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November 14, 2011

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

RE: Monthly Rate of Return Report

Dear Mr. Slemkewicz:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of September 2011.

Sincerely,

nm

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 September, 2011

		(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rat (Jurisdictio						
Net Operatin Average Rat Average Rat	e Base	(a) 147,516,476 2,543,155,686 5.80%	(b) (75,898,593) (958,303,932)	71,617,883 1,584,851,754 4.52%	0 0	71,617,883 1,584,851,754 4.52%
II. Year End Ra (Jurisdictio						
Net Operatin Year End Ra Year End Ra	ite Base	(a) 147,512,584 2,630,093,799 5.61%	(b) (74,952,923) (1.013,963,336)	72,559,661 1,616,130,463 4,49%	0 0	72,559,661 1,616,130,463 4.49%
III. Required Ra Average Cap	versal of AFUDC Earnings Ites of Return bital Structure					
Low Midpoint High	usted Basis)	6.45% 6.93% 7,22%				
IV. Financial In	tegrity Indicators					
D. Internali E. LTD To F. STD To G. Return c			x (System per Bo x (System per Bo (System per Bo (System per Bo (FPSC Adjusted (FPSC Adjusted (FPSC Adjusted (Proforma Basis	oks Basis) oks Basis) oks Basis) I Basis) I Basis) I 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

Richard J. McMillan Corporate Planning Manager Signature

AMMA

Date

## GULF POWER COMPANY AVERAGE RATE OF RETURN RATE BASE September, 2011

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USI	The second se	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	3,687,729,399	1,289,091,519	2,398,637,880	5,620,563	225,785,902	0	2,630,044,345	246,357,347	2,876,401,692
JURISDICTIONAL PER BOOKS	3,276,278,803	1,163,455,647	2,112,823,156	5,444,698	176,214,101	0	2,294,481,955	248,673,731	2,543,155,686
EPSC ADJUSTMENTS: ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP ENERGY CONSERVATION CLAUSE LOANS TO EMPLOYEES / RETIREES INTEREST AND DIVIDENDS RECEIVABLE FUNDED PROP RES & OTHER INVESTMENTS FUEL RELATED DEFERRED DEBITS FLAME RESISTANT CLOTHING ACCRUED PROVISION FOR REFUND SALE OF RAILCARS	(835,440,429) (10,235,742)		(776,523,680) (11,408,393)		(1,861,182) (120,562,886) (0)		(778,384,862) (120,562,886) (11,408,393)	(11,701,351) 0 (1,999,054) (52,229) (310,131) (16,971,940) (17,092,147) (184) 174,133 5,112	(790,086,213) (120,562,886) (13,407,447) (52,229) (310,131) (16,971,940) (17,092,147) (184) 174,133 5,112
TOTAL FPSC ADJUSTMENTS	(845,676,171)	(57,744,098)	(787,932,073)	0	(122,424,068)	0	(910,356,141)	(47,947,791)	(958,303,932)
FPSC ADJUSTED	2,430,602,632	1,105,711,549	1,324,891,083	5,444,698	53,790,033	o	1,384,125,814	200,725,940	1,584,851,754
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	O	0	0
TOTAL PRO FORMA ADJUST	0	0	0	0	0	0	0	D	0
PRO FORMA ADJUSTED	2,430,602,632	1,105,711,549	1,324,891,083	5,444,698	53,790,033	0	1,384,125,814	200,725,940	1,584,851,754

