

**Susan D. Ritenour**  
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January 13, 2011

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

11 JAN 14 PM 2:55  
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 November, 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**  
**November, 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	161,233,018	(72,151,073)	89,081,945	0	89,081,945
Average Rate Base	2,379,728,911	(882,105,225)	1,497,623,686	0	1,497,623,686
Average Rate of Return	6.78%		5.95%		5.95%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	161,240,461	(71,389,756)	89,850,705	0	89,850,705
Year End Rate Base	2,424,090,657	(904,824,227)	1,519,266,430	0	1,519,266,430
Year End Rate of Return	6.65%		5.91%		5.91%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.46%
Midpoint	6.96%
High	7.25%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	4.64 x (System per Books Basis)
B. Tie Without AFUDC	4.43 x (System per Books Basis)
C. AFUDC To Net Income	8.24% (System per Books Basis)
D. Internally Generated Funds	10.43% (System per Books Basis)
E. LTD To Total Investor Funds	49.48% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.45% (FPSC Adjusted Basis)
G. Return on Common Equity	9.43% (FPSC Adjusted Basis)
H. Return on Common Equity	9.43% (Proforma Basis)

I am aware that Section 837.06, Florida Statutes, provides:

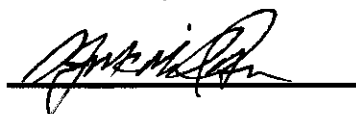
Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Name and Title

Signature

Date

Richard J. McMillan  
 Corporate Planning Manager



1/12/11

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
November, 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>	3,486,350,393	1,225,027,639	2,241,322,754	5,216,015	227,625,679	0	2,474,164,448	207,566,753	2,681,731,201
<b>JURISDICTIONAL PER BOOKS</b>	3,136,677,728	1,094,270,824	2,042,406,904	5,052,808	136,791,244	0	2,184,250,956	195,477,955	2,379,728,911
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(778,789,794)	(34,739,053)	(744,050,741)		(1,446,484)		(745,497,225)	(15,058,830)	(760,556,055)
INT BEARING CWIP					(87,489,213)		(87,489,213)	0	(87,489,213)
ENERGY CONSERVATION CLAUSE	(10,471,261)	627,084	(11,098,345)		(10,069)		(11,108,414)	(1,847,237)	(12,955,652)
LOANS TO EMPLOYEES / RETIREES								(56,709)	(56,709)
INTEREST AND DIVIDENDS RECEIVABLE								(303,526)	(303,526)
FUNDED PROP RES & OTHER INVESTMENTS								(10,107,328)	(10,107,328)
FUEL RELATED DEFERRED DEBITS								(10,828,642)	(10,828,642)
FLAME RESISTANT CLOTHING								(1,254)	(1,254)
ACCRUED PROVISION FOR REFUND								141,628	141,628
SALE OF RAILCARS								51,526	51,526
<b>TOTAL FPSC ADJUSTMENTS</b>	(789,261,055)	(34,111,969)	(755,149,086)	0	(88,945,766)	0	(844,094,852)	(38,010,372)	(882,105,225)
<b>FPSC ADJUSTED</b>	2,347,416,673	1,060,158,855	1,287,257,818	5,052,808	47,845,478	0	1,340,156,104	157,467,582	1,497,623,686
<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>	2,347,416,673	1,060,158,855	1,287,257,818	5,052,808	47,845,478	0	1,340,156,104	157,467,582	1,497,623,686

