



Gulf Power®

November 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 September 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
SEPTEMBER, 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	\$ 305,361,575 (A)	(123,132,159) (B)	182,229,417	0	\$ 182,229,417
RATE BASE	\$ 5,885,618,944	(2,660,260,601)	3,225,358,343	0	\$ 3,225,358,343
AVERAGE RATE OF RETURN	5.19%		5.65%		5.65%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 305,361,575 (A)	(123,401,335) (B)	181,960,240	0	\$ 181,960,240
RATE BASE	\$ 5,954,041,771	(2,653,424,941)	3,300,616,829	0	\$ 3,300,616,829
YEAR END RATE OF RETURN	5.13%		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	5.30%
MIDPOINT	5.79%
HIGH	6.28%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	8.70	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.56	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	17.40%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	65.37%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	32.55%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	7.00%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	9.97%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	9.97%	(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
SEPTEMBER, 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	\$ 5,746,145,312	1,707,767,658	4,038,377,655	13,731,682	1,128,551,687	0	5,180,661,023	791,393,544	\$ 5,972,054,567
JURISDICTIONAL PER BOOKS	\$ 5,660,616,651	1,642,816,865	4,017,799,786	13,348,307	1,103,195,850	0	5,134,343,943	751,275,001	\$ 5,885,618,944
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,415,176,852)	(263,377,414)	(1,151,799,438)	(11,980,913)	(984,055,946)	0	(2,147,836,297)	(512,424,304)	\$ (2,660,260,601)
FPSC ADJUSTED:	\$ 4,245,439,799	1,379,439,451	2,866,000,349	1,367,394	119,139,905	0	2,986,507,647	238,850,697	\$ 3,225,358,343
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,245,439,799	1,379,439,451	2,866,000,349	1,367,394	119,139,905	0	2,986,507,647	238,850,697	\$ 3,225,358,343

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
SEPTEMBER, 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	\$ 1,467,784,200	516,045,777	218,866,208	284,773,528	116,441,158	16,389,570	57,501,611	(435,959)	(19,594)	1,209,562,297	\$ 258,221,903
JURISDICTIONAL PER BOOKS	\$ 1,456,775,345	514,680,350	215,088,818	281,705,493	115,712,605	16,304,684	57,204,825	(428,055)	(19,594)	1,200,249,126	\$ 256,526,219
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,494,629)	0	(32,756)	0	(1,137,366)	(10,815,313)	0	0	0	(11,985,435)	\$ (33,509,195)
FRANCHISE EXPENSE	0	0	0	0	(44,071,561)	10,753,593	0	0	0	(33,317,968)	33,317,968
GROSS RECEIPTS TAX	(32,536,233)	0	0	0	(31,840,967)	(169,647)	0	0	0	(32,010,614)	(525,619)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,704	0	0	0	(23,869)	23,869
ECONOMIC DEVELOPMENT 5%	0	0	(50,018)	0	0	12,204	0	0	0	(37,813)	37,813
FUEL COST REC RETAIL	(434,060,698)	(436,209,190)	(248,632)	0	0	12,137,548	(11,908,252)	0	0	(436,228,527)	2,167,828
CONSERVATION COST RECOVERY	(7,687,083)	0	(4,431,131)	(1,426,504)	(248,461)	(242,701)	(126,426)	0	0	(6,475,223)	(1,211,860)
CAPACITY COST RECOVERY	(82,235,042)	(73,506,196)	(8,726,840)	0	0	(555,979)	573,986	0	0	(82,215,028)	(20,014)
ENVIRONMENTAL COST RECOVERY	(160,165,377)	0	(19,584,400)	(38,807,462)	(6,915,953)	(22,622,403)	680,568	0	13	(87,249,636)	(72,915,741)
STORM PROTECTION COST RECOVERY	(1,295,049)	0	(20,082)	(156,733)	(395)	(748,377)	496,972	0	0	(428,615)	(866,434)
STORM DEFICIENCY RECOVERY	(82,378,741)	0	0	(82,378,741)	0	0	0	0	0	(82,378,741)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,615,321	(3,839,861)	0	0	775,460	(775,460)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(6,442)	0	0	26,400	19,958	(19,958)
TOTAL FPSC ADJUSTMENTS	\$ (845,852,852)	(509,715,386)	(33,125,432)	(122,769,440)	(84,214,702)	(7,634,490)	(14,123,013)	0	26,414	(771,556,050)	\$ (74,296,803)
FPSC ADJUSTED	\$ 610,922,493	4,964,964	181,963,387	158,936,054	31,497,902	8,670,194	43,081,812	(428,055)	6,820	428,693,076	\$ 182,229,417
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 610,922,493	4,964,964	181,963,387	158,936,054	31,497,902	8,670,194	43,081,812	(428,055)	6,820	428,693,076	\$ 182,229,417
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 49,695,865										
	\$ 48,835,356										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 1,020,404										
ON A JURISDICTIONAL BASIS	\$ 1,000,355										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 140,022,172	53,798,564	17,062,139	25,474,537	11,046,393	(149,845)	7,814,485	(84,174)	(4,240)	114,957,859	\$ 25,064,312
JURISDICTIONAL PER BOOKS	\$ 139,075,302	53,706,014	16,746,839	25,212,135	10,982,091	(148,980)	7,766,753	(82,648)	(4,240)	114,177,964	\$ 24,897,338

