



Gulf Power®

October 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 August 2021.

Sincerely,

Mark Campbell
Director of Financial Forecasting

GULF POWER COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
AUGUST, 2021

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
I. AVERAGE RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 304,773,897 (A)	(122,029,049) (B)	182,744,847	0	\$ 182,744,847
RATE BASE	\$ 5,843,239,036	(2,629,944,070)	3,213,294,967	0	\$ 3,213,294,967
AVERAGE RATE OF RETURN	5.22%		5.69%		5.69%
II. YEAR END RATE OF RETURN (JURISDICTIONAL)					
NET OPERATING INCOME	\$ 304,773,897 (A)	(122,312,258) (B)	182,461,638	0	\$ 182,461,638
RATE BASE	\$ 5,857,107,128	(2,555,746,774)	3,301,360,354	0	\$ 3,301,360,354
YEAR END RATE OF RETURN	5.20%		5.53%		5.53%

(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	6.30%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	8.64	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.53	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	17.07%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	81.27%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	32.82%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.63%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.01%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.01%	(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 S. 775.082, S. 775.083, OR S. 775.084.

MARK CAMPBELL
DIRECTOR FINANCIAL FORECASTING

(SIGNATURE)

(DATE)

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
AUGUST, 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	\$ 5,765,212,631	1,709,908,633	4,055,303,998	13,768,205	1,109,033,686	0	5,178,105,889	750,695,212	\$ 5,928,801,100
JURISDICTIONAL PER BOOKS	\$ 5,680,099,255	1,650,190,034	4,029,909,221	13,383,811	1,084,124,299	0	5,127,417,331	715,821,706	\$ 5,843,239,036
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,455,569,063)	(270,598,998)	(1,184,970,066)	(11,986,516)	(963,320,517)	0	(2,160,277,098)	(469,666,971)	\$ (2,629,944,070)
FPSC ADJUSTED:	\$ 4,224,530,192	1,379,591,036	2,844,939,156	1,397,294	120,803,782	0	2,967,140,232	246,154,734	\$ 3,213,294,967
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,224,530,192	1,379,591,036	2,844,939,156	1,397,294	120,803,782	0	2,967,140,232	246,154,734	\$ 3,213,294,967

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
AUGUST, 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	\$ 1,448,991,643	501,210,488	217,222,332	283,462,440	115,878,593	(30,767,616)	103,058,261	(444,930)	(21,537)	1,189,598,031	\$ 259,393,612
JURISDICTIONAL PER BOOKS	\$ 1,437,659,740	499,789,936	214,240,016	280,410,677	115,158,318	(30,497,874)	102,168,890	(436,864)	(21,537)	1,180,811,562	\$ 256,848,178
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,367,754)	0	(32,665)	0	(1,134,194)	(10,812,006)	0	0	0	(11,978,864)	\$ (33,388,890)
FRANCHISE EXPENSE	0	0	0	0	(43,997,198)	10,762,179	0	0	0	(33,235,019)	33,235,019
GROSS RECEIPTS TAX	(32,488,253)	0	0	0	(31,701,680)	(192,404)	0	0	0	(31,894,085)	(594,169)
FINANCIAL PLANNING SERVICES	0	0	(29,734)	0	0	7,273	0	0	0	(22,461)	22,461
ECONOMIC DEVELOPMENT 5%	0	0	(44,430)	0	0	10,868	0	0	0	(33,562)	33,562
FUEL COST REC RETAIL	(419,385,322)	(421,549,806)	(249,448)	0	0	8,786,928	(8,385,356)	0	0	(421,397,682)	2,012,360
CONSERVATION COST RECOVERY	(7,072,916)	0	(3,813,985)	(1,423,389)	(246,306)	(85,521)	(292,705)	0	0	(5,861,906)	(1,211,010)
CAPACITY COST RECOVERY	(82,238,653)	(73,486,113)	(8,750,875)	0	0	(471,562)	488,181	0	0	(82,220,369)	(18,283)
ENVIRONMENTAL COST RECOVERY	(160,785,619)	0	(18,622,167)	(40,701,437)	(6,911,724)	(22,957,667)	1,048,005	0	18	(88,144,972)	(72,640,647)
STORM PROTECTION COST RECOVERY	(978,048)	0	(18,617)	(103,412)	(395)	(671,905)	484,882	0	0	(309,447)	(668,600)
STORM DEFICIENCY RECOVERY	(80,223,310)	0	0	(80,223,400)	0	22	0	0	0	(80,223,378)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,616,504	(3,749,031)	0	0	867,473	(867,473)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(5,740)	0	0	23,467	17,727	(17,727)
TOTAL FPSC ADJUSTMENTS	\$ (828,539,876)	(495,035,919)	(31,561,921)	(122,451,638)	(83,991,497)	(11,013,031)	(10,406,023)	0	23,485	(754,436,546)	\$ (74,103,330)
FPSC ADJUSTED	\$ 609,119,864	4,754,017	182,678,095	157,959,038	31,166,821	(41,510,905)	91,762,866	(436,864)	1,948	426,375,016	\$ 182,744,847
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 609,119,864	4,754,017	182,678,095	157,959,038	31,166,821	(41,510,905)	91,762,866	(436,864)	1,948	426,375,016	\$ 182,744,847
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 48,770,199										
	\$ 47,925,719										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 906,407										
ON A JURISDICTIONAL BASIS	\$ 888,598										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 149,696,206	56,998,370	12,973,254	26,916,242	11,507,287	4,645,812	4,451,107	25,854	(4,240)	117,513,686	\$ 32,182,520
JURISDICTIONAL PER BOOKS	\$ 148,710,606	56,898,774	12,755,678	26,655,783	11,443,515	4,609,343	4,420,577	25,385	(4,240)	116,804,814	\$ 31,905,792

