

**Terry A. Davis**  
Assistant Secretary and  
Assistant Treasurer

One Energy Place  
Pensacola, Florida 32520-0786

Tel 850.444.6664  
Fax 850.444.6026  
TADAVIS@southernco.com



May 14, 2012

Mr. John Slemkewicz  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of March 2012.

Sincerely,

A handwritten signature in cursive script that reads "Terry A. Davis".

wb

enclosure

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

GOV 2-1-5-3

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DIVISION OF ECONOMIC REGULATION

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
March, 2012

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	150,917,343	(75,489,121)	75,428,222	0	75,428,222
Average Rate Base	2,622,019,652	(1,003,944,508)	1,618,075,144	0	1,618,075,144
Average Rate of Return	5.76%		4.66%		4.66%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	150,886,990	(74,974,135)	75,912,855	0	75,912,855
Year End Rate Base	2,751,318,743	(1,072,846,410)	1,678,472,333	0	1,678,472,333
Year End Rate of Return	5.48%		4.52%		4.52%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.43%
Midpoint	6.90%
High	7.19%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	3.94 x (System per Books Basis)
B. Tie Without AFUDC	3.74 x (System per Books Basis)
C. AFUDC To Net Income	9.85% (System per Books Basis)
D. Internally Generated Funds	82.70% (System per Books Basis)
E. LTD To Total Investor Funds	48.61% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.31% (FPSC Adjusted Basis)
G. Return on Common Equity	6.09% (FPSC Adjusted Basis)
H. Return on Common Equity	6.09% (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	Signature	Date
Susan D. Ritenour Secretary, Treasurer & Regulatory Mgr		<u>5/11/12</u>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
March, 2012

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)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
<b>SYSTEM PER BOOKS</b>	3,800,700,873	1,321,356,254	2,479,344,619	6,522,375	255,011,912	0	2,740,878,906	224,291,214	2,965,170,120
<b>JURISDICTIONAL PER BOOKS</b>	3,342,366,443	1,192,525,594	2,149,840,849	6,318,293	243,017,215	0	2,399,176,357	222,843,295	2,622,019,652
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(835,928,554)	(71,261,155)	(764,667,399)		(4,896,877)		(769,564,276)	(10,156,149)	(779,720,425)
INT BEARING CWIP					(184,082,627)		(184,082,627)	0	(184,082,627)
ENERGY CONSERVATION CLAUSE	(10,256,090)	1,717,964	(11,974,054)		(0)		(11,974,054)	(1,844,581)	(13,818,635)
LOANS TO EMPLOYEES / RETIREES								(46,480)	(46,480)
INTEREST AND DIVIDENDS RECEIVABLE								(231,336)	(231,336)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV				(970,308)			(970,308)	(15,077,355)	(16,047,663)
FUEL RELATED DEFERRED DEBITS								(10,321,694)	(10,321,694)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								324,352	324,352
SALE OF RAILCARS								0	0
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(846,184,644)</b>	<b>(69,543,191)</b>	<b>(776,641,453)</b>	<b>(970,308)</b>	<b>(188,979,504)</b>	<b>0</b>	<b>(966,591,265)</b>	<b>(37,353,243)</b>	<b>(1,003,944,508)</b>
<b>FPSC ADJUSTED</b>	<b>2,496,181,799</b>	<b>1,122,982,403</b>	<b>1,373,199,396</b>	<b>5,347,985</b>	<b>54,037,711</b>	<b>0</b>	<b>1,432,585,092</b>	<b>185,490,052</b>	<b>1,618,075,144</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,496,181,799</b>	<b>1,122,982,403</b>	<b>1,373,199,396</b>	<b>5,347,985</b>	<b>54,037,711</b>	<b>0</b>	<b>1,432,585,092</b>	<b>185,490,052</b>	<b>1,618,075,144</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
March, 2012

