

**Susan D. Ritenour**  
Secretary and Treasurer  
and Regulatory Manager

One Energy Place  
Pensacola, Florida 32520-0781

Tel: 850.444.8231  
Fax: 850.444.8026  
SDRITEN@southernco.com



February 14, 2012

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 December 2011.

Sincerely,

*Susan Ritenour (nm)*

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

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GULF POWER COMPANY  
Earnings Surveillance Report Summary  
December, 2011

	(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	143,752,674	(76,426,601)	67,326,074	0	67,326,074
Average Rate Base	2,584,688,613	(983,120,575)	1,601,568,038	0	1,601,568,038
Average Rate of Return	5.56%		4.20%		4.20%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	143,746,553	(75,811,521)	67,935,033	0	67,935,033
Year End Rate Base	2,688,447,426	(1,032,348,340)	1,656,099,086	0	1,656,099,086
Year End Rate of Return	5.35%		4.10%		4.10%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	6.42%
Midpoint	6.90%
High	7.19%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	3.78 x (System per Books Basis)
B. Tie Without AFUDC	3.55 x (System per Books Basis)
C. AFUDC To Net Income	11.75% (System per Books Basis)
D. Internally Generated Funds	72.81% (System per Books Basis)
E. LTD To Total Investor Funds	48.97% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.98% (FPSC Adjusted Basis)
G. Return on Common Equity	4.91% (FPSC Adjusted Basis)
H. Return on Common Equity	4.91% (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



2/13/12

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
December, 2011

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	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>	3,748,724,197	1,305,890,388	2,442,833,809	5,573,847	234,383,624	0	2,682,791,280	239,437,568	2,922,228,848
<b>JURISDICTIONAL PER BOOKS</b>	3,308,945,592	1,178,759,908	2,130,185,684	5,399,444	207,338,064	0	2,342,923,192	241,765,421	2,584,688,613
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(838,531,072)	(65,588,897)	(772,942,175)		(2,733,292)		(775,675,467)	(10,939,165)	(786,614,632)
INT BEARING CWIP					(149,543,812)		(149,543,812)	0	(149,543,812)
ENERGY CONSERVATION CLAUSE	(10,206,484)	1,427,910	(11,634,394)		(0)		(11,634,394)	(1,968,089)	(13,602,483)
LOANS TO EMPLOYEES / RETIREES								(48,690)	(48,690)
INTEREST AND DIVIDENDS RECEIVABLE								(302,597)	(302,597)
FUNDED PROP RES & OTHER INVESTMENTS								(18,870,393)	(18,870,393)
FUEL RELATED DEFERRED DEBITS								(14,366,149)	(14,366,149)
FLAME RESISTANT CLOTHING								(49)	(49)
ACCRUED PROVISION FOR REFUND								227,714	227,714
SALE OF RAILCARS								516	516
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(848,737,556)</b>	<b>(64,160,987)</b>	<b>(784,576,569)</b>	<b>0</b>	<b>(152,277,104)</b>	<b>0</b>	<b>(936,853,673)</b>	<b>(46,266,902)</b>	<b>(983,120,575)</b>
<b>FPSC ADJUSTED</b>	<b>2,460,208,036</b>	<b>1,114,598,921</b>	<b>1,345,609,115</b>	<b>5,399,444</b>	<b>55,060,960</b>	<b>0</b>	<b>1,406,069,519</b>	<b>195,498,519</b>	<b>1,601,568,038</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>2,460,208,036</b>	<b>1,114,598,921</b>	<b>1,345,609,115</b>	<b>5,399,444</b>	<b>55,060,960</b>	<b>0</b>	<b>1,406,069,519</b>	<b>195,498,519</b>	<b>1,601,568,038</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
December, 2011

