



**Gulf Power®**

September 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 July 2021.

Sincerely,

Mark Campbell  
Director, Financial Forecasting

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  
JULY, 2021

SCHEDULE 1: PAGE 1 OF 1

	<u>ACTUAL PER BOOKS</u>	<u>FPSC ADJUSTMENTS</u>	<u>FPSC ADJUSTED</u>	<u>PRO FORMA ADJUSTMENTS</u>	<u>PRO FORMA ADJUSTED</u>
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 303,511,667 (A)	(120,517,957) (B)	182,993,710	0	\$ 182,993,710
RATE BASE	\$ 5,801,624,376	(2,602,331,616)	3,199,292,760	0	\$ 3,199,292,760
AVERAGE RATE OF RETURN	5.23%		5.72%		5.72%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 303,511,667 (A)	(120,532,060) (B)	182,979,607	0	\$ 182,979,607
RATE BASE	\$ 5,760,598,081	(2,460,708,568)	3,299,889,513	0	\$ 3,299,889,513
YEAR END RATE OF RETURN	5.27%		5.55%		5.55%
(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	5.80%
HIGH	6.29%

IV. FINANCIAL INTEGRITY INDICATORS

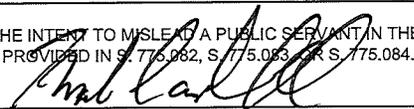
A. TIMES INTEREST EARNED WITH AFUDC	8.56	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.47	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	16.89%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	85.34%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	33.09%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.51%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.08%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.08%	(PROFORMA 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 GUILTY OF A MISDEMEANOR OF THE SECOND DEGREE, PUNISHABLE AS PROVIDED IN § 775.082, § 775.083, OR § 775.084.

MARK CAMPBELL  
DIRECTOR FINANCIAL FORECASTING

  
(SIGNATURE)

9/2/21  
(DATE)

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
JULY, 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	\$ 5,786,253,386	1,711,886,786	4,074,366,600	13,804,728	1,090,147,414	0	5,178,318,742	707,929,282	\$ 5,886,248,024
JURISDICTIONAL PER BOOKS	\$ 5,701,571,177	1,657,408,358	4,044,162,819	13,419,314	1,065,687,429	0	5,123,269,562	678,354,814	\$ 5,801,624,376
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,497,050,552)	(277,701,203)	(1,219,349,349)	(11,992,119)	(943,712,066)	0	(2,175,053,534)	(427,278,081)	\$ (2,602,331,616)
FPSC ADJUSTED:	\$ 4,204,520,625	1,379,707,155	2,824,813,469	1,427,195	121,975,364	0	2,948,216,028	251,076,733	\$ 3,199,292,760
<u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,204,520,625	1,379,707,155	2,824,813,469	1,427,195	121,975,364	0	2,948,216,028	251,076,733	\$ 3,199,292,760