SCHEDULE 2  
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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	TOTAL OPERATING EXPENSES	NET OPERATING INCOME	
SYSTEM PER BOOKS	1,511,612,230	725,488,108	312,954,008	132,551,146	100,190,272	(32,511,103)	101,174,183	(1,349,499)	0	1,338,497,115	173,115,115	(a)
JURISDICTIONAL PER BOOKS	1,245,671,064	535,382,861	299,016,132	121,674,315	98,525,540	(1,291,679)	54,654,715	(992,747)	0	1,106,969,136	138,701,928	(a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(145,297,258)		(22,532,302)	(33,309,949)	(977,112)	(34,130,348)				(90,949,711)	(54,347,547)	
GROSS RECEIPTS TAX REVENUE	(30,282,342)					(11,681,414)				(11,681,414)	(18,600,928)	
MARKETING SUPPORT ACTIVITIES			(147,867)			57,040				(90,827)	90,827	
GAIN/LOSS ON DISPOSITION										0	0	
MGMT FINANCIAL PLANNING SERVICES			(114,124)			44,023				(70,101)	70,101	
FRANCHISE FEE REVENUES	(39,677,991)					(15,305,785)				(15,305,785)	(24,372,206)	
RETAIL FUEL REVENUES	(496,695,323)					(191,600,221)				(191,600,221)	(305,095,102)	
ECCR and PPCC REVENUES	(58,650,248)					(22,624,333)				(22,624,333)	(36,025,915)	
INT ON TAX ASSESSMENT			58,393			(22,525)				35,868	(35,868)	
ECON DEV EXPENSE TOTAL			(1,091,218)			420,937				(670,281)	670,281	
ECON DEV EXPENSE ALLOWED			1,036,657			(399,890)				636,767	(636,767)	
LIAISON EXPENSES			(273,746)		(12,395)	110,379				(175,762)	175,762	
CORP ADV & WHOLESALE EXPENSES		41,247	(21,149)			(7,753)				12,345	(12,345)	
INDUSTRY ASSOCIATION DUES			(169)			65				(104)	104	
RETAIL FUEL EXPENSES		(496,302,511)				191,448,694				(304,853,817)	304,853,817	
ECCR AND PPCC EXPENSES		(39,121,597)	(15,217,130)	(290,271)		(313,548)	21,194,087			(33,748,458)	33,748,458	
FRANCHISE FEE						(38,683,726)	14,922,247			(23,761,479)	23,761,479	
GRT, FPSC FEES ON CLAUSES & FEES						(1,452,652)	560,361			(892,291)	892,291	
GROSS RECEIPTS TAX ADJUST					(30,019,495)	11,580,020				(18,439,475)	18,439,475	
INTEREST SYNCHRONIZATION						6,849,625				6,849,625	(6,849,625)	
TOTAL FPSC ADJUSTMENTS	(770,603,162)	(535,382,861)	(38,302,656)	(33,600,220)	(71,458,928)	(28,584,791)	0	0	0	(707,329,455)	(63,273,706)	
FPSC ADJUSTED	475,067,903	0	260,713,476	88,074,095	27,066,612	(29,876,470)	54,654,715	(992,747)	0	399,639,681	75,428,222	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	475,067,903	0	260,713,476	88,074,095	27,066,612	(29,876,470)	54,654,715	(992,747)	0	399,639,681	75,428,222	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				12,609,237							12,215,415	
CURRENT MO. SYSTEM PER BOOKS	105,843,547	44,845,864	26,578,537	11,245,142	7,565,142	(6,291,843)	9,607,713	(112,699)	0	93,437,856	12,405,691	
CURRENT MO. JURIS PER BOOKS	83,913,627	29,425,986	25,237,557	10,324,287	7,394,535	29,447,204	(27,469,064)	(82,955)	0	74,277,550	9,636,076	