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
AUGUST, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,149,654,061	\$ 1,145,502,334
STORM PROTECTION	3,052,066	2,985,136
LOAD CONTROL	18,010,968	18,010,968
ASSET RETIREMENT OBLIGATION	65,267,999	64,230,681
CAPITAL LEASES	228,991,351	224,839,944
TOTAL	<u>\$ 1,464,976,445</u>	<u>\$ 1,455,569,063</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (135,675,716)	\$ (135,185,753)
STORM PROTECTION	(20,693)	(20,239)
ASSET RETIREMENT OBLIGATION	(19,138,261)	(18,834,093)
LOAD CONTROL	4,821,979	4,821,979
CAPITAL LEASES	(124,462,203)	(121,380,893)
TOTAL	<u>\$ (274,474,894)</u>	<u>\$ (270,598,998)</u>
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,330,779	11,986,516
TOTAL	<u>\$ 12,330,779</u>	<u>\$ 11,986,516</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 869,192,573	\$ 846,916,385
CWIP - CLAUSE PROJECTS	117,023,102	116,404,131
TOTAL	<u>\$ 986,215,675</u>	<u>\$ 963,320,517</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 471,762,984	\$ 469,666,971
TOTAL ADJUSTMENTS	<u>\$ 2,660,810,989</u>	<u>\$ 2,629,944,070</u>