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  
JULY, 2021

SCHEDULE 2: 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)
		FUEL & NET INTERCHANGE	OTHER								
SYSTEM PER BOOKS	\$ 1,441,174,165	490,881,738	223,704,090	282,034,721	114,822,274	(26,922,815)	98,798,885	(563,929)	(23,076)	1,182,731,889	\$ 258,442,276
JURISDICTIONAL PER BOOKS	\$ 1,429,768,606	489,419,723	220,005,691	279,000,076	114,112,727	(26,744,726)	98,164,427	(553,705)	(23,076)	1,173,381,136	\$ 256,387,469
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (45,220,681)	0	(32,559)	0	(1,130,517)	(10,803,727)	0	0	0	(11,966,802)	\$ (33,253,878)
FRANCHISE EXPENSE	0	0	0	0	(44,023,353)	10,795,327	0	0	0	(33,228,025)	33,228,025
GROSS RECEIPTS TAX	(32,357,473)	0	0	0	(31,612,742)	(182,621)	0	0	0	(31,795,364)	(562,109)
FINANCIAL PLANNING SERVICES	0	0	(35,249)	0	0	8,644	0	0	0	(26,605)	26,605
ECONOMIC DEVELOPMENT 5%	0	0	(41,840)	0	0	10,260	0	0	0	(31,580)	31,580
FUEL COST REC RETAIL	(409,547,933)	(411,715,369)	(249,826)	0	0	7,089,371	(6,574,209)	0	0	(411,450,032)	1,902,099
CONSERVATION COST RECOVERY	(7,225,796)	0	(3,941,433)	(1,420,127)	(245,979)	(19,203)	(390,299)	0	0	(6,017,042)	(1,208,754)
CAPACITY COST RECOVERY	(81,958,250)	(73,181,622)	(8,774,690)	0	0	(459,065)	473,985	0	0	(81,941,393)	(16,857)
ENVIRONMENTAL COST RECOVERY	(164,676,425)	0	(19,687,739)	(42,596,549)	(6,911,534)	(24,146,590)	757,609	0	22	(92,584,780)	(72,091,645)
STORM PROTECTION COST RECOVERY	(717,663)	0	(14,266)	(66,069)	(345)	(589,664)	448,015	0	0	(222,329)	(495,335)
STORM DEFICIENCY RECOVERY	(77,878,024)	0	0	(77,878,113)	0	22	0	0	0	(77,878,091)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,624,391	(3,686,330)	0	0	938,061	(938,061)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(5,035)	0	0	20,533	15,498	(15,498)
TOTAL FPSC ADJUSTMENTS	\$ (819,582,244)	(484,896,991)	(32,777,601)	(121,960,858)	(83,924,469)	(13,677,891)	(8,971,229)	0	20,556	(746,188,484)	\$ (73,393,759)
FPSC ADJUSTED	\$ 610,186,362	4,522,731	187,228,090	157,039,218	30,188,258	(40,422,617)	89,193,198	(553,705)	(2,520)	427,192,652	\$ 182,993,710
<b>PRO FORMA ADJUSTMENTS</b>											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 610,186,362	4,522,731	187,228,090	157,039,218	30,188,258	(40,422,617)	89,193,198	(553,705)	(2,520)	427,192,652	\$ 182,993,710
<b>(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY</b>											
	\$ 47,954,554										
	\$ 47,124,197										
<b>(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:</b>											
ON A TOTAL COMPANY BASIS	\$ 853,567										
ON A JURISDICTIONAL BASIS	\$ 836,796										
<b>CURRENT MONTH AMOUNT</b>											
SYSTEM PER BOOKS	\$ 149,406,204	56,538,755	15,457,569	26,863,885	11,124,179	4,460,444	4,264,548	(59,328)	(4,240)	118,645,812	\$ 30,760,392
JURISDICTIONAL PER BOOKS	\$ 148,426,169	56,434,031	15,219,316	26,604,124	11,059,220	4,427,609	4,236,842	(58,252)	(4,240)	117,918,649	\$ 30,507,520

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  
JULY, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,194,005,307	\$ 1,189,917,939
STORM PROTECTION	1,811,695	1,772,932
LOAD CONTROL	17,967,688	17,967,688
ASSET RETIREMENT OBLIGATION	65,780,887	64,735,419
CAPITAL LEASES	226,767,668	222,656,574
TOTAL	\$ 1,506,333,245	\$ 1,497,050,552
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (149,223,468)	\$ (148,712,640)
STORM PROTECTION	(12,713)	(12,441)
ASSET RETIREMENT OBLIGATION	(17,625,638)	(17,345,510)
LOAD CONTROL	4,906,586	4,906,586
CAPITAL LEASES	(119,495,549)	(116,537,198)
TOTAL	\$ (281,450,782)	\$ (277,701,203)
<b>PROPERTY HELD FOR FUTURE USE:</b>		
FUTURE USE PLANT - NORTH ESCAMBIA	12,336,543	11,992,119
TOTAL	\$ 12,336,543	\$ 11,992,119
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 852,503,368	\$ 830,638,695
CWIP - CLAUSE PROJECTS	113,615,856	113,073,371
TOTAL	\$ 966,119,224	\$ 943,712,066
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 429,182,111	\$ 427,278,081
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 2,632,520,342</b>	<b>\$ 2,602,331,616</b>