SCHEDULE 2 PAGE 1 OF 3

#### GULF POWER COMPANY AVERAGE RATE OF RETURN INCOME STATEMENT September, 2011

	OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES II CURRENT		IVESTMENT TAX CREDIT (NET)	GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,538,912,028	766,731,164	314,886,037	128,977,415	102,422,052	(21,519,806)	86,569,193	(1,397,350)	0	1,376,668,706	162,243,322 (
JURISDICTIONAL PER BOOKS	1,313,471,311	608,209,719	298,280,504	119,105,060	100,634,353	466,917	53,574,301	(1,038,997)	0	1,179,231,857	134,239,454 (
LESS FPSC ADJUSTMENTS: ENVIRONMENTAL RECOVERY CLAUSE GROSS RECEIPTS TAX REVENUE MARKETING SUPPORT ACTIVITIES GAINLOSS ON DISPOSITION MGMT FINANCIAL PLANNING SERVICES FRANCHISE FEE REVENUES RETAIL FUEL REVENUES ECCR and PPCC REVENUES INT ON TAX ASSESSMENT ECON DEV EXPENSE TOTAL ECON DEV EXPENSE ALLOWED LIAISON EXPENSES CORP ADV & WHOLESALE EXPENSES INDUSTRY ASSOCIATION DUES RETAIL FUEL EXPENSES ECCR AND PPCC EXPENSES FRANCHISE FEE GRT, FPSC FEES ON CLAUSES & FEES GROSS RECEIPTS TAX ADJUST INTEREST SYNCHRONIZATION	(149,767,354) (31,564,509) (41,054,247) (569,067,367) (54,561,810)	(78,305) (568,650,997) (39,480,416)	(26,497,738) (179,675) (42,680) 840,239 (319,330) (21,082) (935) (10,854,568)		(751,233) (15,078) (301,823) (40,445,264) (1,512,140) (31,431,952)	(34,431,479) (12,176,009) 69,310 3,679 16,464 (15,836,676) (21,9,517,737) (21,047,218) (344) 341,181 (324,122) 128,998 38,339 361 219,357,122 19,644,921 15,601,761 583,308 12,124,875 6,215,240			(9.537)	(94,940,299) (12,176,009) (110,365) (5,836,676) (26,216) (219,517,737) (21,047,218) 547 (543,281) 516,117 (205,410) (61,048) (574) (349,293,875) (31,281,640) (24,843,503) (928,832) (19,307,077) 6,215,240	(54,827,055) (19,388,500) 110,365 5,858 26,216 (25,217,571) (349,549,630) (33,514,592) (547) 543,281 (516,117) 205,410 61,048 574 349,293,875 31,281,640 24,843,503 928,832 19,307,077 (6,215,240)
TOTAL FPSC ADJUSTMENTS	(846,015,286)	(608,209,719)	(37,959,340)	(33,549,603)	(74,457,490)	(29.208,026)	0	0	(9,537)	(783,393,715)	(62.621,571)
FPSC ADJUSTED	467,456,025	0	260,321,164	85,555,457	26,176,863	(28,741,109)	53,574,301	(1,038,997)	(9,537)	395,838,142	71,617,883
PROFORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	Q	0	0
PRŌ FORMA ADJUSTED	467,456,025	Ó	260,321,164	85,555,457	26,176,863	(28,741,109)	53,574,301	(1,038,997)	(9,537)	395,838,142	71,617.883
(a) THE ADDITION OF EARNINGS FROM AF	UDC WOULD IN	NCREASE THE S	YSTEM NOI BY	13,705,070	AND THE JURISDIC	TIONAL NOI BY	13,277,022				
CURRENT MO. SYSTEM PER BOOKS	134,196,307	66,801,869	26,514,344	11,019,489	9,700,666	(11,805,412)	17,922,641	(112,378)	0	120,041,218	14,155,089
CURRENT MO. JURIS PER BOOKS	112,996,837	50.002,967	24,854,527	10,112,424	9,503,843	(11,089,907)	17,099,066	(82,636)	0	100,400,283	12,596,554

## GULF POWER COMPANY AVERAGE RATE OF RETURN SYSTEM ADJUSTMENTS September, 2011

SCHEDULE 2 PAGE 3 OF 3

RATE BASE ADJUSTMENTS	AMOUNT	INCOME STATEMENT ADJUSTMENTS	AMOUNT	TAX EFFECT
PLANT SCHERER INVESTMENT ACCUMULATED DEPRECIATION ENERGY CONSERVATION COST RECOVERY INVESTMENT ACCUMULATED DEPRECIATION ENVIRONMENTAL RECOVERY CLAUSE INVESTMENT ACCUMULATED DEPRECIATION PROPERTY HELD FOR FUTURE USE INTEREST BEARING CWIP SCHERER CWIP	(319,257,795) 105,698,492 (10,235,742) (1,172,651) (863,696,464) 60,925,841 0 (124,449,803) (43,887,994)	FRANCHISE FEE REVENUES IIC FUEL REVENUES FUEL REVENUES ECONOMY PROFITS ECCR, PPCC, AND ECRC REVENUES GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV COMPETITIVE SALES REVITRANS REVG/L ON SALE OF GAS CORP ADVERTISING & WHOLESALE EXPENSES INDUSTRY ASSOCIATION DUES FUEL AND PPCC EXPENSES GAIN/LOSS ON DISPOSITION OF PROPERTY ECON DEVELOP EXPENSE- TOTAL	(41,054,247) (96,677,609) (626,025,851) (621,192) (204,536,030) (31,564,509) 38,370 (102,655) (766,692,513) (9,778) (884,462)	(15,836,676) (37,293,387) (241,489,472) (239,625) (78,899,774) (12,176,009) 14,801 39,599 368
ECRC CWIP ECCR CWIP FAS 143 NET PLANT	(1,923,895) (0) (14,721,489)	ECON DEV EXPENSE - ALLOWED INTEREST ON TAX ADJUSTMENT CONSERVATION EXPENSES - O & M CONSERVATION EXPENSES - OTHER TAXES MARKETING SUPPORT ACTIVITIES	840,239 910 (10,854,568) (185,892) (179,675)	(324,122) (351) 4,187,150 71,708 69,310
WORKING CAPITAL: ECRC WORKING CAPITAL LOANS TO EMPLOYEES AND RETIREES UNREALIZED LOSS ON FWD CONTRACT CONSERVATION/AEM INVENTORY INTEREST & DIVIDENDS RECEIVABLE PLANT SCHERER TEMPORARY CASH INVESTMENTS FUNDED PROP RES & OTHER INVESTMENTS FUNDED PROP RES & OTHER INVESTMENTS FUE RELATED DEFERRED DEBITS FLAME RESISTANT CLOTHING IVAN STORM RECOVERY ACCUM. PROV. FOR RATE REFUNDS FAS 143 WORKING CAPITAL FAS 158 REGULATORY ASSETS FAS 158 REGULATORY LIABILITIES PPA REGULATORY ASSETS FAS 133 REGULATORY LIABILITIES FAS 133 REGULATORY LIABILITIES FAS 133 REGULATORY LIABILITIES FAS 133 REGULATORY LIABILITIES	$(12,095,198) \\ (54,403) \\ (2,919) \\ (1,999,054) \\ (323,038) \\ (8,668,502) \\ (335,213) \\ (16,650,120) \\ (17,092,147) \\ (227) \\ 0 \\ 214,753 \\ 18,923,340 \\ (84,926,892) \\ 84,926,892 \\ (69,638,043) \\ 69,638,043 \\ (14,777,510) \\ 14,777,510 \\ 14,771,510 \\ $	MGMT FINANCIAL PLANNING SERVICES FRANCHISE FEE GROSS RECEIPTS TAX EXPENSE LIAISON EXPENSE ECRC/ECCR EXPENSES COMPETITIVE SALES EXPENSES GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES INTEREST SYNCHRONIZATION	(43,608) (40,445,264) (31,431,952) (341,729) (62,938,079) 0 (1,512,140) 6,606,757	

