



Gulf Power®

December 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 October 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
OCTOBER, 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	\$ 310,342,579 (A)	(124,513,400) (B)	185,829,179	0	\$ 185,829,179
RATE BASE	\$ 5,925,470,948	(2,689,684,478)	3,235,786,470	0	\$ 3,235,786,470
AVERAGE RATE OF RETURN	5.24%		5.74%		5.74%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 310,342,579 (A)	(124,813,064) (B)	185,529,515	0	\$ 185,529,515
RATE BASE	\$ 6,036,072,577	(2,721,841,067)	3,314,231,510	0	\$ 3,314,231,510
YEAR END RATE OF RETURN	5.14%		5.60%		5.60%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

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

LOW	5.27%
MIDPOINT	5.76%
HIGH	6.25%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	8.86	(SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.70	(SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	17.41%	(SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	29.75%	(SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	32.28%	(FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	7.47%	(FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.21%	(FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.21%	(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. 775.062, S. 775.063, OR S. 775.084.

MARK CAMPBELL
DIRECTOR FINANCIAL FORECASTING

(SIGNATURE)

(DATE)

12/4/21

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
OCTOBER, 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	\$ 5,729,122,499	1,705,489,087	4,023,633,412	13,707,858	1,148,886,074	0	5,186,227,344	826,788,559	\$ 6,013,015,903
JURISDICTIONAL PER BOOKS	\$ 5,643,067,841	1,635,306,813	4,007,761,028	13,325,148	1,123,028,491	0	5,144,114,668	781,356,280	\$ 5,925,470,948
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,374,891,936)	(255,950,007)	(1,118,941,929)	(11,980,913)	(1,005,101,368)	0	(2,136,024,211)	(553,660,267)	\$ (2,689,684,478)
FPSC ADJUSTED:	\$ 4,268,175,904	1,379,356,806	2,888,819,099	1,344,235	117,927,123	0	3,008,090,456	227,696,013	\$ 3,235,786,470
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,268,175,904	1,379,356,806	2,888,819,099	1,344,235	117,927,123	0	3,008,090,456	227,696,013	\$ 3,235,786,470

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
OCTOBER, 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	\$ 1,476,016,983	523,918,289	211,701,363	286,959,866	117,174,940	19,096,334	55,342,188	(426,988)	(17,402)	1,213,748,590	\$ 262,268,392
JURISDICTIONAL PER BOOKS	\$ 1,465,056,513	522,616,035	207,972,034	283,864,000	116,440,291	18,996,741	55,060,802	(419,247)	(17,402)	1,204,513,254	\$ 260,543,259
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,562,403)	0	(32,805)	0	(1,139,060)	(10,804,447)	0	0	0	(11,976,312)	\$ (33,586,090)
FRANCHISE EXPENSE	0	0	0	0	(44,390,538)	10,804,447	0	0	0	(33,586,090)	33,586,090
GROSS RECEIPTS TAX	(32,662,341)	0	0	0	(32,033,477)	(153,063)	0	0	0	(32,186,539)	(475,802)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,685	0	0	0	(23,888)	23,888
ECONOMIC DEVELOPMENT 5%	0	0	(50,131)	0	0	12,202	0	0	0	(37,929)	37,929
FUEL COST REC RETAIL	(442,529,001)	(444,033,395)	(250,494)	0	0	17,831,970	(17,934,332)	0	0	(444,386,250)	1,857,250
CONSERVATION COST RECOVERY	(7,672,773)	0	(4,427,521)	(1,429,548)	(243,142)	(339,963)	(22,737)	0	0	(6,462,911)	(1,209,862)
CAPACITY COST RECOVERY	(82,243,704)	(73,538,664)	(8,702,798)	0	0	(638,373)	657,222	0	0	(82,222,613)	(21,091)
ENVIRONMENTAL COST RECOVERY	(159,909,025)	0	(20,057,685)	(37,903,743)	(6,909,043)	(22,255,953)	315,021	0	9	(86,811,395)	(73,097,630)
STORM PROTECTION COST RECOVERY	(1,661,305)	0	(21,504)	(216,040)	(395)	(812,638)	485,872	0	0	(564,706)	(1,096,599)
STORM DEFICIENCY RECOVERY	(84,171,914)	0	0	(84,171,914)	0	0	0	0	0	(84,171,914)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,607,781	(3,895,593)	0	0	712,188	(712,188)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(6,426)	0	0	26,400	19,974	(19,974)
TOTAL FPSC ADJUSTMENTS	\$ (856,412,466)	(517,572,059)	(33,574,511)	(123,721,246)	(84,715,654)	(1,746,778)	(20,394,547)	0	26,409	(781,698,385)	\$ (74,714,080)
FPSC ADJUSTED	\$ 608,644,047	5,043,976	174,397,523	160,142,754	31,724,637	17,249,963	34,666,255	(419,247)	9,007	422,814,869	\$ 185,829,179
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 608,644,047	5,043,976	174,397,523	160,142,754	31,724,637	17,249,963	34,666,255	(419,247)	9,007	422,814,869	\$ 185,829,179
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY											
	\$ 50,676,814										
	\$ 49,799,320										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:											
ON A TOTAL COMPANY BASIS	\$ 1,022,710										
ON A JURISDICTIONAL BASIS	\$ 1,002,616										
CURRENT MONTH AMOUNT											
SYSTEM PER BOOKS	\$ 122,710,925	43,883,207	16,891,438	24,642,368	10,026,544	(2,595,129)	8,668,610	(84,174)	(4,240)	101,428,624	\$ 21,282,301
JURISDICTIONAL PER BOOKS	\$ 121,792,365	43,797,657	16,558,386	24,377,721	9,963,227	(2,581,022)	8,622,163	(82,648)	(4,240)	100,651,244	\$ 21,141,121

