

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



October 14, 2010

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

10 OCT 15 AM 10:32
ECONOMIC REGULATION
FLORIDA PUBLIC SERVICE

Dear Mr. Slemkewicz:

RE: Monthly Rate of Return Report

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

Sincerely,

Susan D. Ritenour (lw)

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
August, 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	161,743,811	(68,800,612)	92,943,199	0	92,943,199
Average Rate Base	2,328,750,334	(864,850,894)	1,463,899,440	0	1,463,899,440
Average Rate of Return	6.95%		6.35%		6.35%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	161,763,852	(67,839,112)	93,924,740	0	93,924,740
Year End Rate Base	2,398,506,291	(897,127,513)	1,501,378,778	0	1,501,378,778
Year End Rate of Return	6.74%		6.26%		6.26%

(a) Includes AFUDC Earnings
(b) Includes Reversal of AFUDC Earnings

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

Low	6.44%
Midpoint	6.94%
High	7.23%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.85 x (System per Books Basis)
B. Tie Without AFUDC	4.49 x (System per Books Basis)
C. AFUDC To Net Income	13.49% (System per Books Basis)
D. Internally Generated Funds	26.46% (System per Books Basis)
E. LTD To Total Investor Funds	49.28% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.49% (FPSC Adjusted Basis)
G. Return on Common Equity	10.51% (FPSC Adjusted Basis)
H. Return on Common Equity	10.51% (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		10/13/10

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
August, 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	3,310,957,735	1,209,810,598	2,101,147,137	4,542,897	316,266,807	0	2,421,956,841	199,024,737	2,620,981,578
JURISDICTIONAL PER BOOKS	2,987,217,307	1,080,525,568	1,906,691,739	4,400,752	232,726,511	0	2,143,819,002	184,931,332	2,328,750,334
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(654,111,486)	(29,738,009)	(624,373,477)		(1,192,448)		(625,565,925)	(17,397,474)	(642,963,399)
INT BEARING CW/IP					(186,606,766)		(186,606,766)	0	(186,606,766)
ENERGY CONSERVATION CLAUSE	(10,467,576)	488,954	(10,956,530)		(10,069)		(10,966,599)	(1,821,306)	(12,787,906)
LOANS TO EMPLOYEES / RETIREES								(54,488)	(54,488)
INTEREST AND DIVIDENDS RECEIVABLE								(301,448)	(301,448)
FUNDED PROP RES & OTHER INVESTMENTS								(8,824,144)	(8,824,144)
FUEL RELATED DEFERRED DEBITS								(13,526,045)	(13,526,045)
FLAME RESISTANT CLOTHING								(1,591)	(1,591)
ACCRUED PROVISION FOR REFUND								144,862	144,862
SALE OF RAILCARS								70,031	70,031
TOTAL FPSC ADJUSTMENTS	(664,579,062)	(29,249,055)	(635,330,007)	0	(187,809,283)	0	(823,139,290)	(41,711,603)	(864,850,894)
FPSC ADJUSTED	2,322,638,245	1,051,276,513	1,271,361,732	4,400,752	44,917,228	0	1,320,679,712	143,219,728	1,463,899,440
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	2,322,638,245	1,051,276,513	1,271,361,732	4,400,752	44,917,228	0	1,320,679,712	143,219,728	1,463,899,440

