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September 14, 2010

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

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

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

Sincerely,

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

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DIVISION OF ECONOMIC REGULATION
FLORIDA PUBLIC SERVICE COMMISSION

Mr. John Slemkewicz
Division of Economic Regulation
Florida Public Service Commission
September 14, 2010
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bc/enc.: J. Mason
W. Buck
C. Erickson
R. Livingston
R. McMillan
S. Teel
S. Ritenour
B. Terry

GULF POWER COMPANY
Earnings Surveillance Report Summary
July, 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)					
	(a)	(b)			
Net Operating Income	160,419,753	(67,436,862)	92,982,891	0	92,982,891
Average Rate Base	2,313,546,774	(859,032,315)	1,454,514,459	0	1,454,514,459
Average Rate of Return	6.93%		6.39%		6.39%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	160,420,978	(66,419,881)	94,001,097	0	94,001,097
Year End Rate Base	2,400,415,814	(903,849,290)	1,496,566,524	0	1,496,566,524
Year End Rate of Return	6.68%		6.28%		6.28%

(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	6.93%
High	7.23%

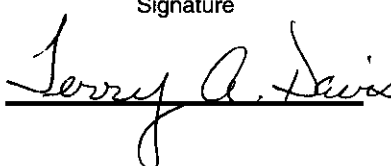
IV. Financial Integrity Indicators

A. Tie With AFUDC	4.85 x (System per Books Basis)
B. Tie Without AFUDC	4.44 x (System per Books Basis)
C. AFUDC To Net Income	15.22% (System per Books Basis)
D. Internally Generated Funds	30.41% (System per Books Basis)
E. LTD To Total Investor Funds	49.55% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.16% (FPSC Adjusted Basis)
G. Return on Common Equity	10.64% (FPSC Adjusted Basis)
H. Return on Common Equity	10.64% (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
 Terry A. Davis
 Asst Secretary & AsstTreasurer

Signature


Date
 9/13/10

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 July, 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	3,259,557,566	1,205,472,685	2,054,084,881	4,318,525	344,014,073	0	2,402,417,479	199,597,682	2,602,015,161
JURISDICTIONAL PER BOOKS	2,937,820,548	1,076,664,067	1,861,156,481	4,183,401	262,972,006	0	2,128,311,888	185,234,886	2,313,546,774
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(612,665,416)	(28,381,370)	(584,284,046)		(1,164,087)		(585,448,133)	(18,407,407)	(603,855,540)
INT BEARING CWIP					(217,998,300)		(217,998,300)	0	(217,998,300)
ENERGY CONSERVATION CLAUSE	(10,446,664)	450,086	(10,896,750)		(10,069)		(10,906,819)	(1,837,861)	(12,744,680)
LOANS TO EMPLOYEES / RETIREES							(53,693)	(53,693)	(53,693)
INTEREST AND DIVIDENDS RECEIVABLE							(300,858)	(300,858)	(300,858)
FUNDED PROF RES & OTHER INVESTMENTS							(8,425,852)	(8,425,852)	(8,425,852)
FUEL RELATED DEFERRED DEBITS							(15,879,666)	(15,879,666)	(15,879,666)
FLAME RESISTANT CLOTHING							(1,822)	(1,822)	(1,822)
ACCRUED PROVISION FOR REFUND							152,012	152,012	152,012
SALE OF RAILCARS							76,084	76,084	76,084
TOTAL FPSC ADJUSTMENTS	(623,112,080)	(27,931,284)	(595,180,796)	0	(219,172,456)	0	(814,353,252)	(44,679,063)	(859,032,315)
FPSC ADJUSTED	2,314,708,468	1,048,732,783	1,265,975,685	4,183,401	43,799,550	0	1,313,958,636	140,555,823	1,454,514,459
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	2,314,708,468	1,048,732,783	1,265,975,685	4,183,401	43,799,550	0	1,313,958,636	140,555,823	1,454,514,459

