

Susan D. Ritenour
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July 14, 2014

Bart Fletcher
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. Fletcher:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of May 2014.

Sincerely,

Susan D. Ritenour

md

Enclosure

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

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FLORIDA PUBLIC SERVICE
COMMISSION
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DIVISION OF
ACCOUNTING & FINANCE

May 2014

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
May, 2014

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	177,012,288	(64,665,970)	112,346,318	0	112,346,318
Average Rate Base	3,077,633,306	(1,187,954,308)	1,889,678,998	0	1,889,678,998
Average Rate of Return	5.75%		5.95%		5.95%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	177,008,463	(65,034,245)	111,974,218	0	111,974,218
Year End Rate Base	3,175,366,973	(1,246,835,828)	1,928,531,145	0	1,928,531,145
Year End Rate of Return	5.57%		5.81%		5.81%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

**III. Required Rates of Return
Average Capital Structure
(FPSC Adjusted Basis)**

Low	5.41%
Midpoint	5.78%
High	6.15%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.11 x (System per Books Basis)
B. Tie Without AFUDC	4.89 x (System per Books Basis)
C. AFUDC To Net Income	7.79% (System per Books Basis)
D. Internally Generated Funds	74.89% (System per Books Basis)
E. LTD To Total Investor Funds	45.87% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.68% (FPSC Adjusted Basis)
G. Return on Common Equity	10.69% (FPSC Adjusted Basis)
H. Return on Common Equity	10.69% (Proforma Basis)

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.

Name and Title
Susan D. Ritenour
Corporate Planning Manager, Corporate Treasurer & Secretary

Signature
Susan D. Ritenour

Date
7/11/14

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
May, 2014

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	4,330,552,709	1,434,771,651	2,895,781,058	17,520,135	272,224,482	0	3,185,525,675	229,152,385	3,414,678,060
JURISDICTIONAL PER BOOKS	3,862,470,107	1,296,080,742	2,566,389,365	17,007,586	257,918,920	0	2,841,315,871	236,317,435	3,077,633,306
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,474,124)	(131,986,822)	(883,487,302)		(4,645,766)		(888,133,068)	(7,644,975)	(895,778,043)
INT BEARING CWIP					(210,140,289)		(210,140,289)	0	(210,140,289)
ENERGY CONSERVATION CLAUSE	(11,238,471)	5,769,053	(17,007,524)		(4,594)		(17,012,118)	(2,066,766)	(19,078,883)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES / RETIREES								(27,435)	(27,435)
INTEREST AND DIVIDENDS RECEIVABLE								(2,261)	(2,261)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,603,355)			(12,603,355)	(4,543,660)	(17,147,015)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(41,233,242)	(41,233,242)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,547,140)	(4,547,140)
TOTAL FPSC ADJUSTMENTS	(1,026,712,595)	(126,217,769)	(900,494,826)	(12,603,355)	(214,790,649)	0	(1,127,888,830)	(60,065,478)	(1,187,954,308)
FPSC ADJUSTED	2,835,757,512	1,169,862,973	1,665,894,539	4,404,231	43,128,271	0	1,713,427,041	176,251,957	1,889,678,998
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUST	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	2,835,757,512	1,169,862,973	1,665,894,539	4,404,231	43,128,271	0	1,713,427,041	176,251,957	1,889,678,998