GULF POWER COMPANY,
AVERAGE RATE OF RETURN
INCOME STATEMENT
August, 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	1,512,235,865	780,955,317	286,671,615	113,454,860	99,811,106	75,591,427	(5,114,485)	(1,563,528)	(5,957)	1,349,800,356	162,435,509 (a)
JURISDICTIONAL PER BOOKS	1,313,679,236	632,802,088	272,229,111	105,565,466	97,772,420	67,075,396	(4,344,117)	(1,200,663)	(5,809)	1,169,893,890	143,765,346 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(130,447,118)			(24,877,800)	(562,977)	(28,586,616)				(84,927,148)	(45,519,970)
GROSS RECEIPTS TAX REVENUE	(31,664,786)					(12,214,691)				(12,214,691)	(19,450,095)
MARKETING SUPPORT ACTIVITIES			(57,000)			21,988				(35,012)	35,012
FRANCHISE FEE REVENUES	(39,227,801)					(15,132,047)				(15,132,047)	(24,095,554)
RETAIL FUEL REVENUES	(590,914,325)					(227,945,201)				(227,945,201)	(362,969,124)
ECCR and PPCC REVENUES	(53,893,021)					(20,789,233)				(20,789,233)	(33,103,768)
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(995,290)			383,933				(611,357)	611,357
ECON DEV EXPENSE ALLOWED			945,525			(364,736)				580,789	(580,789)
LIAISON EXPENSES			(213,524)		(10,969)	86,598				(137,895)	137,895
CORPORATE ADVERTISING			(38,055)			14,680				(23,375)	23,375
INDUSTRY ASSOCIATION DUES			(583)			225				(358)	358
RETAIL FUEL EXPENSES	(590,471,892)					227,774,533				(362,697,359)	362,697,359
ECCR AND PPCC EXPENSES	(42,330,195)		(8,500,268)	(295,078)		19,837,519				(31,588,324)	31,588,324
FRANCHISE FEE					(38,241,073)	14,751,494				(23,489,579)	23,489,579
GRT, FPSC FEES ON CLAUSES & FEES					(1,491,322)	575,277				(916,045)	916,045
GROSS RECEIPTS TAX ADJUST					(31,538,122)	12,165,831				(19,372,291)	19,372,291
INTEREST SYNCHRONIZATION						3,994,422				3,994,422	(3,994,422)
TOTAL FPSC ADJUSTMENTS	(846,146,852)	(632,802,088)	(39,758,950)	(25,172,878)	(72,144,765)	(25,426,024)	0	0	0	(795,304,704)	(50,842,147)
FPSC ADJUSTED	467,532,385	0	232,470,161	80,392,587	25,627,655	41,649,372	(4,344,117)	(1,200,663)	(5,809)	374,589,186	92,943,199
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	467,532,385	0	232,470,161	80,392,587	25,627,655	41,649,372	(4,344,117)	(1,200,663)	(5,809)	374,589,186	92,943,199
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			18,537,441			17,958,465					
CURRENT MO. SYSTEM PER BOOKS	177,768,320	100,877,998	22,990,743	14,434,449	10,069,709	5,429,481	4,019,201	(128,650)	0	157,692,931	20,075,389
CURRENT MO. JURIS PER BOOKS	143,498,622	71,281,281	21,936,726	13,469,979	9,882,357	5,100,081	3,593,628	(98,479)	0	125,165,573	18,333,049

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

SCHEDULE 2
PAGE 3 OF 3

<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	(39,227,601)	(15,132,047)
INVESTMENT	(243,812,232)	IIC FUEL REVENUES	(86,583,263)	(33,399,494)
ACCUMULATED DEPRECIATION	101,009,357	FUEL REVENUES	(650,391,515)	(250,888,527)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(858,371)	(331,117)
INVESTMENT	(10,467,576)	ECCR, PPCC, AND ECRC REVENUES	(184,913,091)	(71,330,225)
ACCUMULATED DEPRECIATION	(488,954)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,664,786)	(12,214,691)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REVTRANS REVGL ON SALE OF GAS	(942,508)	(363,572)
INVESTMENT	(676,773,112)	CORPORATE ADVERTISING	(38,876)	14,996
ACCUMULATED DEPRECIATION	30,782,193	INDUSTRY ASSOCIATION DUES	(596)	230
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(781,863,433)	301,603,819
INTEREST BEARING CWIP	(192,622,921)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(76,034,850)	ECON DEVELOP EXPENSE- TOTAL	(995,290)	383,933
ECRC CWIP	(1,233,619)	ECON DEV EXPENSE - ALLOWED	945,525	(364,736)
ECCR CWIP	(10,069)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,500,268)	3,278,979
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(184,424)	71,142
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(17,997,971)	MARKETING SUPPORT ACTIVITIES	(57,000)	21,988
LOANS TO EMPLOYEES AND RETIREES	(56,756)	FRANCHISE FEE	(38,241,073)	14,751,494
FAS 133 ASSOCIATED AMOUNTS (NET)	(6,734)	GROSS RECEIPTS TAX EXPENSE	(31,538,122)	12,165,831
CONSERVATION/AEM INVENTORY	(1,821,306)	LIAISON EXPENSE	(229,410)	88,495
INTEREST & DIVIDENDS RECEIVABLE	(313,993)	ECRC/ECCR EXPENSES	(58,671,744)	22,632,625
PLANT SCHERER	(6,848,044)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,491,322)	575,277
FUNDED PROP RES & OTHER INVESTMENTS	(8,824,144)	INTEREST SYNCHRONIZATION	4,829,672	4,829,672
FUEL RELATED DEFERRED DEBITS	(13,526,045)			
FLAME RESISTANT CLOTHING	(1,962)			
SALE OF RAIL CARS	86,367			
ACCUM. PROV. FOR RATE REFUNDS	178,654			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
August, 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	3,543,102,218	1,240,653,196	2,302,449,022	5,664,735	204,199,753	0	2,512,313,510	199,024,737	2,711,338,247
JURISDICTIONAL PER BOOKS	3,211,336,245	1,108,363,746	2,102,972,499	5,487,489	103,541,037	0	2,212,001,025	186,505,266	2,398,506,291
<u>EPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(826,819,617)	(42,716,615)	(784,103,002)		(547,243)		(784,650,245)	(17,397,474)	(802,047,719)
ENERGY CONSERVATION CLAUSE					(59,559,034)		(59,559,034)	0	(59,559,034)
LOANS TO EMPLOYEES AND RETIREES	(10,443,849)	762,782	(11,206,631)				(11,206,631)	(1,821,306)	(13,027,937)
INTEREST AND DIVIDENDS RECEIVABLE								(54,488)	(54,488)
NOTES RECEIVABLE								(301,448)	(301,448)
FUNDED PROP RES & OTHER INVESTMENTS								0	0
FUEL RELATED DEFERRED DEBITS								(8,824,144)	(8,824,144)
FLAME RESISTANT CLOTHING								(13,526,045)	(13,526,045)
ACCRUED PROVISION FOR REFUND								(1,591)	(1,591)
SALE OF RAILCARS								144,862	144,862
								70,031	70,031
TOTAL FPSC ADJUSTMENTS	(837,263,466)	(41,953,833)	(795,309,633)	0	(60,106,277)	0	(855,415,910)	(41,711,603)	(897,127,513)
FPSC ADJUSTED	2,374,072,779	1,066,409,913	1,307,662,866	5,487,489	43,434,760	0	1,356,585,115	144,793,663	1,501,378,778
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	2,374,072,779	1,066,409,913	1,307,662,866	5,487,489	43,434,760	0	1,356,585,115	144,793,663	1,501,378,778