## GULF POWER COMPANY YEAR END RATE OF RETURN RATE BASE September, 2011

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE		NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	3,808,321,336	1,321,832,893	2,486,488,443	5,517,810	230,630,021	0	2,722,636,274	246,357,347	2,968,993,621
JURISDICTIONAL PER BOOKS	3,349,779,189	1,193,095,788	2,156,683,401	5,345,160	219,163,583	0	2,381,192,144	248,901,655	2,630,093,799
FPSC ADJUSTMENTS;									
ENVIRONMENTAL RECOVERY CLAUSE	(842,869,709)	(71,567,116)	(771,302,593)		(3,978,241) (178,726,249)		(775,280,834) (178,726,249)	(11,701,351)	(786,982,185)
ENERGY CONSERVATION CLAUSE LOANS TO EMPLOYEES AND RETIREES INTEREST AND DIVIDENDS RECEIVABLE NOTES RECEIVABLE FUNDED PROP RES & OTHER INVESTMENTS FUEL RELATED DEFERRED DEBITS FLAME RESISTANT CLOTHING ACCRUED PROVISION FOR REFUND SALE OF RAILCARS	(10,470,352)	1,538,110	(12,008,462)		(176,720,243)		(12,008,462)	(1,999,054) (52,229) (310,131) 0 (16,971,940) (17,092,147) (184) 174,133 5,112	(178,726,249) (14,007,516) (52,229) (310,131) 0 (16,971,940) (17,092,147) (184) 174,133 5,112
TOTAL FPSC ADJUSTMENTS	(853,340,061)	(70,029,006)	(783,311,055)	0	(182,704,490)	0	(966,015,545)	(47,947,791)	(1,013,963,336)
FPSC ADJUSTED	2,496,439,128	1,123,066,782	1,373,372,346	5,345,160	36,459,093	0	1,415,176,599	200,953,864	1,616,130,463
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	D	٥	0	O
PRO FORMA ADJUSTED	2,496,439,128	1,123,066,782	1,373,372,346	5,345,160	36,459,093	Q	1,415,176,599	200,953,864	1,616,130,463