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
May, 2014

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	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,535,844,900	686,112,985	312,349,244	146,622,286	102,936,963	24,601,705	66,173,441	(1,318,960)	0	1,337,477,765	198,367,135 (a)
JURISDICTIONAL PER BOOKS	1,286,320,553	516,317,198	295,156,502	136,275,937	101,333,344	24,589,006	48,939,212	(969,859)	0	1,121,641,340	164,679,213 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(471,034,924)	(470,709,392)				(125,574)				(470,834,966)	(199,958)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(45,255,762)	(45,439,518)				70,884				(45,368,634)	112,872
ENERGY CONSERVATION COST REVENUES & EXPENSES	(22,613,595)		(20,278,801)	(316,287)	(396,154)	(625,822)				(21,617,064)	(996,530)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,288,592)		(28,964,029)	(39,485,220)	(1,794,301)	(28,948,625)				(99,192,175)	(46,096,417)
FRANCHISE FEE REVENUE & EXPENSE	(39,500,235)				(38,494,844)	(367,830)				(38,882,674)	(617,561)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,337,068)				(28,993,756)	(132,441)				(29,126,197)	(210,890)
MARKETING SUPPORT ACTIVITIES			(169,014)			65,197				(103,817)	103,817
WHOLESALE EXPENSES		(168,288)				64,917				(103,371)	103,371
INSTITUTIONAL ADVERTISING EXPENSE			(72,032)			27,786				(44,246)	44,246
ECONOMIC DEVELOPMENT EXPENSE			(50,040)			19,303				(30,737)	30,737
MGMT FINANCIAL PLANNING SERVICES			(32,399)			12,498				(19,901)	19,901
DIRECTORS' & OFFICERS' INSURANCE			(46,862)			18,077				(28,785)	28,785
INDUSTRY ASSOCIATION DUES			(184)			71				(113)	113
TALLAHASSEE LIAISON EXPENSES			(259,603)		(11,187)	104,457				(166,333)	166,333
DEPRECIATION CREDIT ADJUSTMENT				0		0				0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,379,166)	532,013				(847,153)	847,153
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						206,369		(534,982)		(328,613)	328,613
INTEREST SYNCHRONIZATION						5,997,478				5,997,478	(5,997,478)
TOTAL FPSC ADJUSTMENTS	(753,030,195)	(516,317,198)	(49,872,964)	(39,801,507)	(71,069,408)	(23,101,242)	0	0	(534,982)	(700,697,301)	(52,332,895)
FPSC ADJUSTED	533,290,357	0	245,283,538	96,474,430	30,263,936	1,487,764	48,939,212	(969,859)	(534,982)	420,944,039	112,346,318
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	533,290,357	0	245,283,538	96,474,430	30,263,936	1,487,764	48,939,212	(969,859)	(534,982)	420,944,039	112,346,318
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,626,411	AND THE JURISDICTIONAL NOI BY	12,333,075					
CURRENT MONTH SYSTEM PER BOOKS	133,525,014	59,253,840	27,702,621	12,840,001	8,407,967	6,784,932	1,389,559	(105,992)	0	116,272,928	17,252,086
CURRENT MONTH JURISDICTIONAL PER BOOKS	109,163,791	43,019,689	25,024,428	12,463,385	8,269,138	5,518,652	939,018	(76,979)	0	95,157,331	14,026,461