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
July, 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	1,464,173,997	747,968,704	284,754,626	106,966,432	98,757,741	66,588,068	2,160,347	(1,588,460)	(5,957)	1,305,621,500	158,552,497 (a)
JURISDICTIONAL PER BOOKS	1,289,087,769	622,744,737	269,782,748	99,455,196	96,756,567	59,418,384	1,849,848	(1,205,493)	(5,809)	1,148,796,147	140,291,622 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(119,891,588)				(553,787)	(26,711,123)				(77,458,063)	(42,533,525)
GROSS RECEIPTS TAX REVENUE	(31,304,034)					(12,075,531)				(12,075,531)	(19,228,503)
MARKETING SUPPORT ACTIVITIES			(55,215)			21,299				(33,916)	33,916
FRANCHISE FEE REVENUES	(38,826,205)			(19,349,665)		(14,977,209)				(68,152,879)	(23,848,996)
RETAIL FUEL REVENUES	(582,823,644)					(224,824,221)				(807,647,865)	(357,999,423)
ECCR and PPCC REVENUES	(51,914,151)					(20,025,884)				(71,940,035)	(31,888,267)
INT ON TAX ASSESSMENT											0
ECON DEV EXPENSE TOTAL			(956,466)			368,957				(587,509)	587,509
ECON DEV EXPENSE ALLOWED			908,643			(350,509)				558,134	(558,134)
LIAISON EXPENSES			(212,782)		(10,922)	86,294				(137,410)	137,410
CORPORATE ADVERTISING			(38,251)			14,755				(23,496)	23,496
INDUSTRY ASSOCIATION DUES			(573)			221				(352)	352
RETAIL FUEL EXPENSES	(582,380,614)					224,653,322				(357,727,292)	357,727,292
ECCR AND PPCC EXPENSES	(40,364,123)		(8,687,617)	(293,555)	(302,712)	19,151,718				(30,496,288)	30,496,288
FRANCHISE FEE					(37,850,031)	14,800,649				(23,049,382)	23,049,382
GRT, FPSC FEES ON CLAUSES & FEES					(1,480,174)	570,977				(909,197)	909,197
ECCR RECEIPTS TAX ADJUST					(31,176,175)	12,026,210				(19,149,965)	19,149,965
INTEREST SYNCHRONIZATION						3,566,690				3,566,690	(3,566,690)
TOTAL FPSC ADJUSTMENTS	(824,859,622)	(622,744,737)	(39,885,749)	(19,643,220)	(71,373,801)	(23,903,385)	0	0	0	(777,550,891)	(47,308,731)
FPSC ADJUSTED	464,228,147	0	229,896,999	79,811,976	25,382,766	35,514,969	1,849,848	(1,205,493)	(5,809)	371,245,256	92,982,891
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	464,228,147	0	229,896,999	79,811,976	25,382,766	35,514,969	1,849,848	(1,205,493)	(5,809)	371,245,256	92,982,891
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				20,777,056		20,128,131					
CURRENT MO. SYSTEM PER BOOKS	162,040,871	89,469,791	22,866,529	9,697,740	9,649,563	7,694,117	2,151,793	(128,650)	0	141,400,884	20,639,987
CURRENT MO. JURIS PER BOOKS	145,942,107	76,737,756	22,321,177	9,046,762	9,467,074	7,347,240	1,925,336	(98,500)	0	126,746,845	19,195,262