#### GULF POWER COMPANY YEAR END RATE OF RETURN INCOME STATEMENT September, 2011

OPERATING REVENUES	O & M FUEL & NET INTERCHANGE	O & M OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT			GAIN/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
1,538,912,028	766,731,164	314,886,037	128,977,415	102,422,052	(21,519,806)	86,569,193	(1.397,350)	0	1,376,668,706	162,243,322 (
1,313,471,311	608,209,719	298,280,504	119,105,060	100,634,353	459,610	53,585,500	(1,038,997)	0	1,179,235,749	134,235,562
(149,767,354) (31,564,509) (41,054,247) (569,067,367) (54,561,810)	(78,305) (568,650,997) (39,480,416)	(179,675) (42,680) (42,680) (884,462) 840,239 (319,330) (21,082) (935)		(15,078) (301,823) (40,445,264)	(34,431,479) (12,176,009) 69,310 3,679 16,464 (15,836,676) (219,517,737) (21,047,218) (344) 341,181 (324,122) 128,998 38,339 361 219,357,122 19,644,921 15,601,761 583,308 12,124,875 5,269,570			(9,537)	(94,940,299) (12,176,009) (110,365) (5,858) (26,216) (15,836,676) (219,517,737) (21,047,218) 547 (543,281) 516,117 (205,410) (61,048) (574) (349,293,875) (31,281,640) (24,843,503) (928,832) (19,307,077) 5,269,570	(54,827,055) (19,388,500) 110,365 5,858 26,216 (25,217,571) (349,549,630) (33,514,592) (547) 543,281 (516,117) 205,410 61,048 574 349,293,875 31,281,640 24,843,503 928,832 19,307,077 (5,269,570)
(846,015,286)	(608,209,719)	(37,959,340)	(33,549,603)	(74,457,490)	(30,153,696)	0	Û	(9,537)	(784,339,385)	(61,675,901)
467,456,025	0	260,321,164	85,555,457	26,176,863	(29,694,086)	53,585,500	(1,038,997)	(9,537)	394,896,364	72,559,661
0	0	0	0	0	0	0	0	0	0	0
	REVENUES 1,538,912,028 1,313,471,311 (149,767,354) (31,564,509) (41,054,247) (569,067,367) (54,561,810) (54,561,810) (846,015,286)	OPERATING REVENUES FUEL & NET INTERCHANGE   1,538,912.028 766,731,164   1,313,471,311 608,209,719   (149,767,354) (31,564,509) (31,564,509)   (41,054,247) (569,067,367) (54,561,810) (78,305)   (568,650,997) (39,480,416) (78,305)   (846,015,286) (608,209,719)   467,456,025 0	OPERATING REVENUES FUEL 8 NET INTERCHANGE O 8 M OTHER   1,538,912,028 766,731,164 314,886,037   1,313,471,311 608,209,719 298,280,504   (149,767,354) (26,497,738)   (31,564,509) (179,675)   (41,054,247) (42,680)   (569,067,367) (54,561,810)   (54,561,810) 891   (884,462) 840,239   (319,330) (21,082)   (568,650,997) (339,480,416)   (10,854,568) (40,854,568)   (846,015,286) (608,209,719) (37,959,340)   467,456,025 0 260,321,164	OPERATING REVENUES FUEL & NET INTERCHANGE O & M OTHER DEPRECIATION & AMORTIZATION   1,538,912.028 766,731,164 314,886,037 128,977,415   1,313,471,311 608,209,719 298,280,504 119,105,060   (149,767,354) (31,564,509) (26,497,738) (33,259,849)   (179,675) (42,680) (179,675)   (41,054,247) (569,067,367) (884,462) 840,239   (319,330) (21,082) (33,549,603)   (39,480,416) (10,854,568) (289,754)   (846,015,286) (608,209,719) (37,959,340) (33,549,603)   467,456,025 0 260,321,164 85,555,457	OPERATING REVENUES FUEL & NET INTERCHANGE 0 & M OTHER DEPRECIATION AMORTIZATION TAXES OTHER THAN INCOME   1,538,912.028 766,731,164 314,886,037 128,977,415 102,422,052   1,313,471,311 608,209,719 298,280,504 119,105,060 100,634,353   (149,767,354) (31,564,509) (26,497,738) (33,259,849) (751,233)   (41,054,247) (569,067,367) (54,561,810) (42,680) (42,680) (15,078)   (41,054,247) (569,067,367) (54,561,810) 891 (884,462) 840,239 (319,330) (15,078) (21,082) (395) (15,078) (39,480,416) (10,854,568) (289,754) (301,823) (40,445,264) (1,512,140)   (846,015,286) (608,209,719) (37,959,340) (33,549,603) (74,457,490)   467,456,025 0 260,321,164 85,555,457 26,176,863	OPERATING REVENUES FUEL & NET INTERCHANGE O & M OTHER DEPRECIATION & TAXES OTHER AMORTIZATION INCOME CURRENT   1,538,912.028 766,731,164 314,866,037 128,977,415 102,422,052 (21,519,806)   1,313,471,311 608,209,719 298,280,504 119,105,060 100,634,353 459,610   (149,767,354) (26,497,738) (33,259,849) (751,233) (34,431,479)   (31,564,509) (179,675) 69,310 3,679   (42,680) (15,836,676) (21,047,218)   (569,067,367) (21,047,218) (34,431,479)   (54,561,810) 891 (324,41,22)   (568,650,997) (319,330) (15,078) 128,998   (78,305) (21,082) 38,339 38,339   (568,650,997) (39,480,416) (10,854,568) (289,754) (301,823) 19,644,921   (46,045,284) (15,152,140) 583,308 121,933,303 121,933,303 121,945,7122 33,308   (568,650,997) (39,480,416) (10,854,568) (289,754) (301,823) 19	OPERATING REVENUES FUEL 8 NET INTERCHANGE 0.8 M OTHER DEPRECIATION & TAXES OTHER AMORTIZATION INCOME TAXES THAN INCOME INCOME TAXES INCOME TAXES (NET)   1,538,912,028 766,731,164 314.886,037 128,977,415 102,422,052 (21,519,806) 86.569,193   1,313,471,311 608,209,719 298,280,504 119,105,060 100,634,353 459,610 53,585,500   (149,767,354) (26,497,738) (33,259,849) (751,233) (34,431,479) 5,679   (31,564,509) (179,675) 69,310 3,679 5,679 5,679   (42,580) (42,580) (21,047,218) (21,047,218) 344,1   (44,561,810) 881 (21,047,218) 343,339   (78,305) (21,082) 343,339 344,1   (884,462) 341,181 340,239 38,339   (78,305) (21,082) 38,339 361   (78,305) (21,082) 39,330 126,598   (31,431,952) 121,246,75 361 121,246,75   (33,480,416) (10,854,568) (289,754)	OPERATING REVENUES FUEL & NET INTERCHANGE O & M OTHER DEPRECIATION & TAXES OTHER AMORTIZATION INCOME TAXES THAN INCOME CURRENT (NET) CREDIT (NET)   1,538,912.028 766,731,164 314,886,037 128,977,415 102,422,052 (21,519,806) 86.569,193 (1,397,350)   1,313,471,311 608,209,719 298,280,504 119,105,060 100,634,353 459,610 53,585,500 (1,038,997)   (149,767,354) (26,497,738) (33,256,849) (751,233) (34,431,479) (12,176,009)   (31,564,509) (179,675) 69,310 3,679 3,679 3,679   (41,054,247) (42,680) (21,917,737) (21,917,737) (21,917,737)   (54,561,810) 831 (21,047,718) (224,122) 38,339   (78,305) (21,082) 38,339 361 361   (588,650,997) (37,959,340) (33,549,603) (74,457,490) 30,153,596 0 0   (846,015,286) (608,209,719) 37,959,340) (33,549,603) (74,457,490) (30,153,596) 0	OPERATING REVENUES INTERCHANGE O & M OTHER DEPRECIATION & TAXES OTHER AMORTIZATION INCOME TAXES THAN INCOME COME TAXES (NET) CREDIT (NET) GAINLOSS (NET)   1,538,912,028 766,731,164 314,866,037 128,977,415 102,422,052 (21,519,806) 86,569,193 (1.397,350) 0   1,313,471,311 608,209,719 298,280,504 119,105,060 100,634,353 459,610 53,585,500 (1.038,997) 0   (149,767,354) (26,497,738) (33,259,849) (751,233) (34,431,479) (12,176,008) (143,767)   (31,564,509) (179,675) 69,310 3,679 (9,537) (9,537)   (41,054,247) (42,680) (15,836,676) (21,047,738) (33,259,849) (751,233) (34,431,479)   (44,62) 3611 (21,047,738) (33,259,849) (751,233) (34,431,479) (9,537)   (41,054,247) (42,680) (16,26,80) (21,047,738) (23,4122) (24,122) (21,047,738) (21,047,738) (23,4122)   (568,650,997) (21,92,120) 334,333	OPERATING REVENUES FUEL IS NET INTERCHANGE D & M OTHER DEPRECIATION THAN INCOME AMORTIZATION TAXES OTHER THAN INCOME AMORTIZATION INCOME TAXES CURRENT CREDIT (NET) CANULOSS ON DISPOSITION OPERATING EXPENSES   1538,912.028 766,731,164 314,866,037 128,977.415 102,422,052 (21,519,806) 86.569,193 (1.397,350) 0 1.376,688,706   1,313,471.311 608,209,719 298,280,504 119,105,060 100,684,363 459,610 53,585,500 (1.038,997) 0 1.376,688,706   (149,767,354) (26,497,738) (33,259,849) (751,233) (34,431,479) (94,940,289) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977) (10,036,977,738) (26,497,738) (26,497,738) (26,497,738) (26,497,738) (26,497,737) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218) (21,047,218)