GULF POWER COMPANY,
YEAR END RATE OF RETURN
INCOME STATEMENT
August, 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	1,512,235,865	780,955,317	286,671,615	113,454,860	99,811,106	75,591,427	(5,114,485)	(1,563,528)	(5,957)	1,349,800,356	162,435,509 (a)
JURISDICTIONAL PER BOOKS	1,313,679,236	632,802,088	272,229,111	105,565,466	97,772,420	67,052,741	(4,341,503)	(1,200,663)	(5,809)	1,169,873,849	143,805,387 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(130,447,118)			(24,877,800)	(562,977)	(28,586,616)				(84,927,148)	(45,519,970)
GROSS RECEIPTS TAX REVENUE	(31,664,786)		(30,899,755)			(12,214,691)				(12,214,691)	(19,450,085)
MARKETING SUPPORT ACTIVITIES			(57,000)			21,988				(35,012)	35,012
GAIN/LOSS ON DISPOSITION	(39,227,601)					(15,132,047)				(15,132,047)	(24,095,554)
FRANCHISE FEE REVENUES	(590,914,325)					(227,945,201)				(227,945,201)	(362,969,124)
RETAIL FUEL REVENUES	(53,893,021)					(20,789,233)				(20,789,233)	(33,103,788)
ECCR & PPCC REVENUES											
INT ON TAX ASSESSMENT											
ECON DEV EXPENSE TOTAL			(995,290)			383,933				(611,357)	611,357
ECON DEV EXPENSE ALLOWED			945,525		(10,969)	(364,736)				580,789	(580,789)
LIAISON EXPENSES			(213,524)			86,598				(137,895)	137,895
CORPORATE ADVERTISING			(38,055)			14,660				(23,375)	23,375
INDUSTRY ASSOCIATION DUES			(883)			225				(358)	358
RETAIL FUEL EXPENSES		(590,471,892)				227,774,533				(362,697,359)	362,697,359
ECCR AND PPCC EXPENSES		(42,330,195)	(8,500,268)	(295,078)	(300,301)	19,637,519				(31,588,324)	31,588,324
FRANCHISE FEE					(38,241,073)	14,751,494				(23,489,579)	23,489,579
GRT, FPSC FEES ON CLAUSES & FFEES					(1,491,322)	575,277				(916,045)	916,045
GROSS RECEIPTS TAX ADJUST					(31,538,122)	12,165,831				(19,372,291)	19,372,291
INTEREST SYNCHRONIZATION						3,032,922				3,032,922	(3,032,922)
TOTAL FPSC ADJUSTMENTS	(846,146,852)	(632,602,088)	(39,758,950)	(25,172,878)	(72,144,765)	(26,387,524)	0	0	0	(796,266,204)	(49,880,647)
FPSC ADJUSTED	467,532,385	0	232,470,161	80,392,587	25,627,655	40,665,217	(4,341,503)	(1,200,663)	(5,809)	373,607,645	93,924,740
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	467,532,385	0	232,470,161	80,392,587	25,627,655	40,665,217	(4,341,503)	(1,200,663)	(5,809)	373,607,645	93,924,740