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
May, 2014

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,045,219,700)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(842,838,009)	(247,973,991)
ACCUMULATED DEPRECIATION	135,867,962	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,168,487)	(57,541,744)
CWIP	(4,786,204)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,510,013)	(17,555,487)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,238,471)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(22,813,595)	(8,723,194)
ACCUMULATED DEPRECIATION	(5,769,053)	FUEL EXPENSE	(839,023,604)	246,503,355
CWIP	(4,594)	PURCHASED POWER CAPACITY COST EXPENSE	(47,017,232)	18,136,897
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(20,595,088)	7,944,555
FAS 143 NET PLANT	(14,911,458)	CONSERVATION EXPENSES - OTHER TAXES	(398,154)	152,816
INTEREST BEARING CWIP	(215,138,374)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,254,369)	27,872,123
PHFU - NORTH ESCAMBIA	(12,983,176)	FRANCHISE FEE REVENUES	(39,500,235)	(15,237,218)
WORKING CAPITAL:		FRANCHISE FEE	(38,494,844)	14,849,386
ECRC WORKING CAPITAL	(7,868,334)	GROSS RECEIPTS TAX REVENUES	(29,337,088)	(11,316,782)
CONSERVATION/AEM INVENTORY	(2,066,766)	GROSS RECEIPTS TAX EXPENSE	(28,993,756)	11,184,341
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	MARKETING SUPPORT ACTIVITIES	(169,014)	65,197
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSE	(173,417)	66,896
LOANS TO EMPLOYEES AND RETIREES	(28,633)	INSTITUTIONAL ADVERTISING EXPENSE	(73,451)	28,334
INTEREST & DIVIDENDS RECEIVABLE	(2,360)	ECONOMIC DEVELOPMENT EXPENSE	(50,040)	19,303
NORTH ESCAMBIA SITE	(4,742,189)	MGMT FINANCIAL PLANNING SERVICES	(33,114)	12,774
UNAMORTIZED RATE CASE EXPENSE	(4,745,821)	DIRECTORS' & OFFICERS' INSURANCE	(47,896)	18,476
DEPRECIATION CREDIT ADJUSTMENT	0	INDUSTRY ASSOCIATION DUES	(188)	72
FUEL RELATED DEFERRED DEBITS	(41,233,242)	TALLAHASSEE LIAISON EXPENSE	(276,771)	106,785
UNREALIZED LOSS ON FWD CONTRACT	(589)	DEPRECIATION CREDIT ADJUSTMENT	0	0
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,379,168)	532,013
FAS 143 WORKING CAPITAL	25,917,344	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFUN. ESC REV	53,381	20,592
FAS 158 REGULATORY ASSETS	(110,845,500)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(558,589)	215,476
FAS 158 REGULATORY LIABILITIES	110,845,500	INTEREST SYNCHRONIZATION	6,398,287	6,398,287
PPA REGULATORY ASSETS	(182,195,749)			
PPA REGULATORY LIABILITIES	182,195,749			
FAS 133 REGULATORY ASSETS	(28,005,449)			
FAS 133 REGULATORY LIABILITIES	28,005,449			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
May, 2014

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	4,412,987,324	1,484,963,625	2,928,023,699	15,476,655	341,033,566	0	3,284,533,921	229,152,385	3,513,686,306
JURISDICTIONAL PER BOOKS	3,936,166,020	1,342,089,725	2,594,076,295	15,023,888	329,588,854	0	2,938,689,037	236,677,936	3,175,366,973
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,015,386,105)	(151,332,723)	(864,053,382)		(10,091,726)		(874,145,108)	(7,644,975)	(881,790,083)
INT BEARING CWIP					(282,149,221)		(282,149,221)	0	(282,149,221)
ENERGY CONSERVATION CLAUSE	(11,564,114)	6,331,762	(17,895,876)				(17,895,876)	(2,066,766)	(19,962,642)
TRANSMISSION INVESTMENT PURSUANT TO STIP. & SETT.								0	0
CAPITALIZED DEF. EARNINGS ON TRANSM PURSUANT TO STIP. & SETT.								0	0
LOANS TO EMPLOYEES AND RETIREES								(27,435)	(27,435)
INTEREST AND DIVIDENDS RECEIVABLE								(2,261)	(2,261)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,580,144)			(12,580,144)	(4,543,660)	(17,123,804)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(41,233,242)	(41,233,242)
ACCRUED PROVISION FOR REFUND								0	0
								(4,547,140)	(4,547,140)
TOTAL FPSC ADJUSTMENTS	(1,026,950,219)	(145,000,961)	(881,949,258)	(12,580,144)	(292,240,947)	0	(1,186,770,349)	(60,065,479)	(1,246,835,828)
FPSC ADJUSTED	2,909,215,801	1,197,088,764	1,712,127,037	2,443,744	37,347,907	0	1,751,918,688	176,612,457	1,928,531,145
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	2,909,215,801	1,197,088,764	1,712,127,037	2,443,744	37,347,907	0	1,751,918,688	176,612,457	1,928,531,145

