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April 14, 2010

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

RECEIVED
FLORIDA PUBLIC SERVICE
10 APR 16 AM 10:09
ECONOMIC REGULATION

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of February, 2010. The February results improved primarily due to colder than normal weather. These results are in line with the information included in our 2010 calendar year Forecasted Earnings Surveillance Report.

Sincerely,

A handwritten signature in black ink that reads "Terry A. Davis". The signature is written in a cursive, flowing style.

vm

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

Mr. John Slemkewicz
Division of Economic Regulation
Florida Public Service Commission
April 14, 2010
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bc/enc.: R. J. Bullard
 W. G. Buck
 C. J. Erickson
 R. G. Livingston
 R. J. McMillan
 P. C. Raymond
 S. D. Ritenour
 B. C. Terry

GULF POWER COMPANY
Earnings Surveillance Report Summary
February, 2010

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return					
(Jurisdictional)					
<hr/>					
	(a)	(b)			
Net Operating Income	159,463,222	(59,563,868)	99,899,354	0	99,899,354
Average Rate Base	2,209,266,669	(807,725,976)	1,401,540,694	0	1,401,540,694
Average Rate of Return	7.22%		7.13%		7.13%
II. Year End Rate of Return					
(Jurisdictional)					
<hr/>					
	(a)	(b)			
Net Operating Income	159,454,464	(59,774,830)	99,679,634	0	99,679,634
Year End Rate Base	2,344,722,347	(897,472,790)	1,447,249,557	0	1,447,249,557
Year End Rate of Return	6.80%		6.89%		6.89%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.50%
Midpoint	7.02%
High	7.33%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.91 x (System per Books Basis)
B. Tie Without AFUDC	4.29 x (System per Books Basis)
C. AFUDC To Net Income	22.10% (System per Books Basis)
D. Internally Generated Funds	21.66% (System per Books Basis)
E. LTD To Total Investor Funds	48.25% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.33% (FPSC Adjusted Basis)
G. Return on Common Equity	12.27% (FPSC Adjusted Basis)
H. Return on Common Equity	12.27% (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

Richard J. McMillan
 Corporate Planning Manager



4-14-10

GULF POWER COMP.,
AVERAGE RATE OF RETURN
RATE BASE
February, 2010

	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	3,001,898,350	1,188,103,779	1,813,794,571	3,198,663	458,315,031	0	2,275,306,265	203,442,651	2,478,748,916
JURISDICTIONAL PER BOOKS	2,689,931,564	1,061,467,354	1,628,464,210	3,096,641	390,943,709	0	2,022,504,560	186,762,109	2,209,266,669
EPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(404,071,463)	(25,108,388)	(378,963,075)		(3,505,476)		(382,468,551)	(19,792,465)	(402,261,016)
INT BEARING CWIP					(347,489,332)		(347,489,332)	0	(347,489,332)
ENERGY CONSERVATION CLAUSE	(10,267,473)	291,134	(10,558,607)		(0)		(10,558,607)	(1,951,793)	(12,510,401)
LOANS TO EMPLOYEES / RETIREES								(51,547)	(51,547)
INTEREST AND DIVIDENDS RECEIVABLE								(294,767)	(294,767)
FUNDED PROP RES & OTHER INVESTMENTS								(6,812,933)	(6,812,933)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(38,607,242)	(38,607,242)
FLAME RESISTANT CLOTHING								(2,573)	(2,573)
ACCRUED PROVISION FOR REFUND								198,320	198,320
SALE OF RAILCARS								105,515	105,515
TOTAL FPSC ADJUSTMENTS	(414,338,936)	(24,817,254)	(389,521,682)	0	(350,994,806)	0	(740,516,490)	(67,209,485)	(807,725,976)
FPSC ADJUSTED	2,275,592,628	1,036,650,100	1,238,942,528	3,096,641	39,948,901	0	1,281,988,070	119,552,624	1,401,540,694
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	2,275,592,628	1,036,650,100	1,238,942,528	3,096,641	39,948,901	0	1,281,988,070	119,552,624	1,401,540,694