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 13,705,070 AND THE JURISDICTIONAL NOI BY 13,277,022

# GULF POWER COMPANY YEAR END RATE OF RETURN SYSTEM ADJUSTMENTS September, 2011

SCHEDULE 3	
PAGE 3 OF 3	

RATE BASE ADJUSTMENTS	AMOUNT	INCOME STATEMENT ADJUSTMENTS	AMOUNT	TAX EFFECT
PLANT SCHERER		FRANCHISE FEE REVENUES	(41,054,247)	(15,836,676)
INVESTMENT	(365,617,886)	IIC FUEL REVENUES	(96,677,609)	(37,293,387)
ACCUMULATED DEPRECIATION	108,584,858	FUEL REVENUES	(626,025,851)	(241,489,472)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(621,192)	(239,625)
INVESTMENT	(10,470,352)	ECCR. PPCC, AND ECRC REVENUES	(204,536,030)	(78,899,774)
ACCUMULATED DEPRECIATION	(1,538,110)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,564,509)	(12,176,009)
ENVIRONMENTAL RECOVERY CLAUSE	(Allowed by any	COMPETITIVE SALES REV/TRANS REV/G/L ON SALE OF GAS	38,370	14,801
INVESTMENT	(870,882,871)	CORP ADVERTISING & WHOLESALE EXPENSES	(102,655)	39,599
ACCUMULATED DEPRECIATION	73,962,020	INDUSTRY ASSOCIATION DUES	(955)	368
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(766.692.513)	295,751,637
INTEREST BEARING CWIP	(184,488,338)	GAINLOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(4.397,436)	ECON DEVELOP EXPENSE- TOTAL	(884,462)	341,181
ECRC CWIP	(4,109,723)	ECON DEV EXPENSE - ALLOWED	840,239	(324,122)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,693,074)	CONSERVATION EXPENSES - O & M	(10,854,568)	4,187,150
	decourses of	CONSERVATION EXPENSES - OTHER TAXES	(185,892)	71,708
		MARKETING SUPPORT ACTIVITIES	(179,675)	69,310
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(43,608)	16,822
ECRC WORKING CAPITAL	(12,095,198)	FRANCHISE FEE	(40,445,264)	15,601,761
LOANS TO EMPLOYEES AND RETIREES	(54,403)	GROSS RECEIPTS TAX EXPENSE	(31,431,952)	12,124,875
UNREALIZED LOSS ON FWD CONTRACT	(2,919)	LIAISON EXPENSE	(341,729)	131.822
CONSERVATION/AEM INVENTORY	(1,999,054)	ECRC/ECCR EXPENSES	(62,938,079)	24,278,364
INTEREST & DIVIDENDS RECEIVABLE	(323,038)	COMPETITIVE SALES EXPENSES	0	.0
PLANT SCHERER	(7,900,863)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,512,140)	583,308
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	5,395,737	5,395,737
FUNDED PROP RES & OTHER INVESTMENTS	(16,650,120)			
FUEL RELATED DEFERRED DEBITS	(17,092,147)			
FLAME RESISTANT CLOTHING	(227)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	214,753			
FAS 143 WORKING CAPITAL	18,923,340			
FAS 158 REGULATORY ASSETS	(84,926,892)			
FAS 158 REGULATORY LIABILITIES	84,926,892			
PPA REGULATORY ASSETS	(69.638,043)			
PPA REGULATORY LIABILITIES	69,638,043			
FAS 133 REGULATORY ASSETS	(14,777,510)			
FAS 133 REGULATORY LIABILITIES	14,777,510			