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
May, 2014

SCHEDULE 3
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	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,535,844,900	686,112,985	312,349,244	146,622,286	102,936,963	24,601,705	66,173,441	(1,318,860)	0	1,337,477,785	198,367,135 (a)
JURISDICTIONAL PER BOOKS	1,286,320,553	516,317,198	295,156,502	136,275,937	101,333,344	24,588,818	48,943,425	(969,859)	0	1,121,645,165	164,675,388 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(471,034,924)	(470,709,392)				(125,574)				(470,834,966)	(199,958)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(45,255,762)	(45,439,518)				70,884				(45,368,634)	112,872
ENERGY CONSERVATION COST REVENUES & EXPENSES	(22,613,595)		(20,278,801)	(316,287)	(396,154)	(625,822)				(21,617,064)	(996,530)
ENVIRONMENTAL COST RECOVERY CLAUSE	(145,288,592)		(28,964,029)	(39,485,220)	(1,794,301)	(28,948,625)				(99,192,175)	(46,096,417)
FRANCHISE FEE REVENUE & EXPENSE	(39,500,235)				(38,494,844)	(387,830)				(38,882,674)	(617,561)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(29,337,088)				(28,993,756)	(132,441)				(29,128,197)	(210,890)
MARKETING SUPPORT ACTIVITIES			(169,014)			65,197				(103,817)	103,817
WHOLESALE EXPENSES		(168,288)				64,917				(103,371)	103,371
INSTITUTIONAL ADVERTISING EXPENSE			(72,032)			27,786				(44,246)	44,246
ECONOMIC DEVELOPMENT EXPENSE			(50,040)			19,303				(30,737)	30,737
MGMT FINANCIAL PLANNING SERVICES			(32,399)			12,498				(19,901)	19,901
DIRECTORS' & OFFICERS' INSURANCE			(46,862)			18,077				(28,785)	28,785
INDUSTRY ASSOCIATION DUES			(184)			71				(113)	113
TALLAHASSEE LIAISON EXPENSES			(259,603)		(11,187)	104,457				(166,333)	166,333
DEPRECIATION CREDIT ADJUSTMENT				0						0	0
GRT, FPSC FEES ON CLAUSES & FEES					(1,379,166)	532,013				(847,153)	847,153
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						206,369			(534,982)	(328,613)	328,613
INTEREST SYNCHRONIZATION						6,385,753				6,385,753	(6,385,753)
TOTAL FPSC ADJUSTMENTS	(753,030,195)	(516,317,198)	(49,872,964)	(39,801,507)	(71,069,408)	(22,732,967)	0	0	(534,982)	(700,329,026)	(52,701,170)
FPSC ADJUSTED	533,290,357	0	245,283,538	96,474,430	30,263,936	1,855,651	48,943,425	(969,859)	(534,982)	421,316,139	111,974,218
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	533,290,357	0	245,283,538	96,474,430	30,263,936	1,855,651	48,943,425	(969,859)	(534,982)	421,316,139	111,974,218