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
AUGUST, 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	\$ 1,448,991,643	501,210,488	217,222,332	283,462,440	115,878,593	(30,767,616)	103,058,261	(444,930)	(21,537)	1,189,598,031	\$ 259,393,612
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,367,754)	0	(32,665)	0	(1,134,194)	(10,936,580)	0	0	0	(12,103,439)	\$ (33,264,316)
FRANCHISE EXPENSE	0	0	0	0	(43,997,198)	10,794,320	0	0	0	(33,202,878)	33,202,878
GROSS RECEIPTS TAX	(32,488,253)	0	0	0	(31,701,680)	(100,884)	0	0	0	(31,802,565)	(685,689)
FINANCIAL PLANNING SERVICES	0	0	(30,330)	0	0	7,437	0	0	0	(22,893)	22,893
ECONOMIC DEVELOPMENT 5%	0	0	(45,320)	0	0	11,116	0	0	0	(34,204)	34,204
FUEL COST RECOVERY	(419,538,256)	(421,012,997)	(249,448)	0	0	5,626,997	(5,480,779)	0	0	(421,116,227)	1,577,971
CONSERVATION COST RECOVERY	(7,072,916)	0	(3,813,985)	(1,423,389)	(246,306)	(84,051)	(292,705)	0	0	(5,860,437)	(1,212,479)
CAPACITY COST RECOVERY	(82,239,802)	(75,351,062)	(8,975,768)	0	0	40,722	488,181	0	0	(83,797,927)	1,558,125
ENVIRONMENTAL COST RECOVERY	(160,785,619)	0	(18,689,241)	(40,848,955)	(6,936,775)	(22,913,331)	1,048,005	0	18	(88,340,278)	(72,445,340)
STORM DEFICIENCY RECOVERY	(80,223,310)	0	0	(80,223,400)	0	22	0	0	0	(80,223,378)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,703,821	(3,818,252)	0	0	885,569	(885,569)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	23,467	23,467	(23,467)
STORM PROTECTION PLAN COST RECOVERY	(978,048)	0	(18,888)	(105,731)	(395)	(684,146)	484,882	0	0	(324,277)	(653,771)
TOTAL FPSC ADJUSTMENTS	\$ (828,693,959)	(496,364,059)	(31,855,645)	(122,601,474)	(84,016,548)	(13,534,557)	(7,570,668)	0	23,485	(755,919,466)	\$ (72,774,492)
FPSC ADJUSTED	\$ 620,297,685	4,846,429	185,366,687	160,860,966	31,862,045	(44,302,173)	95,487,593	(444,930)	1,948	433,678,565	\$ 186,619,120
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 620,297,685	4,846,429	185,366,687	160,860,966	31,862,045	(44,302,173)	95,487,593	(444,930)	1,948	433,678,565	\$ 186,619,120
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 48,770,199										

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
AUGUST, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	26,778,236	26,314,557
ASSET RETIREMENT OBLIGATION	89,185,328	87,767,887
INTEREST & DIVIDENDS RECEIVABLE	419	412
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	7,316,843	7,316,843
POLE ATTACHMENTS RENTS RECEIVABLE	1,186,718	1,166,170
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,415,118	1,409,781
TEMPORARY CASH INVESTMENTS	6,446,154	6,334,535
STORM DEFICIENCY RECOVERY	312,536,674	0
JOBGING ACCOUNTS	1,165,110	1,144,935
OTH REG ASSETS - CLAUSES	258,944,032	258,010,892
MISC. DEFFERED DEBIT - CLAUSES	34,175	34,216
EMPLOYEE LOAN RECEIVABLES	3,655	3,591
OPERATING LEASES	41,928,293	41,168,170
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	795,969	783,316
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 747,775,685	\$ 431,493,595
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,932,649)	(11,726,029)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,996,801)	309,760,064
GAIN ON SALE OF EMISSION ALLOWANCE	(133)	(132)
JOBGING ACCOUNTS	(285,121)	(285,121)
STORM DEFICIENCY RECOVERY	(102,121,842)	(102,121,842)
ASSET RETIREMENT OBLIGATION	(135,321,866)	(133,171,169)
DEFERRED TRANSMISSION CREDIT	(9,902,541)	(9,902,541)
OTHER REG LIAB - CLAUSES	(14,428,310)	(14,379,853)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (276,012,701)	\$ 38,173,376
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 471,762,984	\$ 469,666,971

NOTES:

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

SCHEDULE 3: PAGE 1 OF 3

	<u>PLANT IN SERVICE</u>	<u>ACCUMULATED DEPRECIATION & 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	\$ 5,849,665,031	1,946,536,311	3,903,128,720	13,634,985	1,242,786,019	0	5,159,549,723	750,695,212	\$ 5,910,244,935
JURISDICTIONAL PER BOOKS	\$ 5,762,266,086	1,848,700,355	3,913,565,731	13,254,310	1,214,465,382	0	5,141,285,423	715,821,706	\$ 5,857,107,128
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,407,157,178)	(440,845,859)	(966,311,319)	(11,980,913)	(1,107,787,571)	0	(2,086,079,803)	(469,666,971)	\$ (2,555,746,774)
FPSC ADJUSTED:	\$ 4,355,108,907	1,407,854,496	2,947,254,412	1,273,396	106,677,811	0	3,055,205,619	246,154,734	\$ 3,301,360,354
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,355,108,907	1,407,854,496	2,947,254,412	1,273,396	106,677,811	0	3,055,205,619	246,154,734	\$ 3,301,360,354