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
OCTOBER, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,060,805,203	\$ 1,056,573,609
STORM PROTECTION	6,075,076	5,941,881
LOAD CONTROL	18,085,603	18,085,603
ASSET RETIREMENT OBLIGATION	66,216,775	65,164,378
CAPITAL LEASES	233,357,017	229,126,464
TOTAL	\$ 1,384,539,673	\$ 1,374,891,936
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (107,851,295)	\$ (107,421,072)
STORM PROTECTION	(49,662)	(48,573)
ASSET RETIREMENT OBLIGATION	(22,367,986)	(22,012,487)
LOAD CONTROL	4,651,538	4,651,538
CAPITAL LEASES	(134,447,940)	(131,119,413)
TOTAL	\$ (260,065,345)	\$ (255,950,007)
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	\$ 905,406,253	\$ 882,268,546
CWIP - CLAUSE PROJECTS	123,617,633	122,832,822
TOTAL	\$ 1,029,023,886	\$ 1,005,101,368
WORKING CAPITAL: (SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 556,069,682	\$ 553,660,267
TOTAL ADJUSTMENTS	\$ 2,721,892,912	\$ 2,689,684,478

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
OCTOBER, 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	\$ 1,476,016,983	523,918,289	211,701,363	286,959,866	117,174,940	19,096,334	55,342,188	(426,988)	(17,402)	1,213,748,590	\$ 262,268,392
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,562,403)	0	(32,805)	0	(1,139,060)	(10,912,855)	0	0	0	(12,084,720)	\$ (33,477,682)
FRANCHISE EXPENSE	0	0	0	0	(44,390,538)	10,870,493	0	0	0	(33,520,045)	33,520,045
GROSS RECEIPTS TAX	(32,662,341)	0	0	0	(32,033,477)	(111,650)	0	0	0	(32,145,126)	(517,215)
FINANCIAL PLANNING SERVICES	0	0	(32,205)	0	0	7,895	0	0	0	(24,310)	24,310
ECONOMIC DEVELOPMENT 5%	0	0	(51,136)	0	0	12,520	0	0	0	(38,615)	38,615
FUEL COST RECOVERY	(442,415,387)	(443,424,103)	(250,494)	0	0	17,630,005	(17,891,012)	0	0	(443,935,604)	1,520,217
CONSERVATION COST RECOVERY	(7,672,773)	0	(4,427,521)	(1,429,548)	(243,142)	(342,328)	(22,737)	0	0	(6,465,277)	(1,207,496)
CAPACITY COST RECOVERY	(82,244,836)	(75,357,820)	(8,920,796)	0	0	(136,492)	657,222	0	0	(83,757,887)	1,513,051
ENVIRONMENTAL COST RECOVERY	(159,909,025)	0	(20,137,556)	(38,055,549)	(6,936,714)	(22,277,101)	315,021	0	9	(87,091,889)	(72,817,136)
STORM DEFICIENCY RECOVERY	(84,171,914)	0	0	(84,171,914)	0	0	0	0	0	(84,171,914)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,694,429	(3,967,521)	0	0	726,908	(726,908)
(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	(1,661,305)	0	(21,829)	(220,883)	(395)	(822,791)	485,872	0	0	(580,026)	(1,081,279)
TOTAL FPSC ADJUSTMENTS	\$ (856,299,984)	(518,781,923)	(33,874,341)	(123,877,894)	(84,743,325)	(1,387,875)	(20,423,155)	0	26,409	(783,062,104)	\$ (73,237,879)
FPSC ADJUSTED	\$ 619,716,999	5,136,366	177,827,021	163,081,972	32,431,615	17,708,459	34,919,033	(426,988)	9,007	430,686,486	\$ 189,030,513
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 619,716,999	5,136,366	177,827,021	163,081,972	32,431,615	17,708,459	34,919,033	(426,988)	9,007	430,686,486	\$ 189,030,513
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 50,676,814										