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
SEPTEMBER, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,105,257,640	\$ 1,101,095,797
STORM PROTECTION	4,406,499	4,310,556
LOAD CONTROL	18,049,656	18,049,656
ASSET RETIREMENT OBLIGATION	65,742,387	64,697,530
CAPITAL LEASES	231,215,034	227,023,314
TOTAL	<u>\$ 1,424,671,215</u>	<u>\$ 1,415,176,852</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (121,865,025)	\$ (121,406,143)
STORM PROTECTION	(32,864)	(32,149)
ASSET RETIREMENT OBLIGATION	(20,765,722)	(20,435,689)
LOAD CONTROL	4,738,280	4,738,280
CAPITAL LEASES	(129,446,418)	(126,241,713)
TOTAL	<u>\$ (267,371,751)</u>	<u>\$ (263,377,414)</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	\$ 886,827,028	\$ 864,132,051
CWIP - CLAUSE PROJECTS	120,618,234	119,923,894
TOTAL	<u>\$ 1,007,445,262</u>	<u>\$ 984,055,946</u>
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 514,695,653	\$ 512,424,304
TOTAL ADJUSTMENTS	<u>\$ 2,691,765,394</u>	<u>\$ 2,660,260,601</u>

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
SEPTEMBER, 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	\$ 1,467,784,200	516,045,777	218,866,208	284,773,528	116,441,158	16,389,570	57,501,611	(435,959)	(19,594)	1,209,562,297	\$ 258,221,903
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,494,629)	0	(32,756)	0	(1,137,366)	(10,929,380)	0	0	0	(12,099,502)	\$ (33,395,128)
FRANCHISE EXPENSE	0	0	0	0	(44,071,561)	10,801,494	0	0	0	(33,270,067)	33,270,067
GROSS RECEIPTS TAX	(32,536,233)	0	0	0	(31,840,967)	(104,773)	0	0	0	(31,945,740)	(590,493)
FINANCIAL PLANNING SERVICES	0	0	(32,205)	0	0	7,895	0	0	0	(24,310)	24,310
ECONOMIC DEVELOPMENT 5%	0	0	(51,020)	0	0	12,499	0	0	0	(38,521)	38,521
FUEL COST RECOVERY	(433,950,212)	(435,638,067)	(248,632)	0	0	11,120,060	(11,035,292)	0	0	(435,801,932)	1,851,719
CONSERVATION COST RECOVERY	(7,687,083)	0	(4,431,131)	(1,426,504)	(248,461)	(244,121)	(126,426)	0	0	(6,476,644)	(1,210,439)
CAPACITY COST RECOVERY	(82,236,194)	(75,348,094)	(8,948,278)	0	0	(48,823)	573,986	0	0	(83,771,208)	1,535,014
ENVIRONMENTAL COST RECOVERY	(160,165,377)	0	(19,657,988)	(38,954,144)	(6,942,093)	(22,609,664)	680,568	0	14	(87,483,307)	(72,682,070)
STORM DEFICIENCY RECOVERY	(82,378,741)	0	0	(82,378,741)	0	0	0	0	0	(82,378,741)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,702,532	(3,910,760)	0	0	791,773	(791,773)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	26,400	26,400	(26,400)
STORM PROTECTION PLAN COST RECOVERY	(1,295,049)	0	(20,378)	(160,222)	(395)	(759,534)	496,972	0	0	(443,557)	(851,492)
TOTAL FPSC ADJUSTMENTS	\$ (845,743,519)	(510,986,161)	(33,422,389)	(122,919,610)	(84,240,843)	(8,051,815)	(13,320,952)	0	26,414	(772,915,355)	\$ (72,828,164)
FPSC ADJUSTED	\$ 622,040,681	5,059,616	185,443,819	161,853,918	32,200,315	8,337,755	44,180,659	(435,959)	6,820	436,646,942	\$ 185,393,739
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 622,040,681	5,059,616	185,443,819	161,853,918	32,200,315	8,337,755	44,180,659	(435,959)	6,820	436,646,942	\$ 185,393,739
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 49,695,865										