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
February, 2010

	OPERATING REVENUES	FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES	INVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,361,036,079	675,123,702	283,169,290	98,358,412	96,558,231	72,902,393	(10,112,519)	(1,593,120)	(5,957)	1,214,400,433	146,835,646 (a)
JURISDICTIONAL PER BOOKS	1,226,422,510	586,027,827	269,473,826	91,178,260	94,706,908	64,901,250	(8,934,677)	(1,229,915)	(5,809)	1,096,117,470	130,305,040 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(87,961,873)		(30,730,837)	(12,142,002)	(513,511)	(17,195,008)				(60,581,358)	(27,380,515)
GROSS RECEIPTS TAX REVENUE	(30,858,086)		(60,478)			(11,903,506)				(11,903,506)	(18,954,580)
MARKETING SUPPORT ACTIVITIES						23,329			483	(37,149)	37,149
GAIN/LOSS ON DISPOSITION	(7,088,333)		(7,083,229)			(186)				(7,085,198)	(3,135)
IVAN STORM RECOVERY	(38,085,921)					(1,969)				(14,691,644)	(23,394,277)
FRANCHISE FEE REVENUES	(554,750,345)					(213,994,946)				(213,994,946)	(340,755,399)
RETAIL FUEL REVENUES	(42,724,137)					(16,480,836)				(16,480,836)	(26,243,301)
ECCR and PPCC REVENUES										0	0
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(852,795)			328,966				(523,829)	523,829
ECON DEV EXPENSE ALLOWED			810,155			(312,517)				497,638	(497,638)
LIAISON EXPENSES			(207,593)		(10,722)	84,215				(134,100)	134,100
CORPORATE ADVERTISING			(75,200)			29,008				(46,192)	46,192
INDUSTRY ASSOCIATION DUES			(690)			266				(424)	424
RETAIL FUEL EXPENSES						213,819,686				(340,476,325)	340,476,325
ECCR AND PPCC EXPENSES		(554,296,011)	(9,298,215)	(285,421)	(303,989)	16,054,622				(25,564,619)	25,564,619
FRANCHISE FEE		(31,731,616)			(37,096,605)	14,310,015				(22,786,590)	22,786,590
GRT, FPSC FEES ON CLAUSES & FEES					(1,467,147)	585,952				(901,195)	901,195
GROSS RECEIPTS TAX ADJUST					(30,712,948)	11,847,520				(18,865,428)	18,865,428
INTEREST SYNCHRONIZATION						2,512,395				2,512,395	(2,512,395)
TOTAL FPSC ADJUSTMENTS	(761,468,694)	(586,027,627)	(47,498,881)	(12,427,423)	(70,104,922)	(15,004,638)	0	0	483	(731,063,009)	(30,405,686)
FPSC ADJUSTED	464,953,815	0	221,974,945	78,750,837	24,601,986	49,896,612	(8,934,677)	(1,229,915)	(5,327)	365,054,461	99,899,354
PRO FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	464,953,815	0	221,974,945	78,750,837	24,601,986	49,896,612	(8,934,677)	(1,229,915)	(5,327)	365,054,461	99,899,354
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				30,096,234	AND THE JURISDICTIONAL NOI BY	29,158,182					
CURRENT MO. SYSTEM PER BOOKS	118,144,087	56,312,681	22,793,412	9,532,534	8,328,126	5,300,133	1,113,379	(123,718)	(5,957)	103,190,590	14,953,607
CURRENT MO. JURIS PER BOOKS	108,150,493	50,866,477	21,182,488	8,883,063	7,971,428	4,752,783	972,064	(93,574)	(5,809)	94,528,939	13,621,553