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
OCTOBER, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	29,072,382	28,568,980
ASSET RETIREMENT OBLIGATION	94,732,664	93,227,058
INTEREST & DIVIDENDS RECEIVABLE	332	326
NET UNDERRECOVERED FUEL, CAPACITY, ECCR, ECRC	14,835,295	14,835,295
POLE ATTACHMENTS RENTS RECEIVABLE	1,171,136	1,150,857
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,461,889	1,461,700
TEMPORARY CASH INVESTMENTS	4,238,462	4,165,070
STORM DEFICIENCY RECOVERY	313,411,767	0
JOBGING ACCOUNTS	873,476	858,351
OTH REG ASSETS - CLAUSES	323,149,143	321,862,212
MISC. DEFFERED DEBIT - CLAUSES	35,704	35,747
EMPLOYEE LOAN RECEIVABLES	3,262	3,206
OPERATING LEASES	38,822,493	38,118,676
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	397,984	391,658
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 822,244,952	\$ 504,717,425
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(12,128,392)	(11,918,382)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(2,480,376)	310,151,583
GAIN ON SALE OF EMISSION ALLOWANCE	(133)	(132)
JOBGING ACCOUNTS	(320,219)	(320,219)
STORM DEFICIENCY RECOVERY	(88,883,363)	(88,883,363)
ASSET RETIREMENT OBLIGATION	(138,581,452)	(136,378,949)
DEFERRED TRANSMISSION CREDIT	(9,857,734)	(9,857,734)
OTHER REG LIAB - CLAUSES	(13,900,166)	(13,849,963)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (266,175,269)	\$ 48,942,842
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 556,069,682	\$ 553,660,267

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
OCTOBER, 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	\$ 5,900,419,895	1,974,026,515	3,926,393,380	13,634,985	1,335,758,802	0	5,275,787,167	826,788,559	\$ 6,102,575,726
JURISDICTIONAL PER BOOKS	\$ 5,811,922,420	1,875,577,966	3,936,344,453	13,254,310	1,305,117,534	0	5,254,716,296	781,356,280	\$ 6,036,072,577
FPSC ADJUSTMENTS (SEE SCHEDULE 3, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,428,103,269)	(457,590,817)	(970,512,452)	(11,980,913)	(1,185,687,435)	0	(2,168,180,800)	(553,660,267)	\$ (2,721,841,067)
FPSC ADJUSTED:	\$ 4,383,819,151	1,417,987,149	2,965,832,002	1,273,396	119,430,099	0	3,086,535,497	227,696,013	\$ 3,314,231,510
 <u>PRO FORMA ADJUSTMENTS</u>									
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	\$ 0
PRO FORMA ADJUSTED	\$ 4,383,819,151	1,417,987,149	2,965,832,002	1,273,396	119,430,099	0	3,086,535,497	227,696,013	\$ 3,314,231,510