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

	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	1,565,868,419	811,065,560	293,224,847	99,949,633	120,699,173	99,949,633	27,355,201	44,142,035	(1,548,732)	(5,957)	1,394,881,761	170,986,659 (a)
JURISDICTIONAL PER BOOKS	1,356,355,792	655,351,184	279,364,823	98,271,524	112,464,611	98,271,524	27,225,144	35,451,435	(1,186,067)	(5,809)	1,205,936,844	150,418,948 (a)
LESS FPSC ADJUSTMENTS:												
ENVIRONMENTAL RECOVERY CLAUSE	(150,306,969)					(585,458)	(34,129,849)				(95,960,217)	(54,346,752)
GROSS RECEIPTS TAX REVENUE	(32,134,045)		(30,487,026)				(12,395,708)				(12,395,708)	(19,738,337)
MARKETING SUPPORT ACTIVITIES			(113,575)				43,812				(69,763)	69,763
GAIN/LOSS ON DISPOSITION											0	0
FRANCHISE FEE REVENUES	(39,878,374)						(15,383,083)				(15,383,083)	(24,495,291)
RETAIL FUEL REVENUES	(612,052,553)						(236,099,272)				(236,099,272)	(375,953,281)
ECCR and PPCC REVENUES	(55,748,454)						(21,504,966)				(21,504,966)	(34,243,488)
INT ON TAX ASSESSMENT											0	0
ECON DEV EXPENSE TOTAL			(908,366)				350,402				(557,964)	557,964
ECON DEV EXPENSE ALLOWED			862,948				(332,882)				530,066	(530,066)
LIAISON EXPENSES			(255,057)			(12,990)	103,399				(164,648)	164,648
CORPORATE ADVERTISING			(41,243)				15,909				(25,334)	25,334
INDUSTRY ASSOCIATION DUES			(929)				358				(571)	571
RETAIL FUEL EXPENSES		(611,618,353)					235,931,780				(375,686,573)	375,686,573
ECCR AND PPCC EXPENSES		(43,732,831)	(8,406,963)		(297,031)	(294,796)	20,341,222				(32,390,398)	32,390,398
FRANCHISE FEE						(38,881,210)	14,998,427				(23,882,783)	23,882,783
GRT, FPSC FEES ON CLAUSES & FEES						(1,502,467)	579,577				(922,890)	922,890
GROSS RECEIPTS TAX ADJUST						(32,013,688)	12,349,280				(19,664,408)	19,664,408
INTEREST SYNCHRONIZATION							5,395,121				5,395,121	(5,395,121)
TOTAL FPSC ADJUSTMENTS	(890,120,394)	(655,351,184)	(39,350,211)	(73,290,609)	(31,054,915)	(73,290,609)	(29,736,473)	0	0	0	(828,783,391)	(61,337,003)
FPSC ADJUSTED	466,235,398	0	239,014,612	81,409,696	81,409,696	24,980,915	(2,511,329)	35,451,435	(1,186,067)	(5,809)	377,153,453	89,081,945
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	466,235,398	0	239,014,612	81,409,696	81,409,696	24,980,915	(2,511,329)	35,451,435	(1,186,067)	(5,809)	377,153,453	89,081,945
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY					11,162,712	AND THE JURISDICTIONAL NOI BY	10,814,070					
CURRENT MO. SYSTEM PER BOOKS	104,101,820	50,034,145	25,645,969	6,792,852	10,583,625	6,792,852	(1,112,625)	3,787,535	(128,650)	0	95,602,852	8,498,969
CURRENT MO. JURIS PER BOOKS	90,441,766	41,222,553	24,524,949	9,869,087	9,869,087	6,608,677	(6,202,181)	7,990,049	(98,437)	0	83,914,697	6,527,068

