

**Terry A. Davis**  
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Assistant Treasurer

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June 10, 2010

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

10 JUN 14 AM 7:10  
DIVISION OF ECONOMIC REGULATION  
FLORIDA PUBLIC SERVICE COMMISSION

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of April, 2010.

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

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
April, 2010

	(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	156,486,997	(63,170,500)	93,316,498	0	93,316,498
Average Rate Base	2,257,790,875	(833,923,419)	1,423,867,456	0	1,423,867,456
Average Rate of Return	6.93%		6.55%		6.55%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	156,502,952	(62,782,396)	93,720,557	0	93,720,557
Year End Rate Base	2,383,622,056	(898,011,798)	1,485,610,258	0	1,485,610,258
Year End Rate of Return	6.57%		6.31%		6.31%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.41%
Midpoint	6.92%
High	7.22%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.84 x (System per Books Basis)
B. Tie Without AFUDC	4.29 x (System per Books Basis)
C. AFUDC To Net Income	20.06% (System per Books Basis)
D. Internally Generated Funds	6.74% (System per Books Basis)
E. LTD To Total Investor Funds	48.85% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.74% (FPSC Adjusted Basis)
G. Return on Common Equity	11.10% (FPSC Adjusted Basis)
H. Return on Common Equity	11.10% (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		6-10-10

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
April, 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
<b>SYSTEM PER BOOKS</b>	3,103,915,303	1,194,800,075	1,909,115,228	3,645,407	419,561,761	0	2,332,322,396	202,987,224	2,535,309,620
<b>JURISDICTIONAL PER BOOKS</b>	2,788,062,825	1,067,354,762	1,720,708,063	3,531,344	346,194,997	0	2,070,433,804	187,357,070	2,257,790,875
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(487,535,395)	(26,031,905)	(461,503,490)		(2,530,827)		(464,034,317)	(19,612,790)	(483,647,107)
INT BEARING CWIP					(303,157,783)		(303,157,783)	0	(303,157,783)
ENERGY CONSERVATION CLAUSE	(10,324,121)	353,349	(10,677,470)		(10,069)		(10,687,539)	(1,909,337)	(12,596,877)
LOANS TO EMPLOYEES / RETIREES								(52,761)	(52,761)
INTEREST AND DIVIDENDS RECEIVABLE								(297,948)	(297,948)
FUNDED PROP RES & OTHER INVESTMENTS								(6,905,462)	(6,905,462)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(27,543,351)	(27,543,351)
FLAME RESISTANT CLOTHING								(2,467)	(2,467)
ACCRUED PROVISION FOR REFUND								186,430	186,430
SALE OF RAILCARS								93,907	93,907
<b>TOTAL FPSC ADJUSTMENTS</b>	(497,859,516)	(25,678,556)	(472,180,960)	0	(305,698,679)	0	(777,879,639)	(56,043,779)	(833,923,419)
<b>FPSC ADJUSTED</b>	2,290,203,309	1,041,676,206	1,248,527,103	3,531,344	40,495,718	0	1,292,554,165	131,313,291	1,423,867,456
<b>PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	0	0	0	0	0	0	0	0	0
<b>PRO FORMA ADJUSTED</b>	2,290,203,309	1,041,676,206	1,248,527,103	3,531,344	40,495,718	0	1,292,554,165	131,313,291	1,423,867,456