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
SEPTEMBER, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	28,916,723	28,416,016
ASSET RETIREMENT OBLIGATION	91,889,386	90,428,970
INTEREST & DIVIDENDS RECEIVABLE	348	342
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	9,819,732	9,819,732
POLE ATTACHMENTS RENTS RECEIVABLE	1,179,024	1,158,609
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,436,522	1,433,795
TEMPORARY CASH INVESTMENTS	6,315,385	6,206,031
STORM DEFICIENCY RECOVERY	320,827,150	0
JOBGING ACCOUNTS	1,048,581	1,030,425
OTH REG ASSETS - CLAUSES	291,061,577	289,967,620
MISC. DEFFERED DEBIT - CLAUSES	35,106	35,148
EMPLOYEE LOAN RECEIVABLES	3,454	3,394
OPERATING LEASES	40,375,393	39,643,423
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	596,977	587,487
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 793,544,320	\$ 468,769,278
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(12,050,865)	(11,842,198)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(2,243,817)	317,803,525
GAIN ON SALE OF EMISSION ALLOWANCE	(133)	(132)
JOBGING ACCOUNTS	(303,316)	(303,316)
STORM DEFICIENCY RECOVERY	(103,310,301)	(103,310,301)
ASSET RETIREMENT OBLIGATION	(136,869,450)	(134,694,157)
DEFERRED TRANSMISSION CREDIT	(9,880,138)	(9,880,138)
OTHER REG LIAB - CLAUSES	(14,167,212)	(14,118,257)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (278,848,668)	\$ 43,655,026
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 514,695,653	\$ 512,424,304

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
SEPTEMBER, 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	\$ 5,877,222,032	1,964,619,875	3,912,602,158	13,634,985	1,296,061,499	0	5,222,298,641	791,393,544	\$ 6,013,692,185
JURISDICTIONAL PER BOOKS	\$ 5,789,291,054	1,866,400,405	3,922,890,649	13,254,310	1,266,621,811	0	5,202,766,770	751,275,001	\$ 5,954,041,771
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,423,296,462)	(450,113,450)	(973,183,011)	(11,980,913)	(1,155,836,712)	0	(2,141,000,637)	(512,424,304)	\$ (2,653,424,941)
FPSC ADJUSTED:	\$ 4,365,994,592	1,416,286,954	2,949,707,638	1,273,396	110,785,099	0	3,061,766,133	238,850,697	\$ 3,300,616,829
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,365,994,592	1,416,286,954	2,949,707,638	1,273,396	110,785,099	0	3,061,766,133	238,850,697	\$ 3,300,616,829