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
OCTOBER, 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	\$ 1,476,016,983	523,918,289	211,701,363	286,959,866	117,174,940	19,096,334	55,342,188	(426,988)	(17,402)	1,213,748,590	\$ 262,268,392
JURISDICTIONAL PER BOOKS	\$ 1,465,056,513	522,616,035	207,972,034	283,864,000	116,440,291	18,996,741	55,060,802	(419,247)	(17,402)	1,204,513,254	\$ 260,543,259
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,562,403)	0	(32,805)	0	(1,139,060)	(10,804,447)	0	0	0	(11,976,312)	\$ (33,586,090)
FRANCHISE EXPENSE	0	0	0	0	(44,390,538)	10,804,447	0	0	0	(33,586,090)	33,586,090
GROSS RECEIPTS TAX	(32,662,341)	0	0	0	(32,033,477)	(153,063)	0	0	0	(32,186,539)	(475,802)
FINANCIAL PLANNING SERVICES	0	0	(31,572)	0	0	7,685	0	0	0	(23,888)	23,888
ECONOMIC DEVELOPMENT 5%	0	0	(50,131)	0	0	12,202	0	0	0	(37,929)	37,929
FUEL COST REC RETAIL	(442,529,001)	(444,033,395)	(250,494)	0	0	17,831,970	(17,934,332)	0	0	(444,386,250)	1,857,250
CONSERVATION COST RECOVERY	(7,672,773)	0	(4,427,521)	(1,429,548)	(243,142)	(339,963)	(22,737)	0	0	(6,462,911)	(1,209,862)
CAPACITY COST RECOVERY	(82,243,704)	(73,538,664)	(8,702,798)	0	0	(638,373)	657,222	0	0	(82,222,613)	(21,091)
ENVIRONMENTAL COST RECOVERY	(159,909,025)	0	(20,057,685)	(37,903,743)	(6,909,043)	(22,255,953)	315,021	0	9	(86,811,395)	(73,097,630)
STORM DEFICIENCY RECOVERY	(84,171,914)	0	0	(84,171,914)	0	0	0	0	0	(84,171,914)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,907,445	(3,895,593)	0	0	1,011,852	(1,011,852)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(6,426)	0	0	26,400	19,974	(19,974)
STORM PROTECTION PLAN COST RECOVERY	(1,661,305)	0	(21,504)	(216,040)	(395)	(812,638)	485,872	0	0	(564,706)	(1,096,599)
TOTAL FPSC ADJUSTMENTS	\$ (856,412,466)	(517,572,059)	(33,574,511)	(123,721,246)	(84,715,654)	(1,447,114)	(20,394,547)	0	26,409	(781,398,722)	\$ (75,013,744)
FPSC ADJUSTED	\$ 608,644,047	5,043,976	174,397,523	160,142,754	31,724,637	17,549,627	34,666,255	(419,247)	9,007	423,114,532	\$ 185,529,515
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 608,644,047	5,043,976	174,397,523	160,142,754	31,724,637	17,549,627	34,666,255	(419,247)	9,007	423,114,532	\$ 185,529,515
(A) THE ADDITION OF EARNINGS FROM AFUDC											
WOULD INCREASE THE SYSTEM NOI BY	\$ 50,676,814										
AND THE JURISDICTIONAL NOI BY	\$ 49,799,320										

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
OCTOBER, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,073,954,127	\$ 1,069,670,082
LOAD CONTROL	18,181,992	18,181,992
ASSET RETIREMENT OBLIGATION	77,560,548	76,327,862
CAPITAL LEASES	247,188,725	242,707,416
STORM PROTECTION	21,691,496	21,215,917
TOTAL	<u>\$ 1,438,576,887</u>	<u>\$ 1,428,103,269</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (270,537,217)	\$ (269,458,033)
ASSET RETIREMENT OBLIGATION	(32,062,971)	(31,553,387)
LOAD CONTROL	4,141,153	4,141,153
CAPITAL LEASES	(164,581,516)	(160,506,971)
STORM PROTECTION	(218,366)	(213,579)
TOTAL	<u>\$ (463,258,916)</u>	<u>\$ (457,590,817)</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	\$ 1,078,159,021	\$ 1,050,789,766
CWIP - CLAUSE PROJECTS	136,123,180	134,897,668
TOTAL	<u>\$ 1,214,282,201</u>	<u>\$ 1,185,687,435</u>
WORKING CAPITAL:	\$ 556,069,682	\$ 553,660,267
(SEE SCHEDULE 2, PAGE 3B OF 3)		
TOTAL ADJUSTMENTS	<u>\$ 2,757,994,870</u>	<u>\$ 2,721,841,067</u>