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

	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	1,380,747,305	685,365,278	286,801,438	101,737,587	97,572,775	70,322,514	(7,457,840)	(1,583,256)	(5,957)	1,232,952,540	147,794,765 (a)
JURISDICTIONAL PER BOOKS	1,240,222,492	592,573,554	272,223,416	94,423,392	95,661,881	62,506,874	(6,496,234)	(1,220,039)	(5,809)	1,109,667,035	130,555,457 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(101,856,657)		(31,787,357)	(15,024,823)	(527,327)	(21,029,991)				(68,369,498)	(33,487,159)
GROSS RECEIPTS TAX REVENUE	(31,155,458)		(56,274)			(12,018,218)				(12,018,218)	(19,137,240)
MARKETING SUPPORT ACTIVITIES						21,708			483	(34,566)	34,566
GAIN/LOSS ON DISPOSITION						(186)				297	(297)
IVAN STORM RECOVERY	(3,616,846)		(3,614,242)			(1,005)				(3,615,247)	(1,599)
FRANCHISE FEE REVENUES	(38,453,709)					(14,833,518)				(14,833,518)	(23,620,191)
RETAIL FUEL REVENUES	(560,707,806)					(216,293,036)				(216,293,036)	(344,414,770)
ECCR and PPCC REVENUES	(43,743,502)					(16,874,056)				(16,874,056)	(26,869,446)
INT ON TAX ASSESSMENT						0				0	0
ECON DEV EXPENSE TOTAL			(1,087,243)			419,404				(667,839)	667,839
ECON DEV EXPENSE ALLOWED			1,032,881			(398,434)				634,447	(634,447)
LIAISON EXPENSES			(210,101)		(10,777)	85,204				(135,674)	135,674
CORPORATE ADVERTISING			(40,228)			15,518				(24,710)	24,710
INDUSTRY ASSOCIATION DUES			(711)			274				(437)	437
RETAIL FUEL EXPENSES	(560,259,152)			(289,002)		216,119,968				(344,139,184)	344,139,184
ECCR AND PPCC EXPENSES	(32,314,403)					16,251,866				(25,878,701)	25,878,701
FRANCHISE FEE						(37,455,985)				(23,007,339)	23,007,339
GRT, FPSC FEES ON CLAUSES & FEES						567,994				(904,446)	904,446
GROSS RECEIPTS TAX ADJUST						11,968,298				(19,057,749)	19,057,749
INTEREST SYNCHRONIZATION						2,924,455				2,924,455	(2,924,455)
TOTAL FPSC ADJUSTMENTS	(779,533,978)	(592,573,554)	(44,985,744)	(15,313,825)	(70,797,269)	(18,625,109)	0	0	483	(742,295,019)	(37,238,960)
FPSC ADJUSTED	460,688,514	0	227,237,672	79,109,567	24,864,612	43,881,765	(6,496,234)	(1,220,039)	(5,327)	367,372,016	93,316,498
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	460,688,514	0	227,237,672	79,109,567	24,864,612	43,881,765	(6,496,234)	(1,220,039)	(5,327)	367,372,016	93,316,498
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				26,767,566	AND THE JURISDICTIONAL NOI BY	25,931,540					
CURRENT MO. SYSTEM PER BOOKS	102,590,210	50,003,770	23,714,302	9,614,918	7,153,593	2,303,876	575,149	(128,650)	0	93,236,959	9,353,251
CURRENT MO. JURIS PER BOOKS	87,112,217	38,932,184	22,588,424	8,963,654	6,973,857	1,041,973	1,197,866	(98,359)	0	79,579,600	7,532,617