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

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<u>BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(38,826,205)	(14,977,209)
INVESTMENT	(243,429,023)	IIC FUEL REVENUES	(65,169,590)	(25,139,169)
ACCUMULATED DEPRECIATION	100,645,491	FUEL REVENUES	(640,861,631)	(247,212,374)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(876,277)	(338,024)
INVESTMENT	(10,446,664)	ECCR, PPCC, AND ECRC REVENUES	(172,486,884)	(66,536,815)
ACCUMULATED DEPRECIATION	(450,086)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,304,034)	(12,075,531)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(929,732)	(358,644)
INVESTMENT	(633,902,355)	CORPORATE ADVERTISING	(39,076)	15,074
ACCUMULATED DEPRECIATION	29,378,898	INDUSTRY ASSOCIATION DUES	(586)	226
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(748,881,314)	288,880,967
INTEREST BEARING CWIP	(225,026,510)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(72,561,564)	ECON DEVELOP EXPENSE- TOTAL	(956,466)	368,957
ECRC CWIP	(1,204,294)	ECON DEV EXPENSE - ALLOWED	908,643	(350,509)
ECCR CWIP	(10,069)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,687,617)	3,351,248
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(185,852)	71,692
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(19,043,053)	MARKETING SUPPORT ACTIVITIES	(55,215)	21,299
LOANS TO EMPLOYEES AND RETIREES	(55,928)	FRANCHISE FEE	(37,850,031)	14,600,649
FAS 133 ASSOCIATED AMOUNTS (NET)	(8,119)	GROSS RECEIPTS TAX EXPENSE	(31,176,175)	12,026,210
CONSERVATION/AEM INVENTORY	(1,837,861)	LIAISON EXPENSE	(228,604)	88,184
INTEREST & DIVIDENDS RECEIVABLE	(313,379)	ECRC/ECCR EXPENSES	(52,889,966)	20,402,304
PLANT SCHERER	(7,001,570)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,480,174)	570,977
FUNDED PROP RES & OTHER INVESTMENTS	(8,425,852)	INTEREST SYNCHRONIZATION	4,469,063	4,469,063
FUEL RELATED DEFERRED DEBITS	(15,879,666)			
FLAME RESISTANT CLOTHING	(2,247)			
SALE OF RAIL CARS	93,832			
ACCUM. PROV. FOR RATE REFUNDS	187,472			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
July, 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	3,537,032,108	1,230,208,128	2,306,823,980	5,664,735	196,076,805	0	2,508,565,521	199,597,682	2,708,163,203
JURISDICTIONAL PER BOOKS	3,206,724,206	1,098,599,046	2,108,125,160	5,487,489	100,420,220	0	2,214,032,869	186,382,945	2,400,415,814
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(826,474,382)	(36,456,387)	(790,017,995)		(431,781)		(790,449,776)	(18,407,407)	(808,857,183)
INT BEARING CWIP					(57,446,522)		(57,446,522)	0	(57,446,522)
ENERGY CONSERVATION CLAUSE	(10,636,918)	637,011	(11,273,929)				(11,273,929)	(1,837,861)	(13,111,790)
LOANS TO EMPLOYEES AND RETIREES								(53,693)	(53,693)
INTEREST AND DIVIDENDS RECEIVABLE								(300,858)	(300,858)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(8,425,852)	(8,425,852)
FUEL RELATED DEFERRED DEBITS								(15,879,666)	(15,879,666)
FLAME RESISTANT CLOTHING								(1,822)	(1,822)
ACCRUED PROVISION FOR REFUND								152,012	152,012
SALE OF RAILCARS								76,084	76,084
TOTAL FPSC ADJUSTMENTS	(837,111,300)	(35,819,376)	(801,291,924)	0	(57,878,303)	0	(859,170,227)	(44,679,063)	(903,849,290)
FPSC ADJUSTED	2,369,612,906	1,062,779,670	1,306,833,236	5,487,489	42,541,917	0	1,354,862,642	141,703,882	1,496,566,524
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	2,369,612,906	1,062,779,670	1,306,833,236	5,487,489	42,541,917	0	1,354,862,642	141,703,882	1,496,566,524

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
July, 2010

	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	1,464,173,997	747,968,704	284,754,626	106,966,432	98,757,741	66,588,068	2,160,347	(1,568,460)	(5,957)	1,305,621,500	158,552,497 (a)
JURISDICTIONAL PER BOOKS	1,289,087,769	622,744,737	269,782,748	99,455,196	96,756,567	59,417,196	1,849,781	(1,205,493)	(5,809)	1,148,794,922	140,292,847 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(119,991,588)				(553,787)	(26,711,123)			(77,458,063)		(42,533,525)
GROSS RECEIPTS TAX REVENUE	(31,304,034)		(30,843,488)	(19,349,665)		(12,075,531)			(12,075,531)		(19,228,503)
MARKETING SUPPORT ACTIVITIES			(55,215)			21,299			(33,916)		33,916
GAIN/LOSS ON DISPOSITION									0		0
FRANCHISE FEE REVENUES	(38,826,205)					(14,977,209)			(14,977,209)		(23,848,996)
RETAIL FUEL REVENUES	(582,823,644)					(224,824,221)			(224,824,221)		(357,999,423)
ECCR & PPCC REVENUES	(51,914,151)					(20,025,884)			(20,025,884)		(31,888,267)
INT ON TAX ASSESSMENT									0		0
ECON DEV EXPENSE TOTAL			(956,466)			368,957			(587,509)		587,509
ECON DEV EXPENSE ALLOWED			908,643			(350,509)			558,134		(568,134)
LIAISON EXPENSES			(212,782)		(10,922)	86,294			(137,410)		137,410
CORPORATE ADVERTISING			(38,251)			14,755			(23,496)		23,496
INDUSTRY ASSOCIATION DUES			(573)			221			(352)		352
RETAIL FUEL EXPENSES		(582,360,614)				224,653,322			(357,727,292)		357,727,292
ECCR AND PPCC EXPENSES		(40,364,123)	(8,687,617)	(293,555)	(302,712)	19,151,718			(30,496,288)		30,496,288
FRANCHISE FEE					(37,850,031)	14,600,849			(23,249,382)		23,249,382
GRT, FPSC FEES ON CLAUSES & FFEES					(1,480,174)	570,977			(909,197)		909,197
GROSS RECEIPTS TAX ADJUST					(31,176,175)	12,026,210			(19,149,965)		19,149,965
INTEREST SYNCHRONIZATION						2,549,709			2,549,709		(2,549,709)
TOTAL FPSC ADJUSTMENTS	(824,859,622)	(622,744,737)	(99,885,749)	(19,643,220)	(71,373,801)	(24,920,366)	0	0	0	(778,567,872)	(46,291,750)
FPSC ADJUSTED	464,228,147	0	229,896,999	79,811,976	25,382,766	34,496,830	1,849,781	(1,205,493)	(5,809)	370,227,050	94,001,097
PRO FORMA REVENUE ANNUALIZATION 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	464,228,147	0	229,896,999	79,811,976	25,382,766	34,496,830	1,849,781	(1,205,493)	(5,809)	370,227,050	94,001,097
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				20,777,056	AND THE JURISDICTIONAL NOI BY	20,128,131					