### GULF POWER COMPANY CAPITAL STRUCTURE FPSC ADJUSTED BASIS September, 2011

			ADJUSTM	ENTS			LOW	POINT	MIDP	OINT	HIGH	POINT
AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATEWE (%)	EIGHTED COSTC (%)	OST RATEWE (%)	EIGHTED COSTC (%)	OST RATEWI (%)	EIGHTED COST (%)
ONG TERM DEBT	1,213,535,950	1,070,922,313	(403,541,580)	0	667,380,733	42.11	4.77	2.01	4.77	2.01	4.77	2.01
HORT TERM DEBT	49,899,891	27,271,850	(10,276,493)	0	16,995,357	1.07	0.44	0.00	0.44	0.00	0.44	0.00
REFERRED STOCK	97,998,345	86,477,768	(32,586,281)	0	53,891,487	3.40	6.33	0.22	6.33	0.22	6.33	0.22
USTOMER DEPOSITS	35,847,483	36,059,749	(13,587,921)	0	22,471,828	1.42	6.27	0.09	6.27	0.09	6.27	0.09
OMMON EQUITY	1,100,686,589	974,191.635	(367,091,830)	0	607,099,805	38.31	10.75	4.12	12.00	4.60	12.75	4.88
FERRED INCOME TAXES	403,812,128	375,959,333	(141,667,814)	0	234,291,519	14.78						
SB 109 DEFERRED TAXES	(36,445,291)	(33,931,491)	12,785,958	0	(21,145,533)	(1.33)						
AX CREDITS - ZERO COST	0	0	0	0	0	0.00						
AX CREDITS - WEIGHTED COST	7,777,742	6,204,529	(2,337,971)	0	3,866,558	0.24	7.56	0.02	8.14	0.02	8.48	0.02
DTAL	2,873,112,837	2,543,155,686	(958,303,932)	0	1,584,851,754	100.00	%	6.45 %		6.93 %		7.22