NOTES:

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
JULY, 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	\$ 1,441,174,165	490,881,738	223,704,090	282,034,721	114,822,274	(26,922,815)	98,798,885	(563,929)	(23,076)	1,182,731,889	\$ 258,442,276
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (45,220,681)	0	(32,559)	0	(1,130,517)	(10,941,367)	0	0	0	(12,104,442)	\$ (33,116,238)
FRANCHISE EXPENSE	0	0	0	0	(44,023,353)	10,812,954	0	0	0	(33,210,399)	33,210,399
GROSS RECEIPTS TAX	(32,357,473)	0	0	0	(31,612,742)	(62,739)	0	0	0	(31,675,481)	(681,992)
FINANCIAL PLANNING SERVICES	0	0	(35,955)	0	0	8,828	0	0	0	(27,127)	27,127
ECONOMIC DEVELOPMENT 5%	0	0	(42,678)	0	0	10,478	0	0	0	(32,201)	32,201
FUEL COST RECOVERY	(409,707,535)	(411,198,911)	(249,826)	0	0	2,667,016	(2,453,525)	0	0	(411,235,246)	1,527,711
CONSERVATION COST RECOVERY	(7,225,796)	0	(3,941,433)	(1,420,127)	(245,979)	(18,081)	(390,299)	0	0	(6,015,920)	(1,209,876)
CAPACITY COST RECOVERY	(81,959,402)	(75,069,572)	(9,003,054)	0	0	55,704	473,985	0	0	(83,542,937)	1,583,535
ENVIRONMENTAL COST RECOVERY	(164,676,425)	0	(19,754,959)	(42,742,868)	(6,935,275)	(24,072,808)	757,609	0	23	(92,748,278)	(71,928,147)
STORM DEFICIENCY RECOVERY	(77,878,024)	0	0	(77,878,113)	0	22	0	0	0	(77,878,091)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,711,904	(3,754,394)	0	0	957,510	(957,510)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	20,533	20,533	(20,533)
STORM PROTECTION PLAN COST RECOVERY	(717,663)	0	(14,455)	(67,514)	(345)	(600,677)	448,015	0	0	(234,975)	(482,688)
TOTAL FPSC ADJUSTMENTS	\$ (819,742,998)	(486,268,483)	(33,074,920)	(122,108,622)	(83,948,210)	(17,428,766)	(4,918,609)	0	20,556	(747,727,054)	\$ (72,015,944)
FPSC ADJUSTED	\$ 621,431,167	4,613,255	190,629,171	159,926,099	30,874,064	(44,351,581)	93,880,276	(563,929)	(2,520)	435,004,835	\$ 186,426,332
<b>PRO FORMA ADJUSTMENTS</b>											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 621,431,167	4,613,255	190,629,171	159,926,099	30,874,064	(44,351,581)	93,880,276	(563,929)	(2,520)	435,004,835	\$ 186,426,332
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 47,954,554										