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

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<u>E BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(38,453,709)	(14,833,518)
INVESTMENT	(242,245,459)	IIC FUEL REVENUES	(35,821,535)	(13,818,157)
ACCUMULATED DEPRECIATION	99,536,465	FUEL REVENUES	(616,293,344)	(237,735,158)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(1,004,255)	(387,391)
INVESTMENT	(10,324,121)	ECCR, PPCC, AND ECRC REVENUES	(146,247,312)	(56,414,901)
ACCUMULATED DEPRECIATION	(353,349)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(34,772,304)	(13,413,416)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(927,205)	(357,669)
INVESTMENT	(504,675,550)	CORPORATE ADVERTISING	(41,096)	15,853
ACCUMULATED DEPRECIATION	26,957,940	INDUSTRY ASSOCIATION DUES	(726)	280
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(686,276,158)	264,731,028
INTEREST BEARING CWIP	(312,931,513)	GAIN/LOSS ON DISPOSITION OF PROPERTY	495	(191)
SCHERER CWIP	(62,197,927)	ECON DEVELOP EXPENSE- TOTAL	(1,087,243)	419,404
ECRC CWIP	(2,620,963)	ECON DEV EXPENSE - ALLOWED	1,032,881	(398,434)
ECCR CWIP	(10,069)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,222,469)	3,557,567
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(184,884)	71,319
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(20,300,016)	IVAN STORM RECOVERY EXPENSE	(3,614,242)	1,394,194
LOANS TO EMPLOYEES AND RETIREES	(54,957)	MARKETING SUPPORT ACTIVITIES	(56,274)	21,708
FAS 133 ASSOCIATED AMOUNTS (NET)	(6,239)	FRANCHISE FEE	(37,455,985)	14,448,646
CONSERVATION/AEM INVENTORY	(1,909,337)	GROSS RECEIPTS TAX EXPENSE	(31,026,047)	11,968,298
INTEREST & DIVIDENDS RECEIVABLE	(310,348)	LIAISON EXPENSE	(225,717)	87,070
PLANT SCHERER	(7,883,109)	ECRC/ECCR EXPENSES	(49,373,892)	19,045,979
TEMPORARY CASH INVESTMENTS	230,769	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(7,127,011)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,472,440)	567,994
FUEL RELATED DEFERRED DEBITS	(27,543,351)	INTEREST SYNCHRONIZATION	3,510,073	3,510,073
FLAME RESISTANT CLOTHING	(3,043)			
SALE OF RAIL CARS	115,813			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	229,918			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
April, 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	3,501,615,411	1,209,763,917	2,291,851,494	5,664,735	181,688,965	0	2,479,205,194	202,987,224	2,682,192,418
JURISDICTIONAL PER BOOKS	3,171,788,537	1,079,771,133	2,092,017,404	5,487,489	97,949,647	0	2,195,454,540	188,167,516	2,383,622,056
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(815,072,570)	(31,066,314)	(784,006,256)		(2,202,524)		(786,208,780)	(19,612,790)	(805,821,570)
INT BEARING CWIP					(44,736,323)		(44,736,323)	0	(44,736,323)
ENERGY CONSERVATION CLAUSE	(10,379,730)	643,186	(11,022,916)				(11,022,916)	(1,909,337)	(12,932,253)
LOANS TO EMPLOYEES AND RETIREES								(52,761)	(52,761)
INTEREST AND DIVIDENDS RECEIVABLE								(297,948)	(297,948)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(6,905,462)	(6,905,462)
IVAN STORM RECOVERY								0	0
FUEL RELATED DEFERRED DEBITS								(27,543,351)	(27,543,351)
FLAME RESISTANT CLOTHING								(2,467)	(2,467)
ACCRUED PROVISION FOR REFUND								186,430	186,430
SALE OF RAILCARS								93,907	93,907
TOTAL FPSC ADJUSTMENTS	(825,452,300)	(30,423,128)	(795,029,172)	0	(46,938,847)	0	(841,968,019)	(56,043,779)	(898,011,798)
FPSC ADJUSTED	2,346,336,237	1,049,348,005	1,296,988,232	5,487,489	51,010,800	0	1,353,486,521	132,123,737	1,485,610,258
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	2,346,336,237	1,049,348,005	1,296,988,232	5,487,489	51,010,800	0	1,353,486,521	132,123,737	1,485,610,258

GULF POWER COMPAN.  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
April, 2010