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
AUGUST, 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	\$ 1,448,991,643	501,210,488	217,222,332	263,462,440	115,878,593	(30,767,616)	103,058,261	(444,930)	(21,537)	1,189,598,031	\$ 259,393,612
JURISDICTIONAL PER BOOKS	\$ 1,437,659,740	499,789,936	214,240,016	280,410,677	115,158,318	(30,497,874)	102,168,890	(436,864)	(21,537)	1,180,811,562	\$ 256,848,178
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,367,754)	0	(32,665)	0	(1,134,194)	(10,812,006)	0	0	0	(11,978,864)	\$ (33,388,890)
FRANCHISE EXPENSE	0	0	0	0	(43,997,198)	10,762,179	0	0	0	(33,235,019)	33,235,019
GROSS RECEIPTS TAX	(32,488,253)	0	0	0	(31,701,680)	(192,404)	0	0	0	(31,894,085)	(594,169)
FINANCIAL PLANNING SERVICES	0	0	(29,734)	0	0	7,273	0	0	0	(22,461)	22,461
ECONOMIC DEVELOPMENT 5%	0	0	(44,430)	0	0	10,868	0	0	0	(33,562)	33,562
FUEL COST REC RETAIL	(419,385,322)	(421,549,806)	(249,448)	0	0	8,786,928	(8,385,356)	0	0	(421,397,682)	2,012,360
CONSERVATION COST RECOVERY	(7,072,916)	0	(3,813,985)	(1,423,389)	(246,306)	(85,521)	(292,705)	0	0	(5,861,906)	(1,211,010)
CAPACITY COST RECOVERY	(82,238,653)	(73,486,113)	(8,750,875)	0	0	(471,562)	488,181	0	0	(82,220,369)	(18,283)
ENVIRONMENTAL COST RECOVERY	(160,785,619)	0	(18,622,167)	(40,701,437)	(6,911,724)	(22,957,667)	1,048,005	0	18	(88,144,972)	(72,640,647)
STORM DEFICIENCY RECOVERY	(80,223,310)	0	0	(80,223,400)	0	22	0	0	0	(80,223,378)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,899,713	(3,749,031)	0	0	1,150,682	(1,150,682)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(5,740)	0	0	23,467	17,727	(17,727)
STORM PROTECTION PLAN COST RECOVERY	(978,048)	0	(18,617)	(103,412)	(395)	(671,905)	484,882	0	0	(309,447)	(668,600)
TOTAL FPSC ADJUSTMENTS	\$ (828,539,876)	(495,035,919)	(31,561,921)	(122,451,638)	(83,991,497)	(10,729,822)	(10,406,023)	0	23,485	(754,153,337)	\$ (74,386,539)
FPSC ADJUSTED	\$ 609,119,864	4,754,017	182,678,095	157,959,038	31,166,821	(41,227,696)	91,762,866	(436,864)	1,948	426,658,225	\$ 182,461,638
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 609,119,864	4,754,017	182,678,095	157,959,038	31,166,821	(41,227,696)	91,762,866	(436,864)	1,948	426,658,225	\$ 182,461,638
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 48,770,199										
AND THE JURISDICTIONAL NOI BY	\$ 47,925,719										

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
AUGUST, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,073,750,543	\$ 1,069,872,924
LOAD CONTROL	18,157,867	18,157,867
ASSET RETIREMENT OBLIGATION	64,725,951	63,697,249
CAPITAL LEASES	244,082,926	239,657,922
STORM PROTECTION	16,124,824	15,771,217
TOTAL	<u>\$ 1,416,842,110</u>	<u>\$ 1,407,157,178</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (266,539,188)	\$ (265,576,639)
ASSET RETIREMENT OBLIGATION	(29,366,425)	(28,899,699)
LOAD CONTROL	4,312,951	4,312,951
CAPITAL LEASES	(154,403,575)	(150,581,005)
STORM PROTECTION	(103,742)	(101,467)
TOTAL	<u>\$ (446,099,978)</u>	<u>\$ (440,845,859)</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	\$ 1,003,464,466	\$ 977,792,036
CWIP - CLAUSE PROJECTS	130,986,816	129,995,534
TOTAL	<u>\$ 1,134,451,282</u>	<u>\$ 1,107,787,571</u>
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 471,762,984	\$ 469,666,971
TOTAL ADJUSTMENTS	<u>\$ 2,589,281,413</u>	<u>\$ 2,555,746,774</u>