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
SEPTEMBER, 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	\$ 1,467,784,200	516,045,777	218,866,208	284,773,528	116,441,158	16,389,570	57,501,611	(435,959)	(19,594)	1,209,562,297	\$ 258,221,903
JURISDICTIONAL PER BOOKS	\$ 1,456,775,345	514,680,350	215,088,818	281,705,493	115,712,605	16,304,684	57,204,825	(428,055)	(19,594)	1,200,249,126	\$ 256,526,219
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,494,629)	0	(32,756)	0	(1,137,366)	(10,815,313)	0	0	0	(11,985,435)	\$ (33,509,195)
FRANCHISE EXPENSE	0	0	0	0	(44,071,561)	10,753,593	0	0	0	(33,317,968)	33,317,968
GROSS RECEIPTS TAX	(32,536,233)	0	0	0	(31,840,967)	(169,647)	0	0	0	(32,010,614)	(525,619)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,704	0	0	0	(23,869)	23,869
ECONOMIC DEVELOPMENT 5%	0	0	(50,018)	0	0	12,204	0	0	0	(37,813)	37,813
FUEL COST REC RETAIL	(434,060,698)	(436,209,190)	(248,632)	0	0	12,137,548	(11,908,252)	0	0	(436,228,527)	2,167,828
CONSERVATION COST RECOVERY	(7,687,083)	0	(4,431,131)	(1,426,504)	(248,461)	(242,701)	(126,426)	0	0	(6,475,223)	(1,211,860)
CAPACITY COST RECOVERY	(82,235,042)	(73,506,196)	(8,726,840)	0	0	(555,979)	573,986	0	0	(82,215,028)	(20,014)
ENVIRONMENTAL COST RECOVERY	(160,165,377)	0	(19,584,400)	(38,807,462)	(6,915,953)	(22,622,403)	680,568	0	13	(87,249,636)	(72,915,741)
STORM DEFICIENCY RECOVERY	(82,378,741)	0	0	(82,378,741)	0	0	0	0	0	(82,378,741)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,884,497	(3,839,861)	0	0	1,044,636	(1,044,636)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(6,442)	0	0	26,400	19,958	(19,958)
STORM PROTECTION PLAN COST RECOVERY	(1,295,049)	0	(20,082)	(156,733)	(395)	(748,377)	496,972	0	0	(428,615)	(866,434)
TOTAL FPSC ADJUSTMENTS	\$ (845,852,852)	(509,715,386)	(33,125,432)	(122,769,440)	(84,214,702)	(7,365,314)	(14,123,013)	0	26,414	(771,286,873)	\$ (74,565,979)
FPSC ADJUSTED	\$ 610,922,493	4,964,964	181,963,387	158,936,054	31,497,902	8,939,370	43,081,812	(428,055)	6,820	428,962,253	\$ 181,960,240
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 610,922,493	4,964,964	181,963,387	158,936,054	31,497,902	8,939,370	43,081,812	(428,055)	6,820	428,962,253	\$ 181,960,240
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 49,695,865										
	\$ 48,835,356										

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
SEPTEMBER, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,074,399,141	\$ 1,070,353,495
LOAD CONTROL	18,208,177	18,208,177
ASSET RETIREMENT OBLIGATION	77,560,548	76,327,862
CAPITAL LEASES	245,635,826	241,182,669
STORM PROTECTION	17,607,629	17,224,259
TOTAL	\$ 1,433,411,320	\$ 1,423,296,462
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (268,531,973)	\$ (267,520,817)
ASSET RETIREMENT OBLIGATION	(31,624,934)	(31,122,312)
LOAD CONTROL	4,223,402	4,223,402
CAPITAL LEASES	(159,487,364)	(155,538,935)
STORM PROTECTION	(158,233)	(154,787)
TOTAL	\$ (455,579,102)	\$ (450,113,450)
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	\$ 1,045,013,000	\$ 1,018,496,035
CWIP - CLAUSE PROJECTS	138,474,593	137,340,677
TOTAL	\$ 1,183,487,593	\$ 1,155,836,712
WORKING CAPITAL:	\$ 514,695,653	\$ 512,424,304
(SEE SCHEDULE 2, PAGE 3B OF 3)		
TOTAL ADJUSTMENTS	\$ 2,688,340,479	\$ 2,653,424,941