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  
JULY, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>ADJUSTMENTS TO ASSETS PER BOOKS:</b>		
ACCOUNTS RECEIVABLE - ASSOC COS	24,591,862	24,166,042
ASSET RETIREMENT OBLIGATION	87,805,562	86,410,050
INTEREST & DIVIDENDS RECEIVABLE	655	644
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	6,363,002	6,363,002
POLE ATTACHMENTS RENTS RECEIVABLE	1,206,666	1,185,772
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,399,064	1,391,020
TEMPORARY CASH INVESTMENTS	6,361,538	6,251,385
STORM DEFICIENCY RECOVERY	304,122,660	0
JOBGING ACCOUNTS	1,208,359	1,187,436
OTH REG ASSETS - CLAUSES	226,856,903	226,082,229
MISC. DEFFERED DEBIT - CLAUSES	32,912	32,951
EMPLOYEE LOAN RECEIVABLES	3,856	3,789
OPERATING LEASES	43,481,192	42,692,918
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	994,961	979,146
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 704,468,155	\$ 396,784,671
<b>ADJUSTMENTS TO LIABILITIES PER BOOKS:</b>		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,828,105)	(11,623,295)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,725,936)	301,616,916
GAIN ON SALE OF EMISSION ALLOWANCE	(133)	(133)
JOBGING ACCOUNTS	(267,184)	(267,184)
STORM DEFICIENCY RECOVERY	(100,862,538)	(100,862,538)
ASSET RETIREMENT OBLIGATION	(135,971,013)	(133,809,998)
DEFERRED TRANSMISSION CREDIT	(9,924,945)	(9,924,945)
OTHER REG LIAB - CLAUSES	(14,682,754)	(14,635,412)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (275,286,044)	\$ 30,493,410
<b>NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS</b>	<b>\$ 429,182,111</b>	<b>\$ 427,278,081</b>

NOTES:

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

SCHEDULE 3: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION &amp; AMORTIZATION</u>	<u>NET PLANT IN SERVICE</u>	<u>PROPERTY HELD FOR FUTURE USE</u>	<u>CONSTRUCTION WORK IN PROGRESS</u>	<u>NUCLEAR FUEL</u>	<u>NET UTILITY PLANT</u>	<u>WORKING CAPITAL</u>	<u>TOTAL RATE BASE</u>
SYSTEM PER BOOKS	\$ 5,815,135,166	1,927,871,274	3,887,263,892	13,634,985	1,197,995,632	0	5,098,894,509	707,929,282	\$ 5,806,823,791
JURISDICTIONAL PER BOOKS	\$ 5,728,343,241	1,830,430,852	3,897,912,389	13,254,310	1,171,076,568	0	5,082,243,267	678,354,814	\$ 5,760,598,081
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,397,737,687)	(432,008,023)	(965,729,663)	(11,980,913)	(1,055,719,910)	0	(2,033,430,486)	(427,278,081)	\$ (2,460,708,568)
FPSC ADJUSTED:	\$ 4,330,605,554	1,398,422,828	2,932,182,725	1,273,396	115,356,659	0	3,048,812,780	251,076,733	\$ 3,299,889,513
PRO FORMA ADJUSTMENTS									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,330,605,554	1,398,422,828	2,932,182,725	1,273,396	115,356,659	0	3,048,812,780	251,076,733	\$ 3,299,889,513