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2010

<u>BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(38,085,921)	(14,691,644)
INVESTMENT	(241,520,291)	IIC FUEL REVENUES	(33,382,652)	(12,877,358)
ACCUMULATED DEPRECIATION	98,883,865	FUEL REVENUES	(609,151,433)	(234,980,165)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(1,043,425)	(402,501)
INVESTMENT	(10,267,473)	ECCR, PPCC, AND ECRC REVENUES	(131,064,216)	(50,558,021)
ACCUMULATED DEPRECIATION	(291,134)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(37,946,419)	(14,637,831)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(882,530)	(340,436)
INVESTMENT	(418,411,329)	CORPORATE ADVERTISING	(76,822)	29,634
ACCUMULATED DEPRECIATION	26,008,326	INDUSTRY ASSOCIATION DUES	(704)	272
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(675,994,228)	260,764,773
INTEREST BEARING CWIP	(358,692,300)	GAIN/LOSS ON DISPOSITION OF PROPERTY	495	(191)
SCHERER CWIP	(54,754,468)	ECON DEVELOP EXPENSE - TOTAL	(852,795)	328,966
ECRC CWIP	(3,631,420)	ECON DEV EXPENSE - ALLOWED	810,155	(312,517)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,298,215)	3,586,786
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(182,213)	70,289
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(20,492,650)	IVAN STORM RECOVERY EXPENSE	(7,083,229)	2,732,356
LOANS TO EMPLOYEES AND RETIREES	(53,692)	MARKETING SUPPORT ACTIVITIES	(60,478)	23,329
FAS 133 ASSOCIATED AMOUNTS (NET)	(4,630)	FRANCHISE FEE	(37,096,605)	14,310,015
CONSERVATION/AEM INVENTORY	(1,951,794)	GROSS RECEIPTS TAX EXPENSE	(30,712,948)	11,847,520
INTEREST & DIVIDENDS RECEIVABLE	(307,034)	LIAISON EXPENSE	(223,098)	86,060
PLANT SCHERER	(8,694,161)	ECRC/ECCR EXPENSES	(45,282,463)	17,467,710
TEMPORARY CASH INVESTMENTS	(695,335)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(6,145,379)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,467,147)	565,952
FUEL RELATED DEFERRED DEBITS	(38,607,242)	INTEREST SYNCHRONIZATION	3,091,581	3,091,581
FLAME RESISTANT CLOTHING	(3,173)			
SALE OF RAIL CARS	130,128			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	244,582			

GULF POWER COMP.
YEAR END RATE OF RETURN
RATE BASE
February, 2010

	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	3,458,425,227	1,212,369,854	2,246,055,373	5,664,735	183,118,952	0	2,434,839,060	203,442,651	2,638,281,711
JURISDICTIONAL PER BOOKS	3,128,975,277	1,083,063,894	2,045,911,383	5,487,489	104,775,539	0	2,156,174,411	188,547,936	2,344,722,347
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(808,659,068)	(26,322,268)	(782,336,800)		(1,506,743)		(783,843,543)	(19,792,465)	(803,636,008)
INT BEARING CWIP					(35,419,156)		(35,419,156)	0	(35,419,156)
ENERGY CONSERVATION CLAUSE	(10,538,102)	462,504	(11,000,606)				(11,000,606)	(1,951,793)	(12,952,399)
LOANS TO EMPLOYEES AND RETIREES							(51,547)	(51,547)	(51,547)
INTEREST AND DIVIDENDS RECEIVABLE							(294,767)	(294,767)	(294,767)
NOTES RECEIVABLE							0	0	0
FUNDED PROP RES & OTHER INVESTMENTS								(6,812,933)	(6,812,933)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(38,607,242)	(38,607,242)
FLAME RESISTANT CLOTHING								(2,573)	(2,573)
ACCRUED PROVISION FOR REFUND								198,320	198,320
SALE OF RAILCARS								105,515	105,515
<u>TOTAL FPSC ADJUSTMENTS</u>	<u>(819,197,170)</u>	<u>(25,859,764)</u>	<u>(793,337,406)</u>	<u>0</u>	<u>(36,925,899)</u>	<u>0</u>	<u>(830,263,305)</u>	<u>(67,209,485)</u>	<u>(897,472,790)</u>
FPSC ADJUSTED	2,309,778,107	1,057,204,130	1,252,573,977	5,487,489	67,849,640	0	1,325,911,106	121,338,451	1,447,249,557
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	2,309,778,107	1,057,204,130	1,252,573,977	5,487,489	67,849,640	0	1,325,911,106	121,338,451	1,447,249,557