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
November, 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	(39,878,374)	(15,383,083)
INVESTMENT	(244,804,548)	IIC FUEL REVENUES	(99,285,717)	(38,299,465)
ACCUMULATED DEPRECIATION	102,077,213	FUEL REVENUES	(666,603,708)	(257,142,381)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(717,255)	(276,681)
INVESTMENT	(10,471,261)	ECCR, PPCC, AND ECRC REVENUES	(206,651,146)	(79,715,679)
ACCUMULATED DEPRECIATION	(627,084)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(32,134,045)	(12,395,708)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(959,508)	(370,130)
INVESTMENT	(805,780,412)	CORPORATE ADVERTISING	(42,133)	16,253
ACCUMULATED DEPRECIATION	35,957,087	INDUSTRY ASSOCIATION DUES	(949)	366
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(812,017,825)	313,235,876
INTEREST BEARING CWIP	(90,309,843)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(86,421,289)	ECON DEVELOP EXPENSE- TOTAL	(908,366)	350,402
ECRC CWIP	(1,496,474)	ECON DEV EXPENSE - ALLOWED	862,948	(332,882)
ECCR CWIP	(10,069)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,406,963)	3,242,986
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(181,869)	70,156
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(15,578,919)	MARKETING SUPPORT ACTIVITIES	(113,575)	43,812
LOANS TO EMPLOYEES AND RETIREES	(59,069)	FRANCHISE FEE	(38,881,210)	14,998,427
FAS 133 ASSOCIATED AMOUNTS (NET)	(5,984)	GROSS RECEIPTS TAX EXPENSE	(32,013,688)	12,349,280
CONSERVATION/AEM INVENTORY	(1,847,237)	LIAISON EXPENSE	(273,918)	105,664
INTEREST & DIVIDENDS RECEIVABLE	(316,158)	ECRC/ECCR EXPENSES	(64,338,348)	24,818,518
PLANT SCHERER	(5,062,537)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,502,467)	579,577
FUNDED PROP RES & OTHER INVESTMENTS	(10,107,328)	INTEREST SYNCHRONIZATION	6,063,008	6,063,008
FUEL RELATED DEFERRED DEBITS	(10,828,642)			
FLAME RESISTANT CLOTHING	(1,547)			
SALE OF RAIL CARS	63,545			
ACCUM. PROV. FOR RATE REFUNDS	174,665			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
November, 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	3,570,163,026	1,268,914,171	2,301,248,855	5,664,735	239,292,455	0	2,546,206,045	207,566,753	2,753,772,798
JURISDICTIONAL PER BOOKS	3,235,268,717	1,134,865,723	2,100,402,994	5,487,489	124,251,123	0	2,230,141,606	193,949,051	2,424,090,657
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(829,197,989)	(50,813,972)	(778,384,017)		(1,460,702)		(779,844,719)	(15,058,830)	(794,903,549)
INT BEARING CWIP					(75,756,246)		(75,756,246)	0	(75,756,246)
ENERGY CONSERVATION CLAUSE	(10,286,147)	926,743	(11,212,890)				(11,212,890)	(1,847,237)	(13,060,127)
LOANS TO EMPLOYEES AND RETIREES								(56,709)	(56,709)
INTEREST AND DIVIDENDS RECEIVABLE								(303,526)	(303,526)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(10,107,328)	(10,107,328)
FUEL RELATED DEFERRED DEBITS								(10,828,642)	(10,828,642)
FLAME RESISTANT CLOTHING								(1,254)	(1,254)
ACCRUED PROVISION FOR REFUND								141,628	141,628
SALE OF RAILCARS								51,526	51,526
TOTAL FPSC ADJUSTMENTS	(839,484,136)	(49,887,229)	(789,596,907)	0	(77,216,948)	0	(866,813,855)	(38,010,372)	(904,824,227)
FPSC ADJUSTED	2,395,784,581	1,084,978,494	1,310,806,087	5,487,489	47,034,175	0	1,363,327,751	155,938,679	1,519,266,430
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	2,395,784,581	1,084,978,494	1,310,806,087	5,487,489	47,034,175	0	1,363,327,751	155,938,679	1,519,266,430