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
SEPTEMBER, 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	\$ 1,467,784,200	516,045,777	218,866,208		284,773,528	116,441,158	16,389,570	57,501,611	(435,959)	(19,594)	1,209,562,297	\$ 258,221,903
FPSC ADJUSTMENTS												
FRANCHISE REVENUE	\$ (45,494,629)	0	(32,756)		0	(1,137,366)	(10,929,380)	0	0	0	(12,099,502)	\$ (33,395,128)
FRANCHISE EXPENSE	0	0	0		0	(44,071,561)	10,801,494	0	0	0	(33,270,067)	33,270,067
GROSS RECEIPTS TAX	(32,536,233)	0	0		0	(31,840,967)	(104,773)	0	0	0	(31,945,740)	(590,493)
FINANCIAL PLANNING SERVICES	0	0	(32,205)		0	0	7,895	0	0	0	(24,310)	24,310
ECONOMIC DEVELOPMENT 5%	0	0	(51,020)		0	0	12,499	0	0	0	(38,521)	38,521
FUEL COST REC RETAIL	(433,950,212)	(435,638,067)	(248,632)		0	0	11,120,060	(11,035,292)	0	0	(435,801,932)	1,851,719
CONSERVATION COST RECOVERY	(7,687,083)	0	(4,431,131)		(1,426,504)	(248,461)	(244,121)	(126,426)	0	0	(6,476,644)	(1,210,439)
CAPACITY COST RECOVERY	(82,236,194)	(75,348,094)	(8,948,278)		0	0	(48,823)	573,986	0	0	(83,771,208)	1,535,014
ENVIRONMENTAL COST RECOVERY	(160,165,377)	0	(19,657,988)		(38,954,144)	(6,942,093)	(22,609,664)	680,568	0	14	(87,483,307)	(72,682,070)
STORM DEFICIENCY RECOVERY	(82,378,741)	0	0		(82,378,741)	0	0	0	0	0	(82,378,741)	0
INTEREST SYNCHRONIZATION	0	0	0		0	0	5,029,496	(3,910,760)	0	0	1,118,737	(1,118,737)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0		0	0	0	0	0	26,400	26,400	(26,400)
STORM PROTECTION PLAN COST RECOVERY	(1,295,049)	0	(20,378)		(160,222)	(395)	(759,534)	496,972	0	0	(443,557)	(851,492)
TOTAL FPSC ADJUSTMENTS	\$ (845,743,519)	(510,986,161)	(33,422,389)		(122,919,610)	(84,240,843)	(7,724,850)	(13,320,952)	0	26,414	(772,588,391)	\$ (73,155,128)
FPSC ADJUSTED	\$ 622,040,681	5,059,616	185,443,819		161,853,918	32,200,315	8,664,720	44,180,659	(435,959)	6,820	436,973,906	\$ 185,066,775
PRO FORMA ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0		0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 622,040,681	5,059,616	185,443,819		161,853,918	32,200,315	8,664,720	44,180,659	(435,959)	6,820	436,973,906	\$ 185,066,775
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 49,695,865											

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
SEPTEMBER, 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	SPECIFIC			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
			6	7								
LONG TERM DEBT	\$ 1,680,528,759	\$ 1,656,339,432	\$ (665,581,535)	\$ (141,858,819)	\$ 848,899,079	26.32%	2.45%	0.64%	2.45%	0.64%	2.45%	0.64%
SHORT TERM DEBT	330,683,879	325,849,833	(143,203,967)	-	182,645,866	5.66%	1.58%	0.09%	1.58%	0.09%	1.58%	0.09%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,843,712,443	2,801,997,688	(1,235,759,601)	9,880,138	1,576,118,224	48.87%	9.25%	4.52%	10.25%	5.01%	11.25%	5.50%
CUSTOMER DEPOSITS	37,965,923	38,052,309	(16,723,168)	-	21,329,140	0.66%	1.86%	0.01%	1.86%	0.01%	1.86%	0.01%
DEFERRED INCOME TAX	735,985,396	725,218,206	(318,967,675)	568,696	406,819,227	12.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	318,368,651	313,714,634	(137,870,809)	-	175,843,825	5.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,809,516	24,446,842	(10,743,859)	-	13,702,983	0.42%	6.87%	0.03%	7.52%	0.03%	8.17%	0.03%
TOTAL	\$ 5,972,054,567	\$ 5,885,618,944	\$ (2,528,850,615)	\$ (131,409,986)	\$ 3,225,358,344	100.00%		5.30%		5.79%		6.28%