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	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	1,519,953,213	744,859,669	319,416,656	130,999,343	101,302,431	(15,611,862)	79,116,879	(1,348,534)	0	1,358,734,581	161,218,632 (a)
JURISDICTIONAL PER BOOKS	1,278,477,416	573,974,931	303,954,843	120,533,904	100,025,876	8,402,417	42,256,230	(991,721)	0	1,148,156,481	130,320,935 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(146,483,934)		(23,440,568)	(33,405,174)	(805,442)	(34,267,233)				(91,918,417)	(54,565,517)
GROSS RECEIPTS TAX REVENUE	(31,198,571)					(12,034,849)				(12,034,849)	(19,163,722)
MARKETING SUPPORT ACTIVITIES			(140,052)			54,025				(86,027)	86,027
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(64,373)			24,832				(39,541)	39,541
FRANCHISE FEE REVENUES	(40,735,847)					(15,713,853)				(15,713,853)	(25,021,994)
RETAIL FUEL REVENUES	(535,399,409)					(206,530,322)				(206,530,322)	(328,869,087)
ECCR and PPCC REVENUES	(56,590,729)					(21,829,874)				(21,829,874)	(34,760,855)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(1,008,507)			389,032				(619,475)	619,475
ECON DEV EXPENSE ALLOWED			958,081			(369,580)				588,501	(588,501)
LIAISON EXPENSES			(295,628)		(13,691)	119,320				(189,999)	189,999
CORP ADV & WHOLESALE EXPENSES		(6,344)	(21,149)			10,605				(16,888)	16,888
INDUSTRY ASSOCIATION DUES			(628)			242				(386)	386
RETAIL FUEL EXPENSES		(534,994,144)				206,373,991				(328,620,153)	328,620,153
ECCR AND PPCC EXPENSES		(38,974,443)	(13,325,238)	(289,335)	(319,506)	20,409,462				(32,499,060)	32,499,060
FRANCHISE FEE					(39,703,090)	15,315,467				(24,387,623)	24,387,623
GRT, FPSC FEES ON CLAUSES & FEES					(1,491,665)	575,410				(916,255)	916,255
GROSS RECEIPTS TAX ADJUST					(30,996,436)	11,956,875				(19,039,561)	19,039,561
INTEREST SYNCHRONIZATION						6,445,464				6,445,464	(6,445,464)
TOTAL FPSC ADJUSTMENTS	(810,408,490)	(573,974,931)	(37,337,171)	(33,694,509)	(73,329,829)	(29,067,651)	0	0	(9,537)	(747,413,628)	(62,994,862)
FPSC ADJUSTED	468,068,927	0	266,617,672	86,839,396	26,696,047	(20,665,234)	42,256,230	(991,721)	(9,537)	400,742,853	67,326,074
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	468,068,927	0	266,617,672	86,839,396	26,696,047	(20,665,234)	42,256,230	(991,721)	(9,537)	400,742,853	67,326,074
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				13,864,775							13,431,739
CURRENT MO. SYSTEM PER BOOKS	111,199,810	47,639,441	32,735,124	11,100,138	7,559,628	(7,781,734)	10,390,845	(112,378)	0	101,531,063	9,668,746
CURRENT MO. JURIS PER BOOKS	90,117,242	32,884,749	31,596,356	10,185,956	7,861,890	(57,691,666)	58,837,275	(82,664)	0	83,591,895	6,525,346

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
December, 2011

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(40,735,847)	(15,713,853)
INVESTMENT	(346,979,535)	IIC FUEL REVENUES	(105,754,385)	(40,794,754)
ACCUMULATED DEPRECIATION	107,061,016	FUEL REVENUES	(596,035,583)	(229,920,726)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(463,513)	(178,800)
INVESTMENT	(10,206,484)	ECCR, PPCC, AND ECRC REVENUES	(203,249,092)	(78,403,337)
ACCUMULATED DEPRECIATION	(1,427,910)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,198,571)	(12,034,849)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	37,470	14,454
INVESTMENT	(867,012,638)	CORP ADVERTISING & WHOLESALE EXPENSES	(28,177)	10,869
ACCUMULATED DEPRECIATION	67,831,352	INDUSTRY ASSOCIATION DUES	(642)	248
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(744,821,919)	287,315,055
INTEREST BEARING CWIP	(154,365,067)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(20,356,646)	ECON DEVELOP EXPENSE- TOTAL	(1,008,507)	389,031
ECRC CWIP	(2,825,800)	ECON DEV EXPENSE - ALLOWED	958,081	(369,580)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,703,773)	CONSERVATION EXPENSES - O & M	(13,325,238)	5,140,211
		CONSERVATION EXPENSES - OTHER TAXES	(202,158)	77,983
		MARKETING SUPPORT ACTIVITIES	(140,052)	54,025
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(65,774)	25,372
ECRC WORKING CAPITAL	(11,309,066)	FRANCHISE FEE	(39,703,090)	15,315,467
LOANS TO EMPLOYEES AND RETIREES	(50,716)	GROSS RECEIPTS TAX EXPENSE	(30,996,436)	11,956,875
UNREALIZED LOSS ON FWD CONTRACT	(1,538)	LIAISON EXPENSE	(316,089)	121,931
CONSERVATION/AEM INVENTORY	(1,968,089)	ECRC/ECCR EXPENSES	(59,962,462)	23,130,520
INTEREST & DIVIDENDS RECEIVABLE	(315,190)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(8,608,097)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,491,665)	575,410
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	6,869,700	6,869,700
FUNDED PROP RES & OTHER INVESTMENTS	(18,548,573)			
FUEL RELATED DEFERRED DEBITS	(14,366,149)			
FLAME RESISTANT CLOTHING	(61)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	280,833			
FAS 143 WORKING CAPITAL	19,088,104			
FAS 158 REGULATORY ASSETS	(83,396,131)			
FAS 158 REGULATORY LIABILITIES	83,396,131			
PPA REGULATORY ASSETS	(79,899,117)			
PPA REGULATORY LIABILITIES	79,899,117			
FAS 133 REGULATORY ASSETS	(17,379,129)			
FAS 133 REGULATORY LIABILITIES	17,379,129			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
December, 2011