GULF POWER COMPAN.  
YEAR END RATE OF RETURN  
INCOME STATEMENT  
November, 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	1,565,868,419	811,065,560	293,224,847	120,699,173	99,949,633	27,355,201	44,142,035	(1,548,732)	(5,957)	1,394,881,761	170,986,659 (a)
JURISDICTIONAL PER BOOKS	1,358,355,792	655,351,184	278,364,823	112,464,611	98,271,524	27,227,280	35,441,856	(1,186,067)	(5,809)	1,205,929,401	150,426,391 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(150,306,969)		(30,487,026)	(30,757,884)	(595,458)	(34,129,849)				(95,960,217)	(54,346,752)
GROSS RECEIPTS TAX REVENUE	(32,134,045)		(113,575)			(12,395,708)				(12,395,708)	(19,738,337)
MARKETING SUPPORT ACTIVITIES						43,812				(69,763)	69,763
GAIN/LOSS ON DISPOSITION	(39,878,374)									0	0
FRANCHISE FEE REVENUES	(612,052,553)					(15,383,083)				(15,383,083)	(24,495,291)
RETAIL FUEL REVENUES	(55,748,454)					(236,099,272)				(236,099,272)	(375,953,281)
ECCR & PPCC REVENUES						(21,504,966)				(21,504,966)	(34,243,488)
INT ON TAX ASSESSMENT										0	0
ECON DEV EXPENSE TOTAL			(908,366)			350,402				(557,964)	557,964
ECON DEV EXPENSE ALLOWED			862,948			(332,882)				530,066	(530,066)
LIAISON EXPENSES			(255,057)		(12,990)	103,399				(164,648)	164,648
CORPORATE ADVERTISING			(41,243)			15,909				(25,334)	25,334
INDUSTRY ASSOCIATION DUES			(929)			358				(571)	571
RETAIL FUEL EXPENSES		(611,618,353)				235,931,780				(375,686,573)	375,686,573
ECCR AND PPCC EXPENSES		(43,732,831)	(8,406,963)	(297,031)	(294,796)	20,341,222				(32,390,398)	32,390,398
FRANCHISE FEE					(38,881,210)	14,998,427				(23,882,783)	23,882,783
GRT, FPSC FEES ON CLAUSES & FFEEES					(1,502,467)	579,577				(922,890)	922,890
GROSS RECEIPTS TAX ADJUST					(32,013,688)	12,349,280				(19,664,408)	19,664,408
INTEREST SYNCHRONIZATION						4,633,804				4,633,804	(4,633,804)
TOTAL FPSC ADJUSTMENTS	(890,120,394)	(655,351,184)	(39,350,211)	(31,054,915)	(73,290,609)	(30,497,790)	0	0	0	(829,544,708)	(60,575,686)
FPSC ADJUSTED	466,235,398	0	239,014,612	81,409,696	24,980,915	(3,270,510)	35,441,856	(1,186,067)	(5,809)	376,384,693	89,850,705
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	466,235,398	0	239,014,612	81,409,696	24,980,915	(3,270,510)	35,441,856	(1,186,067)	(5,809)	376,384,693	89,850,705

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 11,162,712 AND THE JURISDICTIONAL NOI BY 10,814,070