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY

12,626,411

AND THE JURISDICTIONAL NOI BY

12,333,075

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
May, 2014

SCHEDULE 3
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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,045,820,885)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(842,836,009)	(247,973,991)
ACCUMULATED DEPRECIATION	155,868,710	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(149,168,487)	(57,541,744)
CWIP	(10,394,211)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(45,510,013)	(17,555,487)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(11,564,114)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(22,613,595)	(8,723,194)
ACCUMULATED DEPRECIATION	(6,331,762)	FUEL EXPENSE	(839,023,604)	246,503,355
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(47,017,232)	18,136,897
TRANSMISSION PURSUANT TO STIP. & SETT. INVESTMENT	0	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(20,595,088)	7,944,555
FAS 143 NET PLANT	(15,231,160)	CONSERVATION EXPENSES - OTHER TAXES	(396,154)	152,816
INTEREST BEARING CWIP	(288,860,003)	ENVIRONMENTAL COST RECOVERY EXPENSE	(72,254,369)	27,872,123
PHFU - NORTH ESCAMBIA	(12,959,265)	FRANCHISE FEE REVENUES	(39,500,235)	(15,237,216)
		FRANCHISE FEE	(38,494,844)	14,849,386
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(29,337,088)	(11,316,782)
ECRC WORKING CAPITAL	(7,868,334)	GROSS RECEIPTS TAX EXPENSE	(26,983,756)	11,184,341
CONSERVATION/AEM INVENTORY	(2,066,766)	MARKETING SUPPORT ACTIVITIES	(169,014)	65,197
CAPITALIZED DEF. EARNINGS ON TRANSMISSION PURSUANT TO STIP. & SETT.	0	WHOLESALE EXPENSE	(173,417)	66,896
FUNDED PROPERTY INSURANCE RESERVE	0	INSTITUTIONAL ADVERTISING EXPENSE	(73,451)	28,334
LOANS TO EMPLOYEES AND RETIREES	(28,633)	ECONOMIC DEVELOPMENT EXPENSE	(50,040)	19,303
INTEREST & DIVIDENDS RECEIVABLE	(2,360)	MGMT FINANCIAL PLANNING SERVICES	(33,114)	12,774
NORTH ESCAMBIA SITE	(4,742,189)	DIRECTORS' & OFFICERS' INSURANCE	(47,896)	18,476
UNAMORTIZED RATE CASE EXPENSE	(4,745,821)	INDUSTRY ASSOCIATION DUES	(188)	72
DEPRECIATION CREDIT ADJUSTMENT	0	TALLAHASSEE LIAISON EXPENSE	(276,771)	106,765
FUEL RELATED DEFERRED DEBITS	(41,233,242)	DEPRECIATION CREDIT ADJUSTMENT	0	0
UNREALIZED LOSS ON FWD CONTRACT	(589)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,379,166)	532,013
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES\TRANS REV\I/L SALE GAS\PROV RT REF.N. ESC REV	53,381	20,592
FAS 143 WORKING CAPITAL	25,917,344	GAIN/LOSS ON DISPOSITION OF PROPERTY	(558,589)	215,476
FAS 158 REGULATORY ASSETS	(110,845,500)	INTEREST SYNCHRONIZATION	6,830,737	6,830,737
FAS 158 REGULATORY LIABILITIES	110,845,500			
PPA REGULATORY ASSETS	(182,195,749)			
PPA REGULATORY LIABILITIES	182,195,749			
FAS 133 REGULATORY ASSETS	(28,005,449)			
FAS 133 REGULATORY LIABILITIES	28,005,449			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
May, 2014

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,219,733,911	1,108,809,616	(427,996,135)	0	680,813,481	36.03	4.70	1.69	4.70	1.69	4.70	1.69
SHORT TERM DEBT	89,826,741	40,681,318	(15,702,828)	0	24,978,490	1.32	0.35	0.00	0.35	0.00	0.35	0.00
PREFERENCE STOCK	142,786,275	129,808,675	(50,105,636)	0	79,703,039	4.22	6.15	0.26	6.15	0.26	6.15	0.26
CUSTOMER DEPOSITS	34,720,354	35,178,414	(13,578,729)	0	21,599,685	1.14	2.41	0.03	2.41	0.03	2.41	0.03
COMMON EQUITY	1,244,130,324	1,137,899,091	(439,224,558)	0	698,674,533	36.97	9.25	3.42	10.25	3.79	11.25	4.16
DEFERRED INCOME TAXES	714,920,127	661,776,410	(255,443,082)	0	406,333,328	21.50						
FASB 109 DEFERRED TAXES	(43,326,737)	(40,106,037)	15,480,772	0	(24,625,265)	(1.30)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	4,175,734	3,585,819	(1,384,112)	0	2,201,707	0.12	6.96	0.01	7.44	0.01	7.92	0.01
TOTAL	3,406,966,729	3,077,633,306	(1,187,954,308)	0	1,889,678,998	100.00 %		5.41 %		5.78 %		6.15 %

