNDS 77.40%

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	\$	864,484,136
JURIS ADJUSTED SHORT TERM DEBT		147,373,155
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,549,203,398
TOTAL	\$	2,561,060,690
LTD TO TOTAL INVESTOR FUNDS		33.75%
STD TO TOTAL INVESTOR FUNDS		5.75%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	5.73%	5.73%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	0.69%	0.69%
SHORT TERM DEBT	0.08%	0.08%
PREFERRED STOCK	0.00%	0.00%
CUSTOMER DEPOSITS	0.01%	0.01%
TAX CREDITS - WEIGHTED COST	0.03%	0.03%
SUBTOTAL	0.82%	0.82%
TOTAL	4.91%	4.91%
DIVIDED BY COMMON EQUITY RATIO	48.81%	48.81%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.06%	10.06%

GULF POWER COMPANY

Storm Accrual - Twelve Month to Date

May 2021

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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	583,335
March	2021	291,667
April	2021	291,667
May	2021	291,667
12 - M-T-D		<u><u>3,500,000</u></u>

GULF POWER COMPANY

COVID-19 Regulatory Asset Report
 May 2021

Supplemental 2**Order No: 2020-0262-PCO-EI**

Line No.			May Activity	Cumulative Balance
1	Incremental Bad Debt Expense		\$ (366,408)	\$ 14,401,678
2				
3	Safety Related Costs ⁽¹⁾ :			
4	Testing		\$ 71,515	\$ 1,402,185
5	Personal Protective Equipment		\$ 16,905	\$ 787,569
6	Temperature Screening		\$ -	\$ 1,021,211
7	Facility Upgrades/Cleaning		\$ 12,379	\$ 583,570
8	Other		\$ -	\$ 26,377
9	Total Safety Related Costs	Sum of Lines 4 - 8	\$ 100,799	\$ 3,820,912
10				
11	Total COVID-19 Costs	Lines 1 + 9	\$ (265,609)	\$ 18,222,590
12				
13	Less Savings:			
14	Reduction in Travel and Meal Expenses		\$ (21,875)	\$ (947,725)
15	Reduction in Medical Expenses		\$ -	\$ (1,626,578)
16	Total Savings		\$ (21,875)	\$ (2,574,303)
17				
18	Total Regulatory Asset	Lines 11 + 16	\$ (287,484)	\$ 15,648,287

Notes

(1) Excludes capital costs.