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

<u>F. BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(39,878,374)	(15,383,083)
INVESTMENT	(245,980,957)	IIC FUEL REVENUES	(99,285,717)	(38,299,465)
ACCUMULATED DEPRECIATION	104,109,021	FUEL REVENUES	(666,603,708)	(257,142,381)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(717,255)	(276,681)
INVESTMENT	(10,286,147)	ECCR, PPCC, AND ECRC REVENUES	(206,651,146)	(79,715,679)
ACCUMULATED DEPRECIATION	(926,743)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(32,134,045)	(12,395,708)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	(959,508)	(370,130)
INVESTMENT	(859,041,297)	CORPORATE ADVERTISING	(42,133)	16,253
ACCUMULATED DEPRECIATION	52,648,931	INDUSTRY ASSOCIATION DUES	(949)	366
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(812,017,825)	313,235,876
INTEREST BEARING CWIP	(78,198,608)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
SCHERER CWIP	(111,030,064)	ECON DEVELOP EXPENSE- TOTAL	(908,366)	350,402
ECRC CWIP	(1,513,238)	ECON DEV EXPENSE - ALLOWED	862,948	(332,882)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	0	0
TALLAHASSEE OFFICE INVESTMENT	(357)	CONSERVATION EXPENSES - O & M	(8,406,963)	3,242,986
ACCUM. DEPRECIATION	357	CONSERVATION EXPENSES - OTHER TAXES	(181,869)	70,156
WORKING CAPITAL:		TALLAHASSEE OFFICE DEPRECIATION	0	0
ECRC WORKING CAPITAL	(15,578,919)	MARKETING SUPPORT ACTIVITIES	(113,575)	43,812
LOANS TO EMPLOYEES AND RETIREES	(59,069)	FRANCHISE FEE	(38,881,210)	14,998,427
FAS 133 ASSOCIATED AMOUNTS (NET)	(5,984)	GROSS RECEIPTS TAX EXPENSE	(32,013,688)	12,349,280
CONSERVATION/AEM INVENTORY	(1,847,237)	LIAISON EXPENSE	(273,918)	105,664
INTEREST & DIVIDENDS RECEIVABLE	(316,158)	ECRC/ECCR EXPENSES	(64,338,348)	24,818,518
PLANT SCHERER	(7,164,288)	COMPETITIVE SALES EXPENSES	0	0
TEMPORARY CASH INVESTMENTS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,502,467)	579,577
FUNDED PROP RES & OTHER INVESTMENTS	(10,107,328)	INTEREST SYNCHRONIZATION	4,880,841	4,880,841
FUEL RELATED DEFERRED DEBITS	(10,828,642)			
FLAME RESISTANT CLOTHING	(1,547)			
SALE OF RAIL CARS	63,545			
ACCUM. PROV. FOR RATE REFUNDS	174,665			



AVERAGE	ADJUSTMENTS				RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC		ADJUSTED RETAIL	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)
LONG TERM DEBT	1,161,494,546	1,026,731,046	(380,583,190)	0	646,147,856	43.14	4.37	1.88	4.37	1.88	4.37	1.88	4.37	
SHORT TERM DEBT	41,673,201	30,123,528	(11,166,029)	0	18,957,499	1.27	0.34	0.00	0.34	0.00	0.34	0.00	0.34	
PREFERRED STOCK	92,478,568	82,045,423	(30,412,160)	0	51,633,263	3.45	6.92	0.24	6.92	0.24	6.92	0.24	6.92	
CUSTOMER DEPOSITS	34,139,333	33,341,280	(12,358,768)	0	20,982,512	1.40	6.18	0.09	6.18	0.09	6.18	0.09	6.18	
COMMON EQUITY	1,050,612,761	936,228,671	(347,036,252)	0	589,192,419	39.34	10.75	4.23	12.00	4.72	12.75	5.02	12.75	
DEFERRED INCOME TAXES	317,081,042	290,758,305	(107,776,738)	0	182,981,567	12.22								
FASB 109 DEFERRED TAXES	(29,000,989)	(26,593,449)	9,857,518	0	(16,735,931)	(1.12)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	9,009,166	7,094,107	(2,629,606)	0	4,464,501	0.30	7.39	0.02	7.96	0.02	8.31	0.02	8.31	
<b>TOTAL</b>	<b>2,677,487,628</b>	<b>2,379,728,911</b>	<b>(882,105,225)</b>	<b>0</b>	<b>1,497,623,686</b>	<b>100.00 %</b>		<b>6.46 %</b>		<b>6.96 %</b>		<b>7.25 %</b>		