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
March, 2012

SCHEDULE 2  
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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(39,677,991)	(15,305,785)
INVESTMENT	(365,260,056)	IIC FUEL REVENUES	(133,642,093)	(51,552,437)
ACCUMULATED DEPRECIATION	108,556,534	FUEL REVENUES	(549,719,318)	(212,054,227)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(421,950)	(162,767)
INVESTMENT	(10,256,090)	ECCR, PPCC, AND ECRC REVENUES	(204,122,520)	(78,740,262)
ACCUMULATED DEPRECIATION	(1,717,964)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,282,342)	(11,681,414)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,499)	(964)
INVESTMENT	(863,987,993)	CORP ADVERTISING & WHOLESALE EXPENSES	21,124	(8,148)
ACCUMULATED DEPRECIATION	73,669,068	INDUSTRY ASSOCIATION DUES	(172)	66
PHFU - NORTH ESCAMBIA	(1,001,649)	FUEL AND PPCC EXPENSES	(725,490,353)	279,857,904
INTEREST BEARING CWIP	(190,017,404)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(4,153,821)	ECON DEVELOP EXPENSE- TOTAL	(1,091,218)	420,937
ECRC CWIP	(5,060,815)	ECON DEV EXPENSE - ALLOWED	1,036,657	(399,890)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	59,663	(23,015)
FAS 143 NET PLANT	(14,692,198)	CONSERVATION EXPENSES - O & M	(15,217,130)	5,870,008
		CONSERVATION EXPENSES - OTHER TAXES	(197,175)	76,060
		MARKETING SUPPORT ACTIVITIES	(147,867)	57,040
		MGMT FINANCIAL PLANNING SERVICES	(116,607)	44,981
WORKING CAPITAL:		FRANCHISE FEE	(38,683,726)	14,922,247
ECRC WORKING CAPITAL	(10,495,317)	GROSS RECEIPTS TAX EXPENSE	(30,019,495)	11,580,020
LOANS TO EMPLOYEES AND RETIREES	(48,414)	LIAISON EXPENSE	(292,404)	112,795
UNREALIZED LOSS ON FWD CONTRACT	(949)	ECRC/ECCR EXPENSES	(59,103,329)	22,799,109
CONSERVATION/AEM INVENTORY	(1,844,581)	COMPETITIVE SALES EXPENSES	0	0
INTEREST & DIVIDENDS RECEIVABLE	(240,963)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,452,652)	560,361
PLANT SCHERER	(9,122,816)	INTEREST SYNCHRONIZATION	7,261,632	7,261,632
TEMPORARY CASH INVESTMENTS	(98,616)			
FUNDED PROPERTY INSURANCE RESERVE	0			
NORTH ESCAMBIA SITE	(18,477,683)			
FUEL RELATED DEFERRED DEBITS	(10,321,694)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	400,013			
FAS 143 WORKING CAPITAL	19,258,991			
FAS 158 REGULATORY ASSETS	(92,565,736)			
FAS 158 REGULATORY LIABILITIES	92,565,736			
PPA REGULATORY ASSETS	(90,175,412)			
PPA REGULATORY LIABILITIES	90,175,412			
FAS 133 REGULATORY ASSETS	(25,769,858)			
FAS 133 REGULATORY LIABILITIES	25,769,858			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
March, 2012

	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	3,872,259,620	1,352,296,556	2,519,963,063	18,455,978	338,517,126	0	2,876,936,167	224,291,214	3,101,227,381
JURISDICTIONAL PER BOOKS	3,408,097,554	1,219,764,593	2,188,332,961	17,878,499	325,712,665	0	2,531,924,125	219,394,618	2,751,318,743
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(828,899,252)	(82,986,321)	(745,912,931)		(11,044,140)		(756,957,071)	(10,156,149)	(767,113,220)
ENERGY CONSERVATION CLAUSE	(10,384,450)	2,441,323	(12,825,773)		(253,096,325)		(253,096,325)	0	(253,096,325)
LOANS TO EMPLOYEES AND RETIREES							(12,825,773)	(1,844,581)	(14,670,354)
INTEREST AND DIVIDENDS RECEIVABLE								(46,480)	(46,480)
NOTES RECEIVABLE								(231,336)	(231,336)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTH				(12,613,998)			0	0	0
FUEL RELATED DEFERRED DEBITS							(12,613,998)	(15,077,355)	(27,691,353)
FLAME RESISTANT CLOTHING								(10,321,694)	(10,321,694)
ACCRUED PROVISION FOR REFUND								0	0
SALE OF RAILCARS								324,352	324,352
								0	0
TOTAL FPSC ADJUSTMENTS	(839,283,702)	(80,544,998)	(758,738,704)	(12,613,998)	(264,140,465)	0	(1,035,493,167)	(37,353,243)	(1,072,846,410)
FPSC ADJUSTED	2,568,813,852	1,139,219,595	1,429,594,257	5,264,501	61,572,200	0	1,496,430,958	182,041,375	1,678,472,333
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	2,568,813,852	1,139,219,595	1,429,594,257	5,264,501	61,572,200	0	1,496,430,958	182,041,375	1,678,472,333