		ADUUSTM	ENTS			LOW F	POINT	MIDE	POINT	HIGH	POINT
SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO ( (%)	COST RATEWE (%)	GHTED COSTCO (%)	OST RATEW (%)	EIGHTED COSTCO (%)	OST RATE V (%)	VEIGHTED COST (%)
1,207,400,752	1.083,247,249	(417,617,423)	0	665,629,826	41.19	5.12	2.11	5.12	2.11	5.12	2.11
36,576,839	15,754,416	(6.073,700)	0	9,680,716	0.60	2.69	0.02	2.69	0.02	2.69	0.02
97,998,345	87,921,461	(33,895,802)	0	54,025,659	3,34	6.33	0.21	6.33	0.21	6.33	0.21
35,859,313	36,735,905	(14,162,560)	0	22,573,345	1.40	6.23	0.09	6.23	0.09	6.23	0.09
1,134,854,731	1,006,171,068	(387,902,733)	0	618,268,335	38.26	10.75	4.11	12.00	4.59	12.75	4.88
455,654,222	434,252,454	(167,414,586)	0	266,837,868	16.50						
(41,752,877)	(39,791,773)	15,340,669	0	(24,451,104)	(1.51)						
0	0	0	0	.0	0.00						
7,097,216	5,803,019	(2,237,201)	0	3,565,818	0.22	7.77	0.02	8,35	0.02	8.69	0.02
2,933,688,540	2,630,093,799	(1.013,963,336)	0	1,616,130,463	100.00	%	6.55 %	1	7.03 %		7.32 9
	PER BOOKS 1,207,400,752 36,576,839 97,998,345 35,859,313 1,134,854,731 455,654,222 (41,752,877) 0 7,097,216	PER BOOKS PER BOOKS   1,207,400,752 1,083,247,249   36,576,839 15,754,416   97,998,345 87,921,461   35,859,313 36,735,905   1,134,854,731 1,006,171,068   455,654,222 434,252,454   (41,752,877) (39,791,773)   0 0   7,097,216 5,803,019	SYSTEM RETAIL PER BOOKS PRO RATA   1,207,400,752 1,083,247,249 (417,617,423)   36,576,839 15,754,416 (6,073,700)   97,998,345 87,921,461 (33,895,802)   35,859,313 36,735,905 (14,162,560)   1,134,854,731 1,006,171,068 (387,902,733)   455,654,222 434,252,454 (167,414,586)   (41,752,877) (39,791,773) 15,340,669   0 0 0   7,097,216 5,803,019 (2,237,201)	PER BOOKS PER BOOKS PRO RATA SPECIFIC   1,207,400,752 1,083,247,249 (417,617,423) 0   36,576,839 15,754,416 (6,073,700) 0   97,998,345 87,921,461 (33,895,802) 0   35,859,313 36,735,905 (14,162,560) 0   1,134,854,731 1,006,171,068 (387,902,733) 0   455,654,222 434,252,454 (167,414,586) 0   (41,752,877) (39,791,773) 15,340,669 0   0 0 0 0 0   7,097,216 5,803,019 (2,237,201) 0	SYSTEM PER BOOKS RETAIL PER BOOKS PRO RATA SPECIFIC ADJUSTED RETAIL   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826   36,576,839 15,754,416 (6,073,700) 0 9,680,716   97,998,845 87,921,461 (33,895,802) 0 54,025,659   35,859,313 36,735,905 (14,162,560) 0 22,573,345   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335   455,654,222 434,252,454 (167,414,586) 0 266,837,868   (41,752,877) (39,791,773) 15,340,669 0 (24,451,104)   0 0 0 0 0 0   7,097,216 5,803,019 (2,237,201) 0 3,565,818	SYSTEM PER BOOKS RETAIL PER BOOKS PRO RATA SPECIFIC ADJUSTED RETAIL RATIO (%)   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38.26   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50   (41,752,877) (39,791,773) 15,340,669 0 (24,451,104) (1.51)   0 0 0 0 0 0.00 0.22   7,097,216 5,803,019 (2,237,201) 0 3,565,818 0.22	ADJUSTMENTS ADJUSTENTS   SYSTEM RETAIL PER BOOKS PRO RATA SPECIFIC RETAIL (%) COST RATEWE   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23   1.134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38.26 10.75   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50   (41,752,877) (39,791,773) 15,340,669 0 (24,451,104) (1.51)   0 0 0 0 0 0 0.00 7.07   7,097,216 5,803,019 (2,237,201) 0 3,565,818 0.22 7.77	SYSTEM PER BOOKS RETAIL PER BOOKS PRO RATA SPECIFIC ADJUSTED RETAIL RATIO (%) COST RATEWEIGHTED COSTCO (%)   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02   97,998,845 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38.26 10.75 4.11   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50   (41,752,877) (39,791,773) 15,340,669 0 0 0 0 0 0.00   0 0 0 0 0 0 0.00 0 0.02   7,097,216 5,803,019 (2,237,201)	ADJUSTMENTS ADJUSTED RATIO COST RATEWEIGHTED COST COST RATEW   PER BOOKS PER BOOKS PRO RATA SPECIFIC RETAIL RATIO COST RATEWEIGHTED COST COST RATEW   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11 5.12   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02 2.69   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21 6.33   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09 6.23   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38.26 10.75 4.11 12.00   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50 0 0 0 0 0 0 0 0.00 0 0 0 0.00 0 0.00 <td< td=""><td>ADJUSTMENTS ADJUSTENTS   SYSTEM RETAIL PRO RATA SPECIFIC RETAIL RATIO COST RATEWEIGHTED COSTCOST RATEWEIGHTED COSTCOST RATEWEIGHTED COSTCO   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11 5.12 2.11   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02 2.69 0.02   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21 6.33 0.21   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09 6.23 0.09   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38,26 10.75 4.11 12.00 4.59   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50 0 0 0 0 0 0 0 0 0.02 6.35 0.02</td><td>SYSTEM PER BOOKS RETAIL PER BOOKS PRO RATA SPECIFIC ADJUSTED RETAIL RATIO (%) COST RATEWEIGHTED COST COST RATEWEIGHTED COST COST RATEW (%) COST COST RATEWEIGHTED COST COST RATEWEIGHTED COST COST RATE W (%)   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11 5.12 2.11 5.12 2.69 0.02 2.69   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02 2.69 0.02 2.69   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21 6.33 0.21 6.33   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09 6.23 0.09 6.23   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38,26 10.75 4.11 12.00 4.59 12.75   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50 &lt;</td></td<>	ADJUSTMENTS ADJUSTENTS   SYSTEM RETAIL PRO RATA SPECIFIC RETAIL RATIO COST RATEWEIGHTED COSTCOST RATEWEIGHTED COSTCOST RATEWEIGHTED COSTCO   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11 5.12 2.11   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02 2.69 0.02   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21 6.33 0.21   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09 6.23 0.09   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38,26 10.75 4.11 12.00 4.59   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50 0 0 0 0 0 0 0 0 0.02 6.35 0.02	SYSTEM PER BOOKS RETAIL PER BOOKS PRO RATA SPECIFIC ADJUSTED RETAIL RATIO (%) COST RATEWEIGHTED COST COST RATEWEIGHTED COST COST RATEW (%) COST COST RATEWEIGHTED COST COST RATEWEIGHTED COST COST RATE W (%)   1,207,400,752 1,083,247,249 (417,617,423) 0 665,629,826 41.19 5.12 2.11 5.12 2.11 5.12 2.69 0.02 2.69   36,576,839 15,754,416 (6,073,700) 0 9,680,716 0.60 2.69 0.02 2.69 0.02 2.69   97,998,345 87,921,461 (33,895,802) 0 54,025,659 3.34 6.33 0.21 6.33 0.21 6.33   35,859,313 36,735,905 (14,162,560) 0 22,573,345 1.40 6.23 0.09 6.23 0.09 6.23   1,134,854,731 1,006,171,068 (387,902,733) 0 618,268,335 38,26 10.75 4.11 12.00 4.59 12.75   455,654,222 434,252,454 (167,414,586) 0 266,837,868 16.50 <