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	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	3,840,881,884	1,338,888,942	2,501,992,942	5,434,546	286,120,468	0	2,793,547,956	239,437,568	3,032,985,524
JURISDICTIONAL PER BOOKS	3,376,262,190	1,207,943,811	2,168,318,379	5,264,501	275,132,858	0	2,448,715,738	239,731,688	2,688,447,426
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE INT BEARING CWIP	(841,116,353)	(79,721,580)	(761,393,773)		(5,625,589) (206,689,855)		(767,019,362) (206,689,855)	(10,939,165) 0	(777,958,527) (206,689,855)
ENERGY CONSERVATION CLAUSE	(10,272,267)	2,099,954	(12,372,221)			(12,372,221)	(1,968,089)	(48,690)	(14,340,310)
LOANS TO EMPLOYEES AND RETIREES								(302,597)	(48,690)
INTEREST AND DIVIDENDS RECEIVABLE								0	(302,597)
NOTES RECEIVABLE								0	0
FUNDED PROP RES & OTHER INVESTMENTS								(18,870,393)	(18,870,393)
FUEL RELATED DEFERRED DEBITS								(14,366,149)	(14,366,149)
FLAME RESISTANT CLOTHING								(49)	(49)
ACCRUED PROVISION FOR REFUND								227,714	227,714
SALE OF RAILCARS								516	516
TOTAL FPSC ADJUSTMENTS	(851,387,620)	(77,621,626)	(773,765,994)	0	(212,315,444)	0	(986,081,438)	(46,266,902)	(1,032,348,340)
FPSC ADJUSTED	2,524,874,570	1,130,322,185	1,394,552,385	5,264,501	62,817,414	0	1,462,634,300	193,464,786	1,656,099,086
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	2,524,874,570	1,130,322,185	1,394,552,385	5,264,501	62,817,414	0	1,462,634,300	193,464,786	1,656,099,086