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
July, 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	(38,826,205)	(14,977,209)
INVESTMENT	(245,063,804)	IIC FUEL REVENUES	(65,169,590)	(25,139,169)
ACCUMULATED DEPRECIATION	102,869,638	FUEL REVENUES	(640,861,631)	(247,212,374)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(876,277)	(338,024)
INVESTMENT	(10,636,918)	ECCR, PPCC, AND ECRC REVENUES	(172,486,884)	(66,536,815)
ACCUMULATED DEPRECIATION	(637,011)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,304,034)	(12,075,531)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(929,732)	(358,644)
INVESTMENT	(853,293,717)	CORPORATE ADVERTISING	(39,076)	15,074
ACCUMULATED DEPRECIATION	37,666,376	INDUSTRY ASSOCIATION DUES	(586)	226
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(748,881,314)	288,880,967
INTEREST BEARING CWIP	(59,298,583)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(92,418,983)	ECON DEVELOP EXPENSE- TOTAL	(956,466)	368,957
ECRC CWIP	(445,782)	ECON DEV EXPENSE - ALLOWED	908,643	(350,509)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,687,617)	3,351,248
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(185,852)	71,692
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(19,043,053)	MARKETING SUPPORT ACTIVITIES	(55,215)	21,299
LOANS TO EMPLOYEES AND RETIREES	(55,928)	FRANCHISE FEE	(37,850,031)	14,600,649
FAS 133 ASSOCIATED AMOUNTS (NET)	(8,119)	GROSS RECEIPTS TAX EXPENSE	(31,176,175)	12,026,210
CONSERVATION/AEM INVENTORY	(1,837,861)	LIAISON EXPENSE	(228,604)	88,184
INTEREST & DIVIDENDS RECEIVABLE	(313,379)	ECRC/ECCR EXPENSES	(52,889,966)	20,402,304
PLANT SCHERER	(5,854,349)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,480,174)	570,977
FUNDED PROP RES & OTHER INVESTMENTS	(8,425,852)	INTEREST SYNCHRONIZATION	3,047,917	3,047,917
FUEL RELATED DEFERRED DEBITS	(15,879,666)			
FLAME RESISTANT CLOTHING	(2,247)			
SALE OF RAIL CARS	93,832			
ACCUM. PROV. FOR RATE REFUNDS	187,472			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
July, 2010

AVERAGE	ADJUSTMENTS					LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)
LONG TERM DEBT	1,126,466,874	1,000,946,184	(371,656,682)	0	629,289,502	43.26	4.23	1.83	4.23	1.83	4.23	1.83	4.23	1.83
SHORT TERM DEBT	39,856,793	23,467,512	(8,713,613)	0	14,753,899	1.01	0.36	0.00	0.36	0.00	0.36	0.00	0.36	0.00
PREFERRED STOCK	92,413,785	82,401,017	(30,595,939)	0	51,805,078	3.56	6.92	0.25	6.92	0.25	6.92	0.25	6.92	0.25
CUSTOMER DEPOSITS	32,903,531	32,204,191	(11,957,589)	0	20,246,602	1.39	6.12	0.09	6.12	0.09	6.12	0.09	6.12	0.09
COMMON EQUITY	1,020,580,988	913,318,203	(339,119,943)	0	574,198,260	39.48	10.75	4.24	12.00	4.74	12.00	4.74	12.75	5.03
DEFERRED INCOME TAXES	303,479,667	278,052,613	(103,242,425)	0	174,810,188	12.02								
FASB 109 DEFERRED TAXES	(26,603,252)	(24,374,297)	9,050,307	0	(15,323,990)	(1.05)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	9,529,077	7,531,351	(2,796,431)	0	4,734,920	0.33	7.32	0.02	7.90	0.03	8.24	0.03	8.24	0.03
TOTAL	2,598,627,463	2,313,546,774	(859,032,315)	0	1,454,514,459	100.00		6.43		6.93		6.93		7.23