GULF POWER COMPANIES
YEAR END RATE OF RETURN
INCOME STATEMENT
February, 2010

	O & M OPERATING REVENUES	FUEL & NET INTERCHANGE	O & M OTHER	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	1,361,036,079	675,123,702	283,169,290	98,358,412	96,558,231	72,902,393	(10,112,519)	(1,593,120)	(5,957)	1,214,400,433	146,635,646	(a)
JURISDICTIONAL PER BOOKS	1,226,422,510	586,027,627	269,473,826	91,178,260	94,706,908	64,912,043	(8,936,712)	(1,229,915)	(5,809)	1,066,126,228	130,296,282	(a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(87,961,873)		(30,730,837)	(12,142,002)	(513,511)	(17,195,008)				(60,581,358)	(27,380,515)	
GROSS RECEIPTS TAX REVENUE	(30,858,086)		(60,478)			(11,903,506)				(11,903,506)	(18,954,580)	
MARKETING SUPPORT ACTIVITIES						23,329				(37,149)	37,149	
GAINLOSS ON DISPOSITION						(186)			483	297	(297)	
IVAN STORM RECOVERY	(7,088,333)		(7,083,229)			(1,969)				(7,085,198)	(3,135)	
FRANCHISE FEE REVENUES	(38,085,921)					(14,691,644)				(14,691,644)	(23,394,277)	
RETAIL FUEL REVENUES	(554,750,345)					(213,994,946)				(213,994,946)	(340,755,399)	
ECCR & PPCC REVENUES	(42,724,137)					(16,480,836)				(16,480,836)	(26,243,301)	
INT ON TAX ASSESSMENT										0	0	
ECON DEV EXPENSE TOTAL			(852,795)			328,966				(523,829)	523,829	
ECON DEV EXPENSE ALLOWED			810,155			(312,517)				497,638	(497,638)	
LIAISON EXPENSES			(207,593)		(10,722)	84,215				(134,100)	134,100	
CORPORATE ADVERTISING			(75,200)			29,008				(46,192)	46,192	
INDUSTRY ASSOCIATION DUES			(690)			266				(424)	424	
RETAIL FUEL EXPENSES		(554,296,011)	(9,298,215)	(285,421)	(303,989)	213,819,686				(340,476,325)	340,476,325	
ECCR AND PPCC EXPENSES		(31,731,616)			(37,096,605)	16,054,622				(25,564,619)	25,564,619	
FRANCHISE FEE					(1,467,147)	14,310,015				(22,786,590)	22,786,590	
GRT, FPSC FEES ON CLAUSES & FFEES					(30,712,948)	565,952				(901,195)	901,195	
GROSS RECEIPTS TAX ADJUST						11,847,520				(18,865,428)	18,865,428	
INTEREST SYNCHRONIZATION						2,723,357				2,723,357	(2,723,357)	
TOTAL FPSC ADJUSTMENTS	(761,468,694)	(586,027,627)	(47,498,881)	(12,427,423)	(70,104,922)	(14,793,676)	0	0	483	(730,852,047)	(30,616,648)	
FPSC ADJUSTED	464,953,815	0	221,974,945	78,750,837	24,601,986	50,118,367	(8,936,712)	(1,229,915)	(5,327)	365,274,181	99,679,634	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PRO FORMA ADJUSTMENTS	464,953,815	0	221,974,945	78,750,837	24,601,986	50,118,367	(8,936,712)	(1,229,915)	(5,327)	365,274,181	99,679,634	
PRO FORMA ADJUSTED	464,953,815	0	221,974,945	78,750,837	24,601,986	50,118,367	(8,936,712)	(1,229,915)	(5,327)	365,274,181	99,679,634	

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 30,096,234 AND THE JURISDICTIONAL NOI BY 29,158,182