YEAR END	SYSTEM PER BOOKS 1	RETAIL PER BOOKS 5	ADJUSTMENTS		ADJUSTED RETAIL 8	RATIO (%) 9	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%) 10	WEIGHTED COST (%) 11	COST RATE (%) 12	WEIGHTED COST (%) 13	COST RATE (%) 14	WEIGHTED COST (%) 15
			6	7								
LONG TERM DEBT	\$ 1,602,687,263	\$ 1,584,313,729	\$ (633,484,335)	\$ (126,720,952)	\$ 824,108,442	24.97%	2.53%	0.63%	2.53%	0.63%	2.53%	0.63%
SHORT TERM DEBT	457,620,481	453,292,127	(197,005,272)	-	256,286,855	7.76%	0.65%	0.05%	0.65%	0.05%	0.65%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,848,297,185	2,821,509,387	(1,230,550,082)	9,880,138	1,600,839,443	48.50%	9.25%	4.49%	10.25%	4.97%	11.25%	5.46%
CUSTOMER DEPOSITS	37,856,219	37,781,002	(16,420,000)	-	21,361,002	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	745,741,884	738,697,143	(321,292,295)	568,696	417,973,544	12.66%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	297,691,162	294,875,482	(128,155,821)	-	166,719,661	5.05%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	23,797,991	23,572,900	(10,245,017)	-	13,327,883	0.40%	6.97%	0.03%	7.63%	0.03%	8.29%	0.03%
TOTAL	\$ 6,013,692,185	\$ 5,954,041,771	\$ (2,537,152,822)	\$ (116,272,119)	\$ 3,300,616,829	100.00%		5.21%		5.70%		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
SEPTEMBER, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	292,556,084
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		15,351,047
INCOME TAXES		73,444,400
TOTAL	\$	<u>381,351,530</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	<u>43,851,285</u>
TIMES INTEREST EARNED WITH AFUDC		<u>8.70</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	292,556,084
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(34,344,818)
INCOME TAXES		73,444,400
TOTAL	\$	<u>331,655,666</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	<u>43,851,285</u>
TIMES INTEREST EARNED WITHOUT AFUDC		<u>7.56</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	15,351,047
X (1 - INCOME_TAX_RATE)		0.7560
SUBTOTAL	\$	<u>11,605,346</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		34,344,818
TOTAL	\$	<u>45,950,164</u>
NET INCOME AVAILABLE FOR COMMON	\$	<u>264,055,846</u>
AFUDC AS PERCENT OF NET INCOME		<u>17.40%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	264,055,846
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		(95,000,000)
AFUDC (DEBT & OTHER)		(49,695,865)
DEPRECIATION AND AMORTIZATION EXPENSE		284,773,528
DEFERRED INCOME TAXES		57,091,112
INVESTMENT TAX CREDITS		(435,959)
CLAUSE OVER/UNDER RECOVERY		(35,567,067)
OTHER		266,759
INTERNALLY GENERATED FUNDS	\$	<u>425,488,354</u>

CONSTRUCTION EXPENDITURES	\$	<u>650,938,676</u>
PERCENT INTERNALLY GENERATED FUNDS		<u>65.37%</u>

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	\$	848,899,079
JURIS ADJUSTED SHORT TERM DEBT		182,645,866
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,576,118,224
TOTAL	\$	<u>2,607,663,169</u>
LTD TO TOTAL INVESTOR FUNDS		<u>32.55%</u>
STD TO TOTAL INVESTOR FUNDS		<u>7.00%</u>

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	5.65%	5.65%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	0.64%	0.64%
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	<u>0.78%</u>	<u>0.78%</u>
TOTAL	<u>4.87%</u>	<u>4.87%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.87%</u>	<u>48.87%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>9.97%</u>	<u>9.97%</u>

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

Supplemental 1

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45

GULF POWER COMPANY
DOCKET NO. 990315-EI
RTP QUARTERLY REPORT

Supplemental 2

Eighty Eighth Quarterly Report

Report Period: Third Quarter, 2021

<u>Rate Class</u>	<u>Third Quarter Total Revenue</u>	<u>Third Quarter Total KWH Sales</u>	<u>Third Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$31,890,534.33	332,886,263	9.580	8.325
PX/PXT	\$0.00	-	0.000	0.000
LP/LPT	\$19,716,744.43	227,001,029	8.686	9.077

Notes to Quarterly
Real Time Pricing Report

1. Gulf Power's Real Time Pricing (RTP) multipliers ("M") changed effective July 1, 2021. The reason for this change was to reflect a change in the long-term system lambdas.

<u>Multipliers Effective 7/1/21</u>	
On-Peak	2.359
Intermediate	0.772
Off-Peak	0.575

2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling average basis.