	O & M OPERATING REVENUES	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	1,380,747,305	685,365,278	286,801,438	101,737,587	97,572,775	70,522,514	(7,457,840)	(1,583,256)	(5,957)	1,232,952,540	147,794,765 (a)
JURISDICTIONAL PER BOOKS	1,240,222,492	592,573,554	272,223,416	94,423,392	95,661,681	62,487,911	(6,493,226)	(1,220,039)	(5,809)	1,109,651,080	130,571,412 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(101,856,657)		(31,787,357)	(15,024,823)	(527,327)	(21,029,991)				(68,369,498)	(33,487,159)
GROSS RECEIPTS TAX REVENUE	(31,155,458)		(56,274)			(12,018,218)				(12,018,218)	(19,137,240)
MARKETING SUPPORT ACTIVITIES						21,708				(34,566)	34,566
GAIN/LOSS ON DISPOSITION						(186)			483	(297)	(1,599)
IVAN STORM RECOVERY	(3,616,846)		(3,614,242)			(1,005)				(3,615,247)	(1,599)
FRANCHISE FEE REVENUES	(38,453,709)					(14,833,518)				(14,833,518)	(23,620,191)
RETAIL FUEL REVENUES	(560,707,806)					(216,293,036)				(216,293,036)	(344,414,770)
ECCR & PPCC REVENUES	(43,743,502)					(16,874,056)				(16,874,056)	(26,869,446)
INT ON TAX ASSESSMENT						0				0	0
ECON DEV EXPENSE TOTAL			(1,087,243)			419,404				(667,839)	667,839
ECON DEV EXPENSE ALLOWED			1,032,881			(398,434)				634,447	(634,447)
LIAISON EXPENSES			(210,101)		(10,777)	85,204				(135,674)	135,674
CORPORATE ADVERTISING			(40,228)			15,518				(24,710)	24,710
INDUSTRY ASSOCIATION DUES			(711)			274				(437)	437
RETAIL FUEL EXPENSES	(560,259,152)		(9,222,469)	(289,002)	(304,693)	216,119,968				(344,139,184)	344,139,184
ECCR AND PPCC EXPENSES	(32,314,403)				(37,455,985)	16,251,866				(25,878,701)	25,878,701
FRANCHISE FEE					(1,472,440)	14,448,646				(23,007,339)	23,007,339
GRT, FPSC FEES ON CLAUSES & FFEES					(31,026,047)	567,994				(904,446)	904,446
GROSS RECEIPTS TAX ADJUST						11,968,298				(19,057,749)	19,057,749
INTEREST SYNCHRONIZATION						2,536,351				2,536,351	(2,536,351)
TOTAL FPSC ADJUSTMENTS	(779,533,978)	(592,573,554)	(44,985,744)	(15,313,825)	(70,797,269)	(19,013,213)	0	0	483	(742,663,123)	(36,850,856)
FPSC ADJUSTED	460,688,514	0	227,237,672	79,109,567	24,864,612	43,474,698	(6,493,226)	(1,220,039)	(5,327)	366,967,957	93,720,557
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	460,688,514	0	227,237,672	79,109,567	24,864,612	43,474,698	(6,493,226)	(1,220,039)	(5,327)	366,967,957	93,720,557

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 26,767,566 AND THE JURISDICTIONAL NOI BY 25,931,540

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

SCHEDULE 3  
PAGE 3 OF 3

<u>BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(38,453,709)	(14,833,518)
INVESTMENT	(244,737,568)	IIC FUEL REVENUES	(35,821,535)	(13,818,157)
ACCUMULATED DEPRECIATION	101,751,199	FUEL REVENUES	(616,293,344)	(237,735,158)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(1,004,255)	(387,391)
INVESTMENT	(10,379,730)	ECCR, PPCC, AND ECRC REVENUES	(146,247,312)	(56,414,901)
ACCUMULATED DEPRECIATION	(643,186)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(34,772,304)	(13,413,416)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(927,205)	(357,669)
INVESTMENT	(842,311,016)	CORPORATE ADVERTISING	(41,096)	15,853
ACCUMULATED DEPRECIATION	32,126,364	INDUSTRY ASSOCIATION DUES	(726)	280
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(686,276,158)	264,731,028
INTEREST BEARING CWIP	(46,178,611)	GAIN/LOSS ON DISPOSITION OF PROPERTY	495	(191)
SCHERER CWIP	(80,579,205)	ECON DEVELOP EXPENSE- TOTAL	(1,087,243)	419,404
ECRC CWIP	(2,275,774)	ECON DEV EXPENSE - ALLOWED	1,032,881	(398,434)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(9,222,469)	3,557,567
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(184,884)	71,319
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(20,300,016)	IVAN STORM RECOVERY EXPENSE	(3,614,242)	1,394,194
LOANS TO EMPLOYEES AND RETIREES	(54,957)	MARKETING SUPPORT ACTIVITIES	(56,274)	21,708
FAS 133 ASSOCIATED AMOUNTS (NET)	(6,239)	FRANCHISE FEE	(37,455,985)	14,448,646
CONSERVATION/AEM INVENTORY	(1,909,337)	GROSS RECEIPTS TAX EXPENSE	(31,026,047)	11,968,298
INTEREST & DIVIDENDS RECEIVABLE	(310,348)	LIAISON EXPENSE	(225,717)	87,070
PLANT SCHERER	(8,535,099)	ECRC/ECCR EXPENSES	(49,373,892)	19,045,979
TEMPORARY CASH INVESTMENTS	230,769	COMPETITIVE SALES EXPENSES	0	0
FUNDED PROP RES & OTHER INVESTMENTS	(7,127,011)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,472,440)	567,994
FUEL RELATED DEFERRED DEBITS	(27,543,351)	INTEREST SYNCHRONIZATION	2,736,256	2,736,256
FLAME RESISTANT CLOTHING	(3,043)			
SALE OF RAIL CARS	115,813			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	229,918			