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
JULY, 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	\$ 1,441,174,165	490,881,738	223,704,090	282,034,721	114,822,274	(26,922,815)	98,798,885	(563,929)	(23,076)	1,182,731,889	\$ 258,442,276
JURISDICTIONAL PER BOOKS	\$ 1,429,768,606	489,419,723	220,005,691	279,000,076	114,112,727	(26,744,726)	98,164,427	(553,705)	(23,076)	1,173,381,136	\$ 256,387,469
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (45,220,681)	0	(32,559)	0	(1,130,517)	(10,803,727)	0	0	0	(11,966,802)	\$ (33,253,878)
FRANCHISE EXPENSE	0	0	0	0	(44,023,353)	10,795,327	0	0	0	(33,228,025)	33,228,025
GROSS RECEIPTS TAX	(32,357,473)	0	0	0	(31,612,742)	(182,621)	0	0	0	(31,795,364)	(562,109)
FINANCIAL PLANNING SERVICES	0	0	(35,249)	0	0	8,644	0	0	0	(26,605)	26,605
ECONOMIC DEVELOPMENT 5%	0	0	(41,840)	0	0	10,260	0	0	0	(31,580)	31,580
FUEL COST REC RETAIL	(409,547,933)	(411,715,369)	(249,826)	0	0	7,089,371	(6,574,209)	0	0	(411,450,032)	1,902,099
CONSERVATION COST RECOVERY	(7,225,796)	0	(3,941,433)	(1,420,127)	(245,979)	(19,203)	(390,299)	0	0	(6,017,042)	(1,208,754)
CAPACITY COST RECOVERY	(81,958,250)	(73,181,622)	(8,774,690)	0	0	(459,065)	473,985	0	0	(81,941,393)	(16,857)
ENVIRONMENTAL COST RECOVERY	(164,676,425)	0	(19,687,739)	(42,596,549)	(6,911,534)	(24,146,590)	757,609	0	22	(92,584,780)	(72,091,645)
STORM DEFICIENCY RECOVERY	(77,878,024)	0	0	(77,878,113)	0	22	0	0	0	(77,878,091)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,638,494	(3,686,330)	0	0	952,164	(952,164)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(5,035)	0	0	20,533	15,498	(15,498)
STORM PROTECTION PLAN COST RECOVERY	(717,663)	0	(14,266)	(66,069)	(345)	(589,664)	448,015	0	0	(222,329)	(495,335)
TOTAL FPSC ADJUSTMENTS	\$ (819,582,244)	(484,896,991)	(32,777,601)	(121,960,858)	(83,924,469)	(13,663,788)	(8,971,229)	0	20,556	(746,174,381)	\$ (73,407,862)
FPSC ADJUSTED	\$ 610,186,362	4,522,731	187,228,090	157,039,218	30,188,258	(40,408,514)	89,193,198	(553,705)	(2,520)	427,206,755	\$ 182,979,607
<b>PRO FORMA ADJUSTMENTS</b>											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 610,186,362	4,522,731	187,228,090	157,039,218	30,188,258	(40,408,514)	89,193,198	(553,705)	(2,520)	427,206,755	\$ 182,979,607
 (A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 47,954,554										
	\$ 47,124,197										

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  
JULY, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
<b>PLANT IN SERVICE:</b>		
ENVIRONMENTAL	\$ 1,073,583,785	\$ 1,069,908,649
LOAD CONTROL	18,133,613	18,133,613
ASSET RETIREMENT OBLIGATION	64,725,951	63,697,249
CAPITAL LEASES	242,530,026	238,133,175
STORM PROTECTION	8,036,960	7,865,001
TOTAL	<u>\$ 1,407,010,335</u>	<u>\$ 1,397,737,687</u>
<b>ACCUMULATED PROVISION FOR DEPRECIATION:</b>		
ENVIRONMENTAL	\$ (264,232,752)	\$ (263,328,220)
ASSET RETIREMENT OBLIGATION	(27,818,700)	(27,376,571)
LOAD CONTROL	4,402,681	4,402,681
CAPITAL LEASES	(149,338,975)	(145,641,790)
STORM PROTECTION	(65,525)	(64,123)
TOTAL	<u>\$ (437,053,271)</u>	<u>\$ (432,008,023)</u>
<b>PROPERTY HELD FOR FUTURE USE:</b>		
FUTURE USE PLANT - NORTH ESCAMBIA	12,325,016	11,980,913
TOTAL	<u>\$ 12,325,016</u>	<u>\$ 11,980,913</u>
<b>CONSTRUCTION WORK IN PROGRESS:</b>		
CONSTRUCTION WORK IN PROGRESS	\$ 949,430,246	\$ 925,219,434
CWIP - CLAUSE PROJECTS	131,486,453	130,500,475
TOTAL	<u>\$ 1,080,916,699</u>	<u>\$ 1,055,719,910</u>
<b>WORKING CAPITAL:</b>		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 429,182,111	\$ 427,278,081
<b>TOTAL ADJUSTMENTS</b>	<u><b>\$ 2,492,380,890</b></u>	<u><b>\$ 2,460,708,568</b></u>