GULF POWER COMPANY  
YEAR END RATE OF RETURN  
SYSTEM ADJUSTMENTS  
March, 2012

SCHEDULE 3  
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(39,677,991)	(15,305,785)
INVESTMENT	(369,893,537)	IIC FUEL REVENUES	(133,642,093)	(51,552,437)
ACCUMULATED DEPRECIATION	111,756,268	FUEL REVENUES	(549,719,318)	(212,054,227)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(421,950)	(162,767)
INVESTMENT	(10,384,450)	ECCR, PPCC, AND ECRC REVENUES	(204,122,520)	(78,740,262)
ACCUMULATED DEPRECIATION	(2,441,323)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(30,282,342)	(11,681,414)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(2,499)	(964)
INVESTMENT	(856,707,480)	CORP ADVERTISING & WHOLESALE EXPENSES	21,124	(8,148)
ACCUMULATED DEPRECIATION	85,785,541	INDUSTRY ASSOCIATION DUES	(172)	66
PHFU - NORTH ESCAMBIA	(13,021,433)	FUEL AND PPCC EXPENSES	(725,490,353)	279,857,904
INTEREST BEARING CWIP	(261,256,087)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(2,289,678)	ECON DEVELOP EXPENSE- TOTAL	(1,091,218)	420,937
ECRC CWIP	(11,414,089)	ECON DEV EXPENSE - ALLOWED	1,036,657	(399,890)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	59,663	(23,015)
FAS 143 NET PLANT	(14,657,101)	CONSERVATION EXPENSES - O & M	(15,217,130)	5,870,008
		CONSERVATION EXPENSES - OTHER TAXES	(197,175)	76,060
		MARKETING SUPPORT ACTIVITIES	(147,867)	57,040
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(116,607)	44,981
ECRC WORKING CAPITAL	(10,495,317)	FRANCHISE FEE	(38,683,726)	14,922,247
LOANS TO EMPLOYEES AND RETIREES	(48,414)	GROSS RECEIPTS TAX EXPENSE	(30,019,495)	11,580,020
UNREALIZED LOSS ON FWD CONTRACT	(949)	LIAISON EXPENSE	(292,404)	112,795
CONSERVATION/AEM INVENTORY	(1,844,581)	ECRC/ECCR EXPENSES	(59,103,329)	22,799,109
INTEREST & DIVIDENDS RECEIVABLE	(240,963)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(10,081,639)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,452,652)	560,361
TEMPORARY CASH INVESTMENTS	(98,616)	INTEREST SYNCHRONIZATION	6,891,949	6,891,949
FUNDED PROPERTY INSURANCE RESERVE	0			
NORTH ESCAMBIA SITE	(18,477,683)			
FUEL RELATED DEFERRED DEBITS	(10,321,694)			
FLAME RESISTANT CLOTHING	0			
ACCUM. PROV. FOR RATE REFUNDS	400,013			
FAS 143 WORKING CAPITAL	19,258,991			
FAS 158 REGULATORY ASSETS	(92,565,736)			
FAS 158 REGULATORY LIABILITIES	92,565,736			
PPA REGULATORY ASSETS	(90,175,412)			
PPA REGULATORY LIABILITIES	90,175,412			
FAS 133 REGULATORY ASSETS	(25,769,858)			
FAS 133 REGULATORY LIABILITIES	25,769,858			



GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 March, 2012

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)		
LONG TERM DEBT	1,214,267,721	1,069,876,621	(409,644,816)	0	660,231,805	40.80	4.98	2.03	4.98	2.03	4.98	2.03	4.98	2.03	
SHORT TERM DEBT	69,022,021	50,758,976	(19,435,093)	0	31,323,883	1.94	0.40	0.01	0.40	0.01	0.40	0.01	0.40	0.01	
PREFERRED STOCK	97,998,345	86,344,523	(33,060,435)	0	53,284,088	3.29	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,917,814	35,991,434	(13,780,752)	0	22,210,682	1.37	6.23	0.09	6.23	0.09	6.23	0.09	6.23	0.09	
COMMON EQUITY	1,124,212,448	993,827,948	(380,526,557)	0	613,301,391	37.90	10.75	4.07	12.00	4.55	12.75	4.83			
DEFERRED INCOME TAXES	452,557,188	416,062,236	(159,305,975)	0	256,756,261	15.87									
FASB 109 DEFERRED TAXES	(39,720,799)	(36,517,651)	13,982,236	0	(22,535,415)	(1.39)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,097,377	5,675,565	(2,173,116)	0	3,502,449	0.22	7.70	0.02	8.28	0.02	8.63	0.02			
<b>TOTAL</b>	<b>2,961,352,115</b>	<b>2,622,019,652</b>	<b>(1,003,944,508)</b>	<b>0</b>	<b>1,618,075,144</b>	<b>100.00 %</b>		<b>6.43 %</b>		<b>6.90 %</b>		<b>7.19 %</b>			