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2010

<u>I BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(38,085,921)	(14,691,644)
INVESTMENT	(243,725,353)	IIC FUEL REVENUES	(33,382,652)	(12,877,358)
ACCUMULATED DEPRECIATION	100,975,558	FUEL REVENUES	(609,151,433)	(234,980,165)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(1,043,425)	(402,501)
INVESTMENT	(10,538,102)	ECCR, PPCC, AND ECRC REVENUES	(131,064,216)	(50,558,021)
ACCUMULATED DEPRECIATION	(462,504)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(37,946,419)	(14,637,831)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(882,530)	(340,436)
INVESTMENT	(837,434,170)	CORPORATE ADVERTISING	(76,822)	29,634
ACCUMULATED DEPRECIATION	27,267,638	INDUSTRY ASSOCIATION DUES	(704)	272
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(675,994,228)	260,764,773
INTEREST BEARING CWIP	(36,561,061)	GAIN/LOSS ON DISPOSITION OF PROPERTY	495	(191)
SCHERER CWIP	(74,960,538)	ECON DEVELOP EXPENSE- TOTAL	(852,795)	328,966
ECRC CWIP	(1,560,258)	ECON DEV EXPENSE - ALLOWED	810,155	(312,517)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,298,215)	3,586,786
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(182,213)	70,289
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(20,492,650)	IVAN STORM RECOVERY EXPENSE	(7,083,229)	2,732,356
LOANS TO EMPLOYEES AND RETIREES	(53,692)	MARKETING SUPPORT ACTIVITIES	(60,478)	23,329
FAS 133 ASSOCIATED AMOUNTS (NET)	(4,630)	FRANCHISE FEE	(37,096,605)	14,310,015
CONSERVATION/AEM INVENTORY	(1,951,794)	GROSS RECEIPTS TAX EXPENSE	(30,712,948)	11,847,520
INTEREST & DIVIDENDS RECEIVABLE	(307,034)	LIAISON EXPENSE	(223,098)	86,060
PLANT SCHERER	(6,137,902)	ECRC/ECCR EXPENSES	(45,282,463)	17,467,710
TEMPORARY CASH INVESTMENTS	(695,335)	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(6,145,379)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,467,147)	565,952
FUEL RELATED DEFERRED DEBITS	(38,607,242)	INTEREST SYNCHRONIZATION	3,234,652	3,234,652
FLAME RESISTANT CLOTHING	(3,173)			
SALE OF RAIL CARS	130,128			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	244,582			

GULF POWER COMP.
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
February, 2010

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)
LONG TERM DEBT	1,037,024,399	923,474,804	(337,629,946)	0	585,844,858	41.80	4.10	4.10	1.71	4.10	4.10	1.71	4.10	4.10	1.71	4.10	4.10	1.71	4.10
SHORT TERM DEBT	44,988,407	6,310,346	(2,307,114)	0	4,003,232	0.29	1.20	1.20	0.00	1.20	1.20	0.00	1.20	1.20	0.00	1.20	1.20	0.00	1.20
PREFERRED STOCK	92,331,439	76,163,008	(27,845,819)	0	48,317,189	3.45	7.38	7.38	0.25	7.38	7.38	0.25	7.38	7.38	0.25	7.38	7.38	0.25	7.38
CUSTOMER DEPOSITS	31,258,587	30,911,676	(11,301,562)	0	19,610,114	1.40	6.09	6.09	0.09	6.09	6.09	0.09	6.09	6.09	0.09	6.09	6.09	0.09	6.09
COMMON EQUITY	982,736,317	907,796,877	(331,897,968)	0	575,898,909	41.09	10.75	10.75	4.42	12.00	12.00	4.93	12.75	12.75	4.93	12.75	12.75	4.93	12.75
DEFERRED INCOME TAXES	299,510,196	276,664,020	(101,150,630)	0	175,513,390	12.52													
FASB 109 DEFERRED TAXES	(21,844,888)	(20,178,594)	7,377,459	0	(12,801,135)	(0.91)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	10,187,503	8,124,533	(2,970,396)	0	5,154,137	0.37	7.40	7.40	0.03	7.99	7.99	0.03	8.35	8.35	0.03	8.35	8.35	0.03	8.35
TOTAL	2,476,211,960	2,209,266,669	(807,725,976)	0	1,401,540,694	100.00 %			6.50 %			7.02 %			7.33 %				