NOTES:

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
INCOME STATEMENT  
JULY, 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	\$ 1,441,174,165	490,881,738	223,704,090	282,034,721	114,822,274	(26,922,815)	98,798,885	(563,929)	(23,076)	1,182,731,889	\$ 258,442,276
<b>FPSC ADJUSTMENTS</b>											
FRANCHISE REVENUE	\$ (45,220,681)	0	(32,559)	0	(1,130,517)	(10,941,367)	0	0	0	(12,104,442)	\$ (33,116,238)
FRANCHISE EXPENSE	0	0	0	0	(44,023,353)	10,812,954	0	0	0	(33,210,399)	33,210,399
GROSS RECEIPTS TAX	(32,357,473)	0	0	0	(31,612,742)	(62,739)	0	0	0	(31,675,481)	(681,992)
FINANCIAL PLANNING SERVICES	0	0	(35,955)	0	0	8,828	0	0	0	(27,127)	27,127
ECONOMIC DEVELOPMENT 5%	0	0	(42,678)	0	0	10,478	0	0	0	(32,201)	32,201
FUEL COST REC RETAIL	(409,707,535)	(411,198,911)	(249,826)	0	0	2,667,016	(2,453,525)	0	0	(411,235,246)	1,527,711
CONSERVATION COST RECOVERY	(7,225,796)	0	(3,941,433)	(1,420,127)	(245,979)	(18,081)	(390,299)	0	0	(6,015,920)	(1,209,876)
CAPACITY COST RECOVERY	(81,959,402)	(75,069,572)	(9,003,054)	0	0	55,704	473,985	0	0	(83,542,937)	1,583,535
ENVIRONMENTAL COST RECOVERY	(164,676,425)	0	(19,754,959)	(42,742,868)	(6,935,275)	(24,072,808)	757,609	0	23	(92,748,278)	(71,928,147)
STORM DEFICIENCY RECOVERY	(77,878,024)	0	0	(77,878,113)	0	22	0	0	0	(77,878,091)	67
INTEREST TAX DEFICIENCIES	0	0	0	0	0	0	0	0	0	0	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,801,230	(3,754,394)	0	0	1,046,836	(1,046,836)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	20,533	20,533	(20,533)
STORM PROTECTION PLAN COST RECOVERY	(717,663)	0	(14,455)	(67,514)	(345)	(600,677)	448,015	0	0	(234,975)	(482,688)
TOTAL FPSC ADJUSTMENTS	\$ (819,742,998)	(486,268,483)	(33,074,920)	(122,108,622)	(83,948,210)	(17,339,440)	(4,918,609)	0	20,556	(747,637,727)	\$ (72,105,271)
FPSC ADJUSTED	\$ 621,431,167	4,613,255	190,629,171	159,926,099	30,874,064	(44,262,255)	93,880,276	(563,929)	(2,520)	435,094,161	\$ 186,337,006
<b>PRO FORMA ADJUSTMENTS</b>											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 621,431,167	4,613,255	190,629,171	159,926,099	30,874,064	(44,262,255)	93,880,276	(563,929)	(2,520)	435,094,161	\$ 186,337,006
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 47,954,554										

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  
JULY, 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	\$ 1,688,783,031			\$ 1,664,548,997	\$ (658,637,367)	\$ (150,203,314)	\$ 855,708,316	26.75%	2.49%
SHORT TERM DEBT	302,184,924	297,802,490	(129,523,827)	-	168,278,663	5.26%	1.59%	0.08%	1.59%	0.08%	1.59%	0.08%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,794,916,662	2,754,239,473	(1,202,223,504)	9,924,945	1,561,940,914	48.82%	9.25%	4.52%	10.25%	5.00%	11.25%	5.49%
CUSTOMER DEPOSITS	37,580,284	37,669,640	(16,383,731)	-	21,285,909	0.67%	1.93%	0.01%	1.93%	0.01%	1.93%	0.01%
DEFERRED INCOME TAX	716,513,375	706,115,803	(307,302,600)	437,439	399,250,641	12.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	321,380,030	316,719,220	(137,751,317)	-	178,967,902	5.59%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,889,716	24,528,754	(10,668,339)	-	13,860,414	0.43%	6.86%	0.03%	7.51%	0.03%	8.15%	0.04%
TOTAL	\$ 5,886,248,024	\$ 5,801,624,376	\$ (2,462,490,686)	\$ (139,840,930)	\$ 3,199,292,760	100.00%		5.31%		5.80%		6.29%