## GULF POWER COMPANY Financial Integrity Indicators September, 2011

A,	Times Interest Earned with AFUDC	
	Earnings Before Interest	170,367,074
	AFUDC - Debt	3,905,471
	Income Taxes	63,700,173
	Total	237,972,718
	Interest Charges (Before	60,723,638
	Deducting AFUDC - Debt)	00,120,000
	T.I.E. With AFUDC	3.92
Β.	Times Interest Earned without AFUDC	
	Earnings Before Interest	170,367,074
	AFUDC - Other	(9,799,598)
	Income Taxes	63,700,173
	Total	224,267,648
	Interest Charges (Before	60,723,638
	Deducting AFUDC - Debt)	
	T.I.E. Without AFUDC	3.69
C	Percent AFUDC To Net Income Availat for Common Stockholders	ble
	AFUDC - Debt	3,905,471
	X (1 - Income Tax Rate)	0.6143
	Subtotal	2,398,936
	AFUDC - Other	9,799,598
	Total	12,198,534
	Total	12,190,004
	Net Income Available for	
	Common Stockholders	107,346,408
	Percent AFUDC to Available	
	Net Income	11.36%
D.	Percent Internally Generated Funds	
	Net Income	113,548,908
	Preferred Dividends	(6,202,500)
	Common Dividends	(108,575,000)
	AFUDC (Debt & Other)	(13,705,070)
	Depreciation & Amortization	137,334,921
	Deferred Income Taxes	86,562,840
	Investment Tax Credits	0
	Other	116,454,651
	Total	325,418,750
	Construction Expenditures	
	(Excluding AFUDC Other & Debt)	353,471,363
	Percent Internally Generated Funds	92.06%
	rement internally denerated i unds	92.00%

 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	667,380,733
Short Term Debt	16,995,357
Preferred Stock	53,891,487
Common Equity	607,099,805
Total	1,345,367,382
% Long Term Debt To Total	49.61%
% Short Term Debt To Total	1.26%

# G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.		H. PROFORMA
FPSC Adjusted Average Earned			
Rate of Return		4.52%	4.52%
Less: Reconciled Average Retail Weigh Cost Rates For:	ited		
Long Term Debt		(2.01)	(2.01)
Short Term Debt		(0.00)	(0.00)
Preferred Stock		(0.22)	(0.22)
Customer Deposits		(0.09)	(0.09)
Tax Credits - Weighted Cost		Sec. Sec.	200
(Common Equity at Midpoint)	_	(0.02)	(0.02)
Subtotal		(2.34)	(2.34)
Total		2.18	2.18
Divided by Common Equity Ratio		38.31	38.31
Jurisdictional Return on Common Equit	у	5.70%	5.70%

GULF POWER COMPANY Storm Accrual - Twelve Month to Date September, 2011

Month	Year	<u>\$</u>
October	2010	291,667
November	2010	291,667
December	2010	291,663
January	2011	291,667
February	2011	291,667
March	2011	291,667
April	2011	291,667
May	2011	291,667
June	2011	291,667
July	2011	291,667
August	2011	291,667
September	2011	291,667
12 - M-T-D		3,500,000

# Supplemental 1

1 2		GL	ILF POWER COMPANY		
4 3 4		D	OCKET NO. 990315-EI		
		RTE	QUARTERLY REPORT		
		Forth	-Eighth Quarterly Repo	a.	
		нероп	Period: Third Quarter, 3	2011	a la contra
	Rate Class	Third Quarter Total Revenue	Third Quarter Total KWH Sales	Third Quarter <u>c/KWH</u>	12-Month Rolling Avera <u>¢/KWH</u>
	RTP	\$22,137,116.62	240,950,469	9.197	8.477
	PX/PXT				
	LP/LPT	\$51,597,117.75	555,239,671	9,293	9.429
			and the second second		
			otes to Quarterly Time Pricing Report		
		Real Time Pricing (RTP)			2011.
	The reason to	or this change was to ref	lect new lambda foreca	SIS.	
		Multi	pliers		
			7/1/2011		
		On Deck	1 254		
		On-Peak	1.354		
		Intermediate	0.279		
		Off-Peak	0.203		
	The reason fo	Real Time Pricing (RTP) or this change was to ref C-11-0382-PCO-EI.			
	order no. For				
			pliers		
		Effective	9/1/2011		
		On-Peak	1.484		
		interior and a	0.040		
		Intermediate	0.316		
		Off-Peak	0.236		
				Hanny The material data	the LDU DT
		ry by hour and by seaso ate classes do not have			
	and PX/PXT r	ary by hour and by seaso ate classes do not have other rate classes are mo	this variability in pricing	g. As a result, compa	arisons between