GULF POWER COMPANY  
 CAPITAL STRUCTURE  
 FPSC ADJUSTED BASIS  
 April, 2010

AVERAGE	ADJUSTMENTS						RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	ADJUSTED RETAIL		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	1,082,320,484	959,447,491	(354,375,483)	0	605,072,008	42.49	3.97	1.69	3.97	1.69	3.97	1.69	3.97	1.69		
SHORT TERM DEBT	42,347,631	14,564,419	(5,379,422)	0	9,184,997	0.65	1.06	0.01	1.06	0.01	1.06	0.01	1.06	0.01		
PREFERRED STOCK	92,364,264	75,234,806	(27,788,254)	0	47,446,552	3.33	7.38	0.25	7.38	0.25	7.38	0.25	7.38	0.25		
CUSTOMER DEPOSITS	31,953,146	31,435,439	(11,610,796)	0	19,824,643	1.39	6.18	0.09	6.18	0.09	6.18	0.09	6.18	0.09		
COMMON EQUITY	996,990,775	914,896,970	(337,920,583)	0	576,976,387	40.52	10.75	4.36	12.00	4.86	12.00	4.86	12.75	5.17		
DEFERRED INCOME TAXES	300,580,275	276,397,877	(102,088,579)	0	174,309,298	12.24										
FASB 109 DEFERRED TAXES	(23,992,948)	(22,062,658)	8,148,924	0	(13,913,734)	(0.98)										
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	9,922,994	7,876,531	(2,909,226)	0	4,967,305	0.35	7.29	0.03	7.87	0.03	8.22	0.03	8.22	0.03		
<b>TOTAL</b>	<b>2,532,486,621</b>	<b>2,257,790,875</b>	<b>(833,923,419)</b>	<b>0</b>	<b>1,423,867,456</b>	<b>100.00 %</b>		<b>6.41 %</b>		<b>6.92 %</b>		<b>6.92 %</b>		<b>7.22 %</b>		