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	\$ 1,572,010,819			\$ 1,554,945,076	\$ (587,673,350)	\$ (136,575,322)	\$ 830,696,404	25.17%	2.67%
SHORT TERM DEBT	447,180,641	444,048,284	(183,982,591)	-	260,065,693	7.88%	0.69%	0.05%	0.69%	0.05%	0.69%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,721,611,190	2,702,874,844	(1,123,994,738)	9,924,945	1,588,805,051	48.15%	9.25%	4.45%	10.25%	4.94%	11.25%	5.42%
CUSTOMER DEPOSITS	36,622,489	36,527,391	(15,134,399)	-	21,392,992	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	710,970,303	706,004,626	(292,700,245)	437,439	413,741,820	12.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	295,167,323	293,099,770	(121,440,071)	-	171,659,699	5.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	23,261,026	23,098,090	(9,570,235)	-	13,527,855	0.41%	6.99%	0.03%	7.65%	0.03%	8.30%	0.03%
TOTAL	\$ 5,806,823,791	\$ 5,760,598,081	\$ (2,334,495,629)	\$ (126,212,938)	\$ 3,299,889,513	100.00%		5.22%		5.71%		6.19%

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  
JULY, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	291,725,231
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		14,813,156
INCOME TAXES		71,645,240
TOTAL	\$	378,183,627
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,187,406
TIMES INTEREST EARNED WITH AFUDC		8.56

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	291,725,231
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(33,141,398)
INCOME TAXES		71,645,240
TOTAL	\$	330,229,073
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,187,406
TIMES INTEREST EARNED WITHOUT AFUDC		7.47

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	14,813,156
X (1 - INCOME_TAX_RATE)		0.7548
SUBTOTAL	\$	11,180,701
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		33,141,398
TOTAL	\$	44,322,099
NET INCOME AVAILABLE FOR COMMON	\$	262,350,981
AFUDC AS PERCENT OF NET INCOME		16.89%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	262,350,981
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		(95,000,000)
AFUDC (DEBT & OTHER)		(47,954,554)
DEPRECIATION AND AMORTIZATION EXPENSE		282,034,721
DEFERRED INCOME TAXES		98,637,623
INVESTMENT TAX CREDITS		(563,929)
CLAUSE OVER/UNDER RECOVERY		(2,972,424)
OTHER		263,277
INTERNALLY GENERATED FUNDS	\$	496,795,695
CONSTRUCTION EXPENDITURES	\$	582,107,455
PERCENT INTERNALLY GENERATED FUNDS		85.34%

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	\$	855,708,316
JURIS ADJUSTED SHORT TERM DEBT		168,278,663
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,561,940,914
TOTAL	\$	2,585,927,894
LTD TO TOTAL INVESTOR FUNDS		33.09%
STD TO TOTAL INVESTOR FUNDS		6.51%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	5.72%	5.72%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	0.67%	0.67%
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	0.80%	0.80%
TOTAL	4.92%	4.92%
DIVIDED BY COMMON EQUITY RATIO	48.82%	48.82%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.08%	10.08%

**GULF POWER COMPANY**  
Storm Accrual - Twelve Month to Date  
July 2021

**Supplemental 1**

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
June	2021	291,667
<b>July</b>	<b>2021</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u>3,500,000</u></b>