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT		MIDPOINT		HIGH POINT	
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,207,278,907	1,103,996,791	(433,494,070)	0	670,502,721	34.77	4.64	1.61	4.64	1.61	4.64	1.61
SHORT TERM DEBT	108,586,915	58,195,067	(22,850,806)	0	35,344,261	1.83	0.17	0.00	0.17	0.00	0.17	0.00
PREFERENCE STOCK	146,503,864	133,970,531	(52,604,710)	0	81,365,821	4.22	6.14	0.26	6.14	0.26	6.14	0.26
CUSTOMER DEPOSITS	34,764,446	35,331,895	(13,873,380)	0	21,458,515	1.11	2.31	0.03	2.31	0.03	2.31	0.03
COMMON EQUITY	1,282,129,580	1,188,995,362	(466,869,508)	0	722,125,854	37.44	9.25	3.46	10.25	3.84	11.25	4.21
DEFERRED INCOME TAXES	746,180,571	693,953,652	(272,487,017)	0	421,466,635	21.86						
FASB 109 DEFERRED TAXES	(45,363,888)	(42,188,762)	16,565,789	0	(25,622,973)	(1.33)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	3,525,334	3,112,437	(1,222,126)	0	1,890,311	0.10	6.98	0.01	7.47	0.01	7.96	0.01
TOTAL	3,483,605,729	3,175,366,973	(1,246,835,828)	0	1,928,531,145	100.00 %		5.37 %		5.75 %		6.12 %

GULF POWER COMPANY
Financial Integrity Indicators
May, 2014

A. Times Interest Earned with AFUDC

Earnings Before Interest	204,818,468
AFUDC - Debt	4,150,253
Income Taxes	90,085,905
	<hr/>
Total	299,054,626
Interest Charges (Before Deducting AFUDC - Debt)	58,562,470
	<hr/>
T.I.E. With AFUDC	5.11 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	204,818,468
AFUDC - Other	(8,476,158)
Income Taxes	90,085,905
	<hr/>
Total	286,428,215
Interest Charges (Before Deducting AFUDC - Debt)	58,562,470
	<hr/>
T.I.E. Without AFUDC	4.89 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	4,150,253
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	2,549,293
AFUDC - Other	8,476,158
	<hr/>
Total	11,025,451
	<hr/>
Net Income Available for Common Stockholders	141,535,974
Percent AFUDC to Available Net Income	7.79%

D. Percent Internally Generated Funds

Net Income	150,406,252
Preference Dividends	(8,870,278)
Common Dividends	(119,300,000)
AFUDC (Debt & Other)	(12,626,411)
Depreciation & Amortization	155,272,685
Deferred Income Taxes	66,153,570
Investment Tax Credits	0
Other	3,555,843
	<hr/>
Total	234,591,661
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	313,263,706
	<hr/>
Percent Internally Generated Funds	74.89%

E. Long Term Debt as Percent of Total Investor Capital
(See calculation in item F. below)F. Short Term Debt as Percent of Total Investor Capital
Reconciled Average Retail Amounts

Long Term Debt	680,813,481
Short Term Debt	24,978,490
Preference Stock	79,703,039
Common Equity	698,674,533
	<hr/>
Total	1,484,169,543
	<hr/>
% Long Term Debt To Total	45.87%
	<hr/>
% Short Term Debt To Total	1.68%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.95%	5.95%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.69)	(1.69)
Short Term Debt	(0.00)	(0.00)
Preference Stock	(0.26)	(0.26)
Customer Deposits	(0.03)	(0.03)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.01)	(0.01)
	<hr/>	<hr/>
Subtotal	(1.99)	(1.99)
	<hr/>	<hr/>
Total	3.95	3.95
Divided by Common Equity Ratio	36.97	36.97
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.69%	10.69%