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 18,537,441 AND THE JURISDICTIONAL NOI BY 17,958,465

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
August, 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	(39,227,601)	(15,132,047)
INVESTMENT	(245,220,310)	IIC FUEL REVENUES	(86,583,263)	(33,399,494)
ACCUMULATED DEPRECIATION	103,200,785	FUEL REVENUES	(850,391,515)	(250,888,527)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(858,371)	(331,117)
INVESTMENT	(10,443,849)	ECCR, PPCC, AND ECRC REVENUES	(184,913,091)	(71,330,225)
ACCUMULATED DEPRECIATION	(762,782)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,664,786)	(12,214,691)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	(942,508)	(363,572)
INVESTMENT	(854,830,556)	CORPORATE ADVERTISING	(38,876)	14,996
ACCUMULATED DEPRECIATION	44,181,791	INDUSTRY ASSOCIATION DUES	(596)	230
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(781,863,433)	301,603,819
INTEREST BEARING CWIP	(61,479,202)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(97,319,710)	ECON DEVELOP EXPENSE- TOTAL	(995,290)	383,933
ECRC CWIP	(565,756)	ECON DEV EXPENSE - ALLOWED	945,525	(364,736)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,500,268)	3,278,979
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(184,424)	71,142
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(17,997,971)	MARKETING SUPPORT ACTIVITIES	(57,000)	21,988
LOANS TO EMPLOYEES AND RETIREES	(56,756)	FRANCHISE FEE	(38,241,073)	14,751,494
FAS 133 ASSOCIATED AMOUNTS (NET)	(6,734)	GROSS RECEIPTS TAX EXPENSE	(31,538,122)	12,165,831
CONSERVATION/AEM INVENTORY	(1,821,306)	LIAISON EXPENSE	(229,410)	88,495
INTEREST & DIVIDENDS RECEIVABLE	(313,993)	ECRC/ECCR EXPENSES	(58,671,744)	22,632,625
PLANT SCHERER	(6,978,344)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,491,322)	575,277
FUNDED PROP RES & OTHER INVESTMENTS	(8,824,144)	INTEREST SYNCHRONIZATION	3,455,709	3,455,709
FUEL RELATED DEFERRED DEBITS	(13,526,045)			
FLAME RESISTANT CLOTHING	(1,962)			
SALE OF RAIL CARS	86,367			
ACCUM. PROV. FOR RATE REFUNDS	178,654			

GULF POWER COMPANY
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 August, 2010

AVERAGE	ADJUSTMENTS							RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	COST RATEWEIGHTED COST (%)	RATIO (%)		COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)
LONG TERM DEBT	1,130,964,083	1,002,557,385	(372,329,587)	0	630,227,798	43.05	4.27	1.84	4.27	1.84	4.27	1.84	4.27	1.84	4.27	1.84	
SHORT TERM DEBT	44,601,817	30,384,026	(11,284,014)	0	19,100,012	1.30	0.35	0.00	0.35	0.00	0.35	0.00	0.35	0.00	0.35	0.00	
PREFERRED STOCK	92,430,297	82,256,102	(30,548,257)	0	51,707,845	3.53	6.92	0.24	6.92	0.24	6.92	0.24	6.92	0.24	6.92	0.24	
CUSTOMER DEPOSITS	33,206,364	32,467,191	(12,057,660)	0	20,409,531	1.39	6.16	0.09	6.16	0.09	6.16	0.09	6.16	0.09	6.16	0.09	
COMMON EQUITY	1,029,077,527	919,389,576	(341,442,741)	0	577,946,835	39.48	10.75	4.24	12.00	4.74	12.00	4.74	12.75	5.03	12.75	5.03	
DEFERRED INCOME TAXES	304,943,186	279,287,796	(103,721,853)	0	175,565,943	11.99											
FASB 109 DEFERRED TAXES	(27,310,211)	(25,012,555)	9,289,158	0	(15,723,397)	(1.07)											
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00											
TAX CREDITS - WEIGHTED COST	9,398,530	7,420,813	(2,755,940)	0	4,664,873	0.32	7.35	0.02	7.92	0.03	7.92	0.03	8.27	0.03	8.27	0.03	
TOTAL	2,617,311,593	2,328,750,334	(864,850,894)	0	1,463,899,440	100.00		6.44		6.94		6.94		7.23		7.23	