NOTES:

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

SCHEDULE 3: PAGE 3A 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	\$ 1,448,991,643	501,210,488	217,222,332	283,462,440	115,878,593	(30,767,616)	103,058,261	(444,930)	(21,537)	1,189,598,031	\$ 259,393,612
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,367,754)	0	(32,665)	0	(1,134,194)	(10,936,580)	0	0	0	(12,103,439)	\$ (33,264,316)
FRANCHISE EXPENSE	0	0	0	0	(43,997,198)	10,794,320	0	0	0	(33,202,878)	33,202,878
GROSS RECEIPTS TAX	(32,488,253)	0	0	0	(31,701,680)	(100,884)	0	0	0	(31,802,565)	(685,689)
FINANCIAL PLANNING SERVICES	0	0	(30,330)	0	0	7,437	0	0	0	(22,893)	22,893
ECONOMIC DEVELOPMENT 5%	0	0	(45,320)	0	0	11,116	0	0	0	(34,204)	34,204
FUEL COST REC RETAIL	(419,538,256)	(421,012,997)	(249,448)	0	0	5,626,997	(5,480,779)	0	0	(421,116,227)	1,577,971
CONSERVATION COST RECOVERY	(7,072,916)	0	(3,813,985)	(1,423,389)	(246,306)	(84,051)	(292,705)	0	0	(5,860,437)	(1,212,479)
CAPACITY COST RECOVERY	(82,239,802)	(75,351,062)	(8,975,768)	0	0	40,722	488,181	0	0	(83,797,927)	1,558,125
ENVIRONMENTAL COST RECOVERY	(160,785,619)	0	(18,689,241)	(40,848,955)	(6,936,775)	(22,913,331)	1,048,005	0	18	(88,340,278)	(72,445,340)
STORM DEFICIENCY RECOVERY	(80,223,310)	0	0	(80,223,400)	0	22	0	0	0	(80,223,378)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,054,168	(3,818,252)	0	0	1,235,916	(1,235,916)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	23,467	23,467	(23,467)
STORM PROTECTION PLAN COST RECOVERY	(978,048)	0	(18,888)	(105,731)	(395)	(684,146)	484,882	0	0	(324,277)	(653,771)
TOTAL FPSC ADJUSTMENTS	\$ (828,693,959)	(496,364,059)	(31,855,645)	(122,601,474)	(84,016,548)	(13,184,211)	(7,570,668)	0	23,485	(755,569,120)	\$ (73,124,839)
FPSC ADJUSTED	\$ 620,297,685	4,846,429	185,366,687	160,860,966	31,862,045	(43,951,827)	95,487,593	(444,930)	1,948	434,028,911	\$ 186,268,774
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 620,297,685	4,846,429	185,366,687	160,860,966	31,862,045	(43,951,827)	95,487,593	(444,930)	1,948	434,028,911	\$ 186,268,774
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 48,770,199										