YEAR-END	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)			
LONG TERM DEBT	1,209,025,398	1,094,255,387	(426,692,824)	0	667,562,563	39.77	5.10	2.03	5.10	2.03	5.10	2.03	5.10	2.03	
SHORT TERM DEBT	83,589,104	65,395,800	(25,500,371)	0	39,895,429	2.38	0.25	0.01	0.25	0.01	0.25	0.01	0.25	0.01	
PREFERRED STOCK	97,998,345	88,695,586	(34,585,866)	0	54,109,720	3.22	6.33	0.20	6.33	0.20	6.33	0.20	6.33	0.20	
CUSTOMER DEPOSITS	36,009,996	36,789,302	(14,345,583)	0	22,443,719	1.34	6.78	0.09	6.78	0.09	6.78	0.09	6.78	0.09	
COMMON EQUITY	1,160,619,338	1,038,462,555	(404,937,024)	0	633,525,531	37.74	10.75	4.06	12.00	4.53	12.75	4.81			
DEFERRED INCOME TAXES	506,188,549	457,215,910	(178,286,303)	0	278,929,607	16.62									
FASB 109 DEFERRED TAXES	(38,490,547)	(34,766,671)	13,556,880	0	(21,209,791)	(1.26)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	6,421,985	5,270,874	(2,055,319)	0	3,215,555	0.19	7.79	0.01	8.37	0.02	8.73	0.02			
<b>TOTAL</b>	<b>3,061,362,167</b>	<b>2,751,318,743</b>	<b>(1,072,846,410)</b>	<b>0</b>	<b>1,678,472,333</b>	<b>100.00 %</b>		<b>6.40 %</b>		<b>6.87 %</b>		<b>7.16 %</b>			

GULF POWER COMPANY  
Financial Integrity Indicators  
March, 2012

## A. Times Interest Earned with AFUDC

Earnings Before Interest	180,070,046
AFUDC - Debt	3,593,121
Income Taxes	66,249,182
	<hr/>
Total	249,912,350
Interest Charges (Before Deducting AFUDC - Debt)	63,481,380
	<hr/>
T.I.E. With AFUDC	3.94 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	180,070,046
AFUDC - Other	(9,016,116)
Income Taxes	66,249,182
	<hr/>
Total	237,303,113
Interest Charges (Before Deducting AFUDC - Debt)	63,481,380
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T.I.E. Without AFUDC	3.74 x

## C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	3,593,121
X (1 - Income Tax Rate)	0.6143
	<hr/>
Subtotal	2,207,075
AFUDC - Other	9,016,116
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Total	11,223,191
	<hr/>
Net Income Available for Common Stockholders	113,979,287
Percent AFUDC to Available Net Income	9.85%

## D. Percent Internally Generated Funds

Net Income	120,181,787
Preferred Dividends	(6,202,500)
Common Dividends	(111,450,000)
AFUDC (Debt & Other)	(12,609,237)
Depreciation & Amortization	140,984,525
Deferred Income Taxes	101,162,542
Investment Tax Credits	0
Other	34,508,186
	<hr/>
Total	266,575,303
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Construction Expenditures (Excluding AFUDC Other & Debt)	322,359,017
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Percent Internally Generated Funds	82.70%

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	660,231,805
Short Term Debt	31,323,883
Preferred Stock	53,284,088
Common Equity	613,301,391
	<hr/>
Total	1,358,141,167
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% Long Term Debt To Total	48.61%
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% Short Term Debt To Total	2.31%

## G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.66%	4.66%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.03)	(2.03)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<hr/>	<hr/>
Subtotal	(2.35)	(2.35)
	<hr/>	<hr/>
Total	2.31	2.31
Divided by Common Equity Ratio	37.90	37.90
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Jurisdictional Return on Common Equity	6.09%	6.09%

GULF POWER COMPANY  
Storm Accrual - Twelve Month to Date  
March, 2012

**Supplemental 1**

<u>Month</u>	<u>Year</u>	<u>\$</u>
April	2011	291,667
May	2011	291,667
June	2011	291,667
July	2011	291,667
August	2011	291,667
September	2011	291,667
October	2011	291,667
November	2011	291,667
December	2011	291,663
January	2012	291,667
February	2012	291,667
<b>March</b>	<b>2012</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>

1 GULF POWER COMPANY

2 DOCKET NO. 990315-EI

3 RTP QUARTERLY REPORT

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7  
8 Fiftieth Quarterly Report

9 Report Period: First Quarter, 2012

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13 <u>Rate Class</u>	14 <u>First Quarter</u> <u>Total Revenue</u>	15 <u>First Quarter</u> <u>Total KWH Sales</u>	16 <u>First Quarter</u> <u>¢/KWH</u>	17 <u>12-Month</u> <u>Rolling Average</u> <u>¢/KWH</u>
18 RTP	19 \$16,972,361.23	20 216,712,392	21 7.832	22 8.379
23 PX/PXT	24 -	25 -	26 -	27 -
28 LP/LPT	29 \$32,434,633.13	30 342,084,986	31 9.481	32 9.440

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Notes to Quarterly  
Real Time Pricing Report

1. There were no changes made to the "M" multipliers during this period.
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.