YEAR-END	ADJUSTMENTS							RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	COST RATEWEIGHTED COST (%)	RATIO (%)		COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)	RATIO (%)	COST RATEWEIGHTED COST (%)
LONG TERM DEBT	1,148,028,259	1,001,752,930	(374,691,581)	0	627,061,349	41.77	4.67	1.95	4.67	1.95	4.67	1.95	4.67	1.95	4.67	1.95	
SHORT TERM DEBT	75,282,798	59,984,292	(22,436,280)	0	37,548,012	2.50	0.33	0.01	0.33	0.01	0.33	0.01	0.33	0.01	0.33	0.01	
PREFERRED STOCK	92,529,772	81,302,252	(30,409,963)	0	50,892,289	3.39	6.92	0.23	6.92	0.23	6.92	0.23	6.92	0.23	6.92	0.23	
CUSTOMER DEPOSITS	35,003,224	33,998,607	(12,716,700)	0	21,281,907	1.42	6.36	0.09	6.36	0.09	6.36	0.09	6.36	0.09	6.36	0.09	
COMMON EQUITY	1,072,609,718	954,632,183	(357,066,729)	0	597,565,454	39.80	10.75	4.28	12.00	4.78	12.00	4.78	12.75	5.07	12.75	5.07	
DEFERRED INCOME TAXES	314,691,020	287,566,242	(107,560,105)	0	180,006,137	11.99											
FASB 109 DEFERRED TAXES	(30,077,315)	(27,484,802)	10,280,303	0	(17,204,499)	(1.15)											
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00											
TAX CREDITS - WEIGHTED COST	8,623,216	6,754,587	(2,526,458)	0	4,228,129	0.28	7.61	0.02	8.19	0.02	8.19	0.02	8.55	0.02	8.55	0.02	
TOTAL	2,716,690,692	2,398,506,291	(897,127,513)	0	1,501,378,778	100.00		6.58		7.08		7.08		7.38		7.38	

GULF POWER COMPANY
Financial Integrity Indicators
August, 2010

A. Times Interest Earned with AFUDC	
Earnings Before Interest	174,357,344
AFUDC - Debt	5,282,565
Income Taxes	<u>68,030,553</u>
Total	247,670,462
Interest Charges (Before Deducting AFUDC - Debt)	<u>51,084,532</u>
T.I.E. With AFUDC	<u>4.85 x</u>
B. Times Interest Earned without AFUDC	
Earnings Before Interest	174,357,344
AFUDC - Other	(13,254,876)
Income Taxes	<u>68,030,553</u>
Total	229,133,021
Interest Charges (Before Deducting AFUDC - Debt)	<u>51,084,532</u>
T.I.E. Without AFUDC	<u>4.49 x</u>
C. Percent AFUDC To Net Income Available for Common Stockholders	
AFUDC - Debt	5,282,565
X (1 - Income Tax Rate)	0.6143
Subtotal	3,244,816
FUDC - Other	<u>13,254,876</u>
Total	<u>16,499,691</u>
Net Income Available for Common Stockholders	<u>122,352,877</u>
Percent AFUDC to Available Net Income	<u>13.49%</u>
D. Percent Internally Generated Funds	
Net Income	128,555,377
Preferred Dividends	(6,202,500)
Common Dividends	(100,550,000)
AFUDC (Debt & Other)	(18,537,441)
Depreciation & Amortization	121,914,920
Deferred Income Taxes	(5,121,227)
Investment Tax Credits	0
Other	<u>(43,565,266)</u>
Total	76,493,864
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>289,132,900</u>
Percent Internally Generated Funds	<u>26.46%</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	630,227,798
Short Term Debt	19,100,012
Preferred Stock	51,707,845
Common Equity	<u>577,946,835</u>
Total	<u>1,278,982,490</u>
% Long Term Debt To Total	<u>49.28%</u>
% Short Term Debt To Total	<u>1.49%</u>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity		G.	H.
		FPSC ADJ.	PROFORMA
FPSC Adjusted Average Earned Rate of Return		6.35%	6.35%
Less: Reconciled Average Retail Weighted Cost Rates For:			
Long Term Debt		(1.84)	(1.84)
Short Term Debt		(0.00)	(0.00)
Preferred Stock		(0.24)	(0.24)
Customer Deposits		(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)		<u>(0.03)</u>	<u>(0.03)</u>
Subtotal		<u>(2.20)</u>	<u>(2.20)</u>
Total		4.15	4.15
Divided by Common Equity Ratio		<u>39.48</u>	<u>39.48</u>
Jurisdictional Return on Common Equity		<u>10.51%</u>	<u>10.51%</u>

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
August	10	291,667

12 - M-T-D

3,500,000