YEAR-END	ADJUSTMENTS					LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)
LONG TERM DEBT	1,147,804,933	1,007,129,692	(379,223,238)	0	627,906,454	41.96	4.64	1.95	4.64	1.95	4.64	1.95	4.64	1.95
SHORT TERM DEBT	84,781,391	67,181,799	(25,296,543)	0	41,885,256	2.80	0.31	0.01	0.31	0.01	0.31	0.01	0.31	0.01
PREFERRED STOCK	92,513,416	81,796,005	(30,799,356)	0	50,996,649	3.41	6.92	0.24	6.92	0.24	6.92	0.24	6.92	0.24
CUSTOMER DEPOSITS	34,888,110	34,017,234	(12,808,803)	0	21,208,431	1.42	6.09	0.09	6.09	0.09	6.09	0.09	6.09	0.09
COMMON EQUITY	1,056,314,687	946,200,755	(356,281,139)	0	589,919,616	39.42	10.75	4.24	12.00	4.73	12.75	4.73	12.75	5.03
DEFERRED INCOME TAXES	310,350,048	284,460,935	(107,110,531)	0	177,350,404	11.84								
FASB 109 DEFERRED TAXES	(29,759,110)	(27,276,633)	10,270,706	0	(17,005,927)	(1.14)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	8,751,866	6,906,027	(2,600,386)	0	4,305,641	0.29	7.57	0.02	8.15	0.02	8.50	0.02	8.50	0.02
TOTAL	2,705,645,342	2,400,415,814	(903,849,290)	0	1,496,566,524	100.00		6.54		7.03		7.03		7.33

GULF POWER COMPANY
Financial Integrity Indicators
July, 2010

Times Interest Earned with AFUDC	
Earnings Before Interest	172,134,108
AFUDC - Debt	5,920,782
Income Taxes	<u>66,335,515</u>
Total	244,390,406
Interest Charges (Before Deducting AFUDC - Debt)	<u>50,340,726</u>
T.I.E. With AFUDC	<u>4.85 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	172,134,108
AFUDC - Other	(14,856,274)
Income Taxes	<u>66,335,515</u>
Total	223,613,349
Interest Charges (Before Deducting AFUDC - Debt)	<u>50,340,726</u>
T.I.E. Without AFUDC	<u>4.44 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	5,920,782
X (1 - Income Tax Rate)	0.6143
Subtotal	3,636,840
FUDC - Other	<u>14,856,274</u>
Total	<u>18,493,115</u>
Net Income Available for Common Stockholders	<u>121,511,665</u>
Percent AFUDC to Available Net Income	<u>15.22%</u>

D. Percent Internally Generated Funds

Net Income	127,714,165
Preferred Dividends	(6,202,500)
Common Dividends	(100,550,000)
AFUDC (Debt & Other)	(20,777,056)
Depreciation & Amortization	114,706,884
Deferred Income Taxes	2,146,149
Investment Tax Credits	0
Other	<u>(20,288,033)</u>
Total	96,749,608
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>318,165,753</u>
Percent Internally Generated Funds	<u>30.41%</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	629,289,502
Short Term Debt	14,753,899
Preferred Stock	51,805,078
Common Equity	<u>574,198,260</u>
Total	<u>1,270,046,739</u>
% Long Term Debt To Total	<u>49.55%</u>
% Short Term Debt To Total	<u>1.16%</u>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	6.39%	6.39%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.83)	(1.83)
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>(2.19)</u>	<u>(2.19)</u>
Total	4.20	4.20
Divided by Common Equity Ratio	<u>39.48</u>	<u>39.48</u>
Jurisdictional Return on Common Equity	<u>10.64%</u>	<u>10.64%</u>

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
April	10	291,667
May	10	291,667
June	10	291,667
July	10	291,667

12 - M-T-D

3,500,000