YEAR-END	ADJUSTMENTS				RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC		ADJUSTED RETAIL	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)	COST RATEWEIGHTED (%)
LONG TERM DEBT	1,197,516,032	1,044,727,579	(389,958,528)	0	654,769,051	43.10	4.61	1.99	4.61	1.99	4.61	1.99	4.61	
SHORT TERM DEBT	6,805,672	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
PREFERRED STOCK	92,582,202	81,107,516	(30,274,464)	0	50,833,052	3.35	6.91	0.23	6.91	0.23	6.91	0.23	6.91	
CUSTOMER DEPOSITS	35,604,731	34,714,355	(12,957,597)	0	21,756,758	1.43	6.36	0.09	6.36	0.09	6.36	0.09	6.36	
COMMON EQUITY	1,072,208,802	951,774,802	(355,262,662)	0	596,512,140	39.26	10.75	4.22	12.00	4.71	12.75	5.01	12.75	
DEFERRED INCOME TAXES	362,690,082	333,933,976	(124,645,318)	0	209,288,658	13.78								
FASB 109 DEFERRED TAXES	(31,031,930)	(28,571,545)	10,664,711	0	(17,906,834)	(1.18)								
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00								
TAX CREDITS - WEIGHTED COST	8,237,266	6,403,974	(2,390,369)	0	4,013,605	0.26	7.51	0.02	8.08	0.02	8.43	0.02	8.43	
<b>TOTAL</b>	<b>2,744,582,856</b>	<b>2,424,090,657</b>	<b>(904,824,227)</b>	<b>0</b>	<b>1,519,266,430</b>	<b>100.00 %</b>		<b>6.55 %</b>		<b>7.04 %</b>		<b>7.34 %</b>		

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

<b>A. Times Interest Earned with AFUDC</b>	
Earnings Before Interest	177,527,240
AFUDC - Debt	3,181,009
Income Taxes	<u>69,065,676</u>
Total	249,773,925
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,886,371</u>
T.I.E. With AFUDC	<u>4.64 x</u>
<b>B. Times Interest Earned without AFUDC</b>	
Earnings Before Interest	177,527,240
AFUDC - Other	(7,981,704)
Income Taxes	<u>69,065,676</u>
Total	238,611,212
Interest Charges (Before Deducting AFUDC - Debt)	<u>53,886,371</u>
T.I.E. Without AFUDC	<u>4.43 x</u>
<b>C. Percent AFUDC To Net Income Available for Common Stockholders</b>	
AFUDC - Debt	3,181,009
X (1 - Income Tax Rate)	0.6143
Subtotal	1,953,935
AFUDC - Other	<u>7,981,704</u>
Total	<u>9,935,638</u>
Net Income Available for Common Stockholders	<u>120,619,378</u>
Percent AFUDC to Available Net Income	<u>8.24%</u>
<b>D. Percent Internally Generated Funds</b>	
Net Income	126,821,878
Preferred Dividends	(6,202,500)
Common Dividends	(104,300,000)
AFUDC (Debt & Other)	(11,162,712)
Depreciation & Amortization	128,721,794
Deferred Income Taxes	44,137,843
Investment Tax Credits	0
Other	<u>(157,782,029)</u>
Total	20,234,274
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>193,931,800</u>
Percent Internally Generated Funds	<u>10.43%</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	646,147,856
Short Term Debt	18,957,499
Preferred Stock	51,633,263
Common Equity	<u>589,192,419</u>
Total	<u>1,305,931,037</u>
% Long Term Debt To Total	<u>49.48%</u>
% Short Term Debt To Total	<u>1.45%</u>

<b>G. FPSC Adjusted Average Jurisdictional Return On Common Equity</b>		
	<b>G. FPSC ADJ.</b>	<b>H. PROFORMA</b>
FPSC Adjusted Average Earned Rate of Return	5.95%	5.95%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.88)	(1.88)
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>(0.02)</u>	<u>(0.02)</u>
Subtotal	<u>(2.24)</u>	<u>(2.24)</u>
Total	3.71	3.71
Divided by Common Equity Ratio	<u>39.34</u>	<u>39.34</u>
Jurisdictional Return on Common Equity	<u>9.43%</u>	<u>9.43%</u>

GULF POWER COMPANY

Supplemental 1

Storm Accrual - Twelve Month to Date  
November, 2010

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
September	10	291,667
October	10	291,667
<b>November</b>	<b>10</b>	<b>291,667</b>

12 - M-T-D

3,500,000