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)
LONG TERM DEBT	1,091,096,570	976,885,717	(373,915,637)	0	602,970,080	41.66	3.88	3.88	1.62	3.88	3.88	1.62	3.88	3.88	1.62	3.88	3.88	1.62	3.88
SHORT TERM DEBT	44,837,329	6,227,495	(2,383,654)	0	3,843,841	0.27	0.45	0.45	0.00	0.45	0.45	0.00	0.45	0.45	0.00	0.45	0.45	0.00	0.45
PREFERRED STOCK	92,429,377	75,508,101	(28,901,702)	0	46,606,399	3.22	7.39	7.39	0.24	7.39	7.39	0.24	7.39	7.39	0.24	7.39	7.39	0.24	7.39
CUSTOMER DEPOSITS	33,339,730	33,325,856	(12,755,902)	0	20,569,954	1.42	6.28	6.28	0.09	6.28	6.28	0.09	6.28	6.28	0.09	6.28	6.28	0.09	6.28
COMMON EQUITY	1,054,574,484	992,409,154	(379,857,433)	0	612,551,721	42.33	10.75	10.75	4.55	12.00	12.00	5.08	12.75	12.75	5.08	12.75	12.75	5.08	12.75
DEFERRED INCOME TAXES	298,159,106	279,153,259	(106,849,519)	0	172,303,740	11.90													
FASB 109 DEFERRED TAXES	(28,168,085)	(26,372,539)	10,094,430	0	(16,278,109)	(1.12)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	9,395,116	7,565,304	(2,903,373)	0	4,681,931	0.32	7.35	7.35	0.02	7.95	7.95	0.03	8.32	8.32	0.03	8.32	8.32	0.03	8.32
TOTAL	2,595,665,627	2,344,722,347	(897,472,790)	0	1,447,249,557	100.00 %			6.52 %			7.05 %			7.37 %				

GULF POWER COMPANY
 Financial Integrity Indicators
 February, 2010

A. Times Interest Earned with AFUDC

Earnings Before Interest	166,840,803
AFUDC - Debt	8,577,112
Income Taxes	<u>60,340,343</u>
Total	235,758,258
Interest Charges (Before Deducting AFUDC - Debt)	<u>47,979,533</u>
T.I.E. With AFUDC	<u>4.91 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	166,840,803
AFUDC - Other	(21,521,122)
Income Taxes	<u>60,340,343</u>
Total	205,660,024
Interest Charges (Before Deducting AFUDC - Debt)	<u>47,979,533</u>
T.I.E. Without AFUDC	<u>4.29 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	8,577,112
X (1 - Income Tax Rate)	0.6143
Subtotal	5,268,491
AFUDC - Other	<u>21,521,122</u>
Total	<u>26,789,613</u>
Net Income Available for Common Stockholders	<u>121,235,882</u>
Percent AFUDC to Available Net Income	<u>22.10%</u>

D. Percent Internally Generated Funds

Net Income	127,438,382
Preferred Dividends	(6,202,500)
Common Dividends	(93,050,000)
AFUDC (Debt & Other)	(30,098,234)
Depreciation & Amortization	106,038,365
Deferred Income Taxes	(10,114,861)
Investment Tax Credits	0
Other	<u>(5,364,713)</u>
Total	88,646,439
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>409,272,178</u>
Percent Internally Generated Funds	<u>21.66%</u>

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	585,844,858
Short Term Debt	4,003,232
Preferred Stock	48,317,189
Common Equity	<u>575,898,909</u>
Total	<u>1,214,064,188</u>
% Long Term Debt To Total	<u>48.25%</u>
% Short Term Debt To Total	<u>0.33%</u>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	7.13%	7.13%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.71)	(1.71)
Short Term Debt	(0.00)	(0.00)
Preferred Stock	(0.25)	(0.25)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.03)</u>	<u>(0.03)</u>
Subtotal	<u>(2.09)</u>	<u>(2.09)</u>
Total	5.04	5.04
Divided by Common Equity Ratio	<u>41.09</u>	<u>41.09</u>
Jurisdictional Return on Common Equity	<u>12.27%</u>	<u>12.27%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
February, 2010

<u>Month</u>	<u>Year</u>	<u>\$</u>
March	09	291,667
April	09	291,667
May	09	291,667
June	09	291,667
July	09	291,667
August	09	291,667
September	09	291,667
October	09	291,667
November	09	291,667
December	09	291,663
January	10	291,667
February	10	291,667
12 - M-T-D		<u>3,500,000</u>