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
AUGUST, 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	\$ 1,684,662,622			\$ 1,660,440,086	\$ (661,817,984)	\$ (146,037,003)	\$ 852,585,099	26.53%	2.47%
SHORT TERM DEBT	310,408,183	305,886,353	(133,677,151)	-	172,209,202	5.36%	1.62%	0.09%	1.62%	0.09%	1.62%	0.09%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,825,262,160	2,783,961,283	(1,220,962,466)	9,902,541	1,572,901,358	48.95%	9.25%	4.53%	10.25%	5.02%	11.25%	5.51%
CUSTOMER DEPOSITS	37,784,247	37,871,840	(16,550,590)	0	21,321,250	0.66%	1.88%	0.01%	1.88%	0.01%	1.88%	0.01%
DEFERRED INCOME TAX	725,761,556	715,181,750	(312,766,851)	506,089	402,920,989	12.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	320,073,079	315,410,458	(137,839,335)	-	177,571,123	5.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,849,254	24,487,266	(10,701,321)	-	13,785,945	0.43%	6.87%	0.03%	7.52%	0.03%	8.16%	0.04%
TOTAL	\$ 5,928,801,100	\$ 5,843,239,036	\$ (2,494,315,698)	\$ (135,628,372)	\$ 3,213,294,967	100.00%		5.31%		5.80%		6.30%

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	\$ 1,594,131,063			\$ 1,576,595,386	\$ (613,283,435)	\$ (131,654,868)	\$ 831,657,084	25.19%	2.51%
SHORT TERM DEBT	427,990,493	424,416,039	(180,137,053)	-	244,278,987	7.40%	0.73%	0.05%	0.73%	0.05%	0.73%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,799,635,866	2,776,466,577	(1,182,632,781)	9,902,541	1,603,736,338	48.58%	9.25%	4.49%	10.25%	4.98%	11.25%	5.47%
CUSTOMER DEPOSITS	37,370,287	37,279,668	(15,822,799)	-	21,456,870	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	727,238,716	721,175,886	(306,307,142)	506,089	415,374,833	12.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	300,196,407	297,689,254	(126,349,760)	-	171,339,493	5.19%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	23,682,104	23,484,317	(9,967,568)	-	13,516,749	0.41%	6.95%	0.03%	7.61%	0.03%	8.27%	0.03%
TOTAL	\$ 5,910,244,935	\$ 5,857,107,128	\$ (2,434,500,537)	\$ (121,246,237)	\$ 3,301,360,354	100.00%		5.22%		5.71%		6.20%

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
AUGUST, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	293,048,579
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		15,065,109
INCOME TAXES		72,070,202
TOTAL	\$	380,183,889
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,003,862
TIMES INTEREST EARNED WITH AFUDC		8.64

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	293,048,579
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(33,705,091)
INCOME TAXES		72,070,202
TOTAL	\$	331,413,690
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	44,003,862
TIMES INTEREST EARNED WITHOUT AFUDC		7.53

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	15,065,109
X (1 - INCOME_TAX_RATE)		0.7554
SUBTOTAL	\$	11,380,024
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		33,705,091
TOTAL	\$	45,085,115
NET INCOME AVAILABLE FOR COMMON	\$	264,109,825
AFUDC AS PERCENT OF NET INCOME		17.07%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	264,109,825
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		(95,000,000)
AFUDC (DEBT & OTHER)		(48,770,199)
DEPRECIATION AND AMORTIZATION EXPENSE		283,462,440
DEFERRED INCOME TAXES		102,769,626
INVESTMENT TAX CREDITS		(444,930)
CLAUSE OVER/UNDER RECOVERY		(13,179,983)
OTHER		264,816
INTERNALLY GENERATED FUNDS	\$	493,211,594

CONSTRUCTION EXPENDITURES \$ 606,891,095

PERCENT INTERNALLY GENERATED FUNDS 81.27%

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	\$	852,585,099
JURIS ADJUSTED SHORT TERM DEBT		172,209,202
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,572,901,358
TOTAL	\$	2,597,695,660
LTD TO TOTAL INVESTOR FUNDS		32.82%
STD TO TOTAL INVESTOR FUNDS		6.63%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	5.69%	5.69%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	0.66%	0.66%
SHORT TERM DEBT	0.09%	0.09%
PREFERRED STOCK	0.00%	0.00%
CUSTOMER DEPOSITS	0.01%	0.01%
TAX CREDITS - WEIGHTED COST	0.03%	0.03%
SUBTOTAL	0.79%	0.79%
TOTAL	4.90%	4.90%
DIVIDED BY COMMON EQUITY RATIO	48.95%	48.95%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.01%	10.01%

GULF POWER COMPANY

Storm Accrual - Twelve Month to Date

August 2021

Supplemental 1

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