YEAR-END	ADJUSTMENTS						RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	ADJUSTED RETAIL		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	1,266,785,538	1,082,066,709	(407,660,547)	0	674,406,162	45.40	3.72	1.69	3.72	1.69	3.72	1.69	3.72	1.69		
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
PREFERRED STOCK	92,464,348	72,297,359	(27,237,490)	0	45,059,869	3.03	7.40	0.22	7.40	0.22	7.40	0.22	7.40	0.22		
CUSTOMER DEPOSITS	33,794,449	32,626,983	(12,291,972)	0	20,335,011	1.37	6.55	0.09	6.55	0.09	6.55	0.09	6.55	0.09		
COMMON EQUITY	1,038,097,091	939,734,830	(354,038,075)	0	585,696,755	39.42	10.75	4.24	12.00	4.73	12.75	4.73	12.75	5.03		
DEFERRED INCOME TAXES	304,544,775	275,856,200	(103,926,762)	0	171,929,438	11.57										
FASB 109 DEFERRED TAXES	(28,804,495)	(26,091,068)	9,829,615	0	(16,261,453)	(1.09)										
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00										
TAX CREDITS - WEIGHTED COST	9,137,816	7,131,043	(2,686,587)	0	4,444,476	0.30	7.00	0.02	7.56	0.02	7.90	0.02	7.90	0.02		
<b>TOTAL</b>	<b>2,716,019,521</b>	<b>2,383,622,056</b>	<b>(898,011,798)</b>	<b>0</b>	<b>1,485,610,258</b>	<b>100.00 %</b>		<b>6.26 %</b>		<b>6.76 %</b>		<b>6.76 %</b>		<b>7.05 %</b>		

**GULF POWER COMPANY**  
**Financial Integrity Indicators**  
 April, 2010

<b>A. Times Interest Earned with AFUDC</b>	
Earnings Before Interest	165,684,527
AFUDC - Debt	7,627,882
Income Taxes	<u>60,669,445</u>
Total	233,981,853
Interest Charges (Before Deducting AFUDC - Debt)	<u>48,349,144</u>
T.I.E. With AFUDC	<u>4.84</u> x
<b>B. Times Interest Earned without AFUDC</b>	
Earnings Before Interest	165,684,527
AFUDC - Other	(19,139,685)
Income Taxes	<u>60,669,445</u>
Total	207,214,287
Interest Charges (Before Deducting AFUDC - Debt)	<u>48,349,144</u>
T.I.E. Without AFUDC	<u>4.29</u> x
<b>C. Percent AFUDC To Net Income Available for Common Stockholders</b>	
AFUDC - Debt	7,627,882
X (1 - Income Tax Rate)	0.6143
Subtotal	4,685,426
FUDC - Other	<u>19,139,685</u>
Total	<u>23,825,111</u>
Net Income Available for Common Stockholders	<u>118,760,765</u>
Percent AFUDC to Available Net Income	<u>20.06%</u>
<b>D. Percent Internally Generated Funds</b>	
Net Income	124,963,265
Preferred Dividends	(6,202,500)
Common Dividends	(96,800,000)
AFUDC (Debt & Other)	(26,767,566)
Depreciation & Amortization	109,351,331
Deferred Income Taxes	(7,455,366)
Investment Tax Credits	0
Other	<u>(70,817,647)</u>
Total	26,271,516
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>389,744,664</u>
Percent Internally Generated Funds	<u>6.74%</u>

<b>E. Long Term Debt as Percent of Total Investor Capital</b> (See calculation in item F. below)	
<b>F. Short Term Debt as Percent of Total Investor Capital Reconciled Average Retail Amounts</b>	
Long Term Debt	605,072,008
Short Term Debt	9,184,997
Preferred Stock	47,446,552
Common Equity	<u>576,976,387</u>
Total	<u>1,238,679,944</u>
% Long Term Debt To Total	<u>48.85%</u>
% Short Term Debt To Total	<u>0.74%</u>

<b>G. FPSC Adjusted Average Jurisdictional Return On Common Equity</b>			
	<b>G.</b>	<b>H.</b>	
	<b>FPSC ADJ.</b>	<b>PROFORMA</b>	
FPSC Adjusted Average Earned Rate of Return	6.55%	6.55%	
Less: Reconciled Average Retail Weighted Cost Rates For:			
Long Term Debt	(1.69)	(1.69)	
Short Term Debt	(0.01)	(0.01)	
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>(2.05)</u>	<u>(2.05)</u>	
Total	4.50	4.50	
Divided by Common Equity Ratio	<u>40.52</u>	<u>40.52</u>	
Jurisdictional Return on Common Equity	<u>11.10%</u>	<u>11.10%</u>	

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
March	10	291,667
<b>April</b>	<b>10</b>	<b>291,667</b>

12 - M-T-D

3,500,000