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
OCTOBER, 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	\$ 1,476,016,983	523,918,289	211,701,363	286,959,866	117,174,940	19,096,334	55,342,188	(426,988)	(17,402)	1,213,748,590	\$ 262,268,392
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,562,403)	0	(32,805)	0	(1,139,060)	(10,912,855)	0	0	0	(12,084,720)	\$ (33,477,682)
FRANCHISE EXPENSE	0	0	0	0	(44,390,538)	10,870,493	0	0	0	(33,520,045)	33,520,045
GROSS RECEIPTS TAX	(32,662,341)	0	0	0	(32,033,477)	(111,650)	0	0	0	(32,145,126)	(517,215)
FINANCIAL PLANNING SERVICES	0	0	(32,205)	0	0	7,895	0	0	0	(24,310)	24,310
ECONOMIC DEVELOPMENT 5%	0	0	(51,136)	0	0	12,520	0	0	0	(38,615)	38,615
FUEL COST REC RETAIL	(442,415,387)	(443,424,103)	(250,494)	0	0	17,630,005	(17,891,012)	0	0	(443,935,604)	1,520,217
CONSERVATION COST RECOVERY	(7,672,773)	0	(4,427,521)	(1,429,548)	(243,142)	(342,328)	(22,737)	0	0	(6,465,277)	(1,207,496)
CAPACITY COST RECOVERY	(82,244,836)	(75,357,820)	(8,920,796)	0	0	(136,492)	657,222	0	0	(83,757,887)	1,513,051
ENVIRONMENTAL COST RECOVERY	(159,909,025)	0	(20,137,556)	(38,055,549)	(6,936,714)	(22,277,101)	315,021	0	9	(87,091,889)	(72,817,136)
STORM DEFICIENCY RECOVERY	(84,171,914)	0	0	(84,171,914)	0	0	0	0	0	(84,171,914)	0
INTEREST SYNCHRONIZATION	0	0	0	0	0	5,042,809	(3,967,521)	0	0	1,075,288	(1,075,288)
(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	(1,661,305)	0	(21,829)	(220,883)	(395)	(822,791)	485,872	0	0	(580,026)	(1,081,279)
TOTAL FPSC ADJUSTMENTS	\$ (856,299,984)	(518,781,923)	(33,874,341)	(123,877,894)	(84,743,325)	(1,039,496)	(20,423,155)	0	26,409	(782,713,725)	\$ (73,586,259)
FPSC ADJUSTED	\$ 619,716,999	5,136,366	177,827,021	163,081,972	32,431,615	18,056,838	34,919,033	(426,988)	9,007	431,034,865	\$ 188,682,133
PRO FORMA ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS:	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
PRO FORMA SYSTEM PER BOOKS ADJUSTED	\$ 619,716,999	5,136,366	177,827,021	163,081,972	32,431,615	18,056,838	34,919,033	(426,988)	9,007	431,034,865	\$ 188,682,133
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 50,676,814										

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
OCTOBER, 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	\$ 1,676,302,205	\$ 1,652,078,112	\$ (669,327,553)	\$ (137,587,428)	\$ 845,163,131	26.12%	2.57%	0.67%	2.57%	0.67%	2.57%	0.67%
SHORT TERM DEBT	355,567,919	350,335,852	(154,830,558)	-	195,505,293	6.04%	0.88%	0.05%	0.88%	0.05%	0.88%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,858,806,474	2,816,595,000	(1,249,147,791)	9,857,734	1,577,304,943	48.75%	9.25%	4.51%	10.25%	5.00%	11.25%	5.48%
CUSTOMER DEPOSITS	38,132,831	38,218,511	(16,890,631)	-	21,327,881	0.66%	1.82%	0.01%	1.82%	0.01%	1.82%	0.01%
DEFERRED INCOME TAX	742,280,259	731,348,593	(323,496,567)	628,651	408,480,677	12.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	317,155,673	312,488,829	(138,104,107)	-	174,384,722	5.39%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	24,770,542	24,406,052	(10,786,229)	-	13,619,823	0.42%	6.92%	0.03%	7.57%	0.03%	8.22%	0.03%
TOTAL	\$ 6,013,015,903	\$ 5,925,470,948	\$ (2,562,583,435)	\$ (127,101,043)	\$ 3,235,786,470	100.00%		5.27%		5.76%		6.25%

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	\$ 1,612,236,300	\$ 1,593,002,696	\$ (648,242,553)	\$ (121,780,821)	\$ 822,979,322	24.83%	2.48%	0.62%	2.48%	0.62%	2.48%	0.62%
SHORT TERM DEBT	510,410,874	504,988,480	(222,505,543)	-	282,482,938	8.52%	0.61%	0.05%	0.61%	0.05%	0.61%	0.05%
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
COMMON EQUITY	2,856,635,273	2,826,367,385	(1,249,683,575)	9,857,734	1,586,541,544	47.87%	9.25%	4.43%	10.25%	4.91%	11.25%	5.39%
CUSTOMER DEPOSITS	38,277,697	38,220,098	(16,840,352)	-	21,379,746	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%
DEFERRED INCOME TAX	760,737,162	752,660,496	(331,910,563)	628,651	421,378,585	12.71%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FAS 109 DEFERRED INCOME TAX	300,349,878	297,159,085	(130,932,776)	-	166,226,309	5.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
INVESTMENT TAX CREDITS (1)	23,928,542	23,674,335	(10,431,269)	(0)	13,243,066	0.40%	6.94%	0.03%	7.60%	0.03%	8.26%	0.03%
TOTAL	\$ 6,102,575,726	\$ 6,036,072,577	\$ (2,610,546,630)	\$ (111,294,436)	\$ 3,314,231,510	100.00%		5.14%		5.62%		6.10%

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
OCTOBER, 2021

SCHEDULE 5: PAGE 1 OF 2

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	297,221,095
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION		15,654,062
INCOME TAXES		73,962,074
TOTAL	\$	<u>386,837,231</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	<u>43,641,397</u>
TIMES INTEREST EARNED WITH AFUDC		<u>8.86</u>

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$	297,221,095
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		(35,022,753)
INCOME TAXES		73,962,074
TOTAL	\$	<u>336,160,416</u>
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$	<u>43,641,397</u>
TIMES INTEREST EARNED WITHOUT AFUDC		<u>7.70</u>

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$	15,654,062
X (1 - INCOME_TAX_RATE)		0.7566
SUBTOTAL	\$	<u>11,843,937</u>
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION		35,022,753
TOTAL	\$	<u>46,866,690</u>
NET INCOME AVAILABLE FOR COMMON	\$	<u>269,233,760</u>
AFUDC AS PERCENT OF NET INCOME		<u>17.41%</u>

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$	269,233,760
PREFERRED DIVIDENDS DECLARED		0
COMMON DIVIDENDS		(95,000,000)
AFUDC (DEBT & OTHER)		(50,676,814)
DEPRECIATION AND AMORTIZATION EXPENSE		286,959,866
DEFERRED INCOME TAXES		54,806,047
INVESTMENT TAX CREDITS		(426,988)
CLAUSE OVER/UNDER RECOVERY		(63,614,717)
OTHER		268,951
INTERNALLY GENERATED FUNDS	\$	<u>401,550,104</u>

CONSTRUCTION EXPENDITURES \$ 1,349,681,973

PERCENT INTERNALLY GENERATED FUNDS 29.75%

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	\$	845,163,131
JURIS ADJUSTED SHORT TERM DEBT		195,505,293
JURIS ADJUSTED PREFERRED STOCK		0
JURIS ADJUSTED COMMON STOCK		1,577,304,943
TOTAL	\$	<u>2,617,973,367</u>
LTD TO TOTAL INVESTOR FUNDS		<u>32.28%</u>
STD TO TOTAL INVESTOR FUNDS		<u>7.47%</u>

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

	G. FPSC ADJ.	H. PROFORMA
RATE OF RETURN	5.74%	5.74%
LESS: RECONCILED AVG. RETAIL WEIGHTED COST RATES FOR :		
LONG TERM DEBT	0.67%	0.67%
SHORT TERM DEBT	0.05%	0.05%
PREFERRED STOCK	0.00%	0.00%
CUSTOMER DEPOSITS	0.01%	0.01%
TAX CREDITS - WEIGHTED COST	0.03%	0.03%
SUBTOTAL	<u>0.77%</u>	<u>0.77%</u>
TOTAL	<u>4.97%</u>	<u>4.97%</u>
DIVIDED BY COMMON EQUITY RATIO	<u>48.75%</u>	<u>48.75%</u>
JURISDICTIONAL RETURN ON COMMON EQUITY	<u>10.21%</u>	<u>10.21%</u>

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

Supplemental 1

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