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

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	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	1,519,953,213	744,859,669	319,416,656	130,999,343	101,302,431	(15,611,862)	79,116,879	(1,348,534)	0	1,358,734,581	161,218,632 (a)
JURISDICTIONAL PER BOOKS	1,278,477,416	573,974,931	303,954,843	120,533,904	100,025,876	8,391,460	42,273,308	(991,721)	0	1,148,162,602	130,314,814 (a)
LESS FPSC ADJUSTMENTS:											
ENVIRONMENTAL RECOVERY CLAUSE	(146,483,934)		(23,440,568)	(33,405,174)	(805,442)	(34,267,233)				(91,918,417)	(54,565,517)
GROSS RECEIPTS TAX REVENUE	(31,198,571)					(12,034,849)				(12,034,849)	(19,163,722)
MARKETING SUPPORT ACTIVITIES			(140,052)			54,025				(86,027)	86,027
GAIN/LOSS ON DISPOSITION						3,679			(9,537)	(5,858)	5,858
MGMT FINANCIAL PLANNING SERVICES			(64,373)			24,832				(39,541)	39,541
FRANCHISE FEE REVENUES	(40,735,847)					(15,713,853)				(15,713,853)	(25,021,994)
RETAIL FUEL REVENUES	(535,399,409)					(206,530,322)				(206,530,322)	(328,869,087)
ECCR & PPCC REVENUES	(56,590,729)					(21,829,874)				(21,829,874)	(34,760,855)
INT ON TAX ASSESSMENT			891			(344)				547	(547)
ECON DEV EXPENSE TOTAL			(1,008,507)			389,032				(619,475)	619,475
ECON DEV EXPENSE ALLOWED			958,081			(369,580)				588,501	(588,501)
LIAISON EXPENSES			(295,628)		(13,691)	119,320				(189,999)	189,999
CORP ADV & WHOLESALE EXPENSES		(6,344)	(21,149)			10,605				(16,888)	16,888
INDUSTRY ASSOCIATION DUES			(628)			242				(386)	386
RETAIL FUEL EXPENSES		(534,994,144)				206,373,991				(328,620,153)	328,620,153
ECCR AND PPCC EXPENSES		(38,974,443)	(13,325,238)	(289,335)	(319,506)	20,409,462				(32,499,060)	32,499,060
FRANCHISE FEE					(39,703,090)	15,315,467				(24,387,623)	24,387,623
GRT, FPSC FEES ON CLAUSES & FFEES					(1,491,665)	575,410				(916,255)	916,255
GROSS RECEIPTS TAX ADJUST					(30,996,436)	11,956,875				(19,039,561)	19,039,561
INTEREST SYNCHRONIZATION						5,830,384				5,830,384	(5,830,384)
TOTAL FPSC ADJUSTMENTS	(810,408,490)	(573,974,931)	(37,337,171)	(33,694,509)	(73,329,829)	(29,682,731)	0	0	(9,537)	(748,028,708)	(62,379,782)
FPSC ADJUSTED	468,068,927	0	266,617,672	86,839,396	26,696,047	(21,291,271)	42,273,308	(991,721)	(9,537)	400,133,894	67,935,033
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	468,068,927	0	266,617,672	86,839,396	26,696,047	(21,291,271)	42,273,308	(991,721)	(9,537)	400,133,894	67,935,033

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 13,864,775 AND THE JURISDICTIONAL NOI BY 13,431,739

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

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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
PLANT SCHERER		FRANCHISE FEE REVENUES	(40,735,847)	(15,713,853)
INVESTMENT	(368,521,592)	IIC FUEL REVENUES	(105,754,385)	(40,794,754)
ACCUMULATED DEPRECIATION	110,304,362	FUEL REVENUES	(596,035,583)	(229,920,726)
ENERGY CONSERVATION COST RECOVERY		ECONOMY PROFITS	(463,513)	(178,800)
INVESTMENT	(10,272,267)	ECCR, PPCC, AND ECRC REVENUES	(203,249,092)	(78,403,337)
ACCUMULATED DEPRECIATION	(2,099,954)	GROSS RECEIPTS TAX REVENUES/STORM RECOVERY REV	(31,198,571)	(12,034,849)
ENVIRONMENTAL RECOVERY CLAUSE		COMPETITIVE SALES REV\TRANS REV\G/L ON SALE OF GAS	37,470	14,454
INVESTMENT	(871,836,506)	CORP ADVERTISING & WHOLESALE EXPENSES	(28,177)	10,869
ACCUMULATED DEPRECIATION	82,634,814	INDUSTRY ASSOCIATION DUES	(642)	248
PROPERTY HELD FOR FUTURE USE	0	FUEL AND PPCC EXPENSES	(744,821,919)	287,315,055
INTEREST BEARING CWIP	(213,353,484)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(9,778)	3,772
SCHERER CWIP	(2,093,354)	ECON DEVELOP EXPENSE- TOTAL	(1,008,507)	389,031
ECRC CWIP	(5,830,999)	ECON DEV EXPENSE - ALLOWED	958,081	(369,580)
ECCR CWIP	(0)	INTEREST ON TAX ADJUSTMENT	910	(351)
FAS 143 NET PLANT	(14,675,572)	CONSERVATION EXPENSES - O & M	(13,325,238)	5,140,211
		CONSERVATION EXPENSES - OTHER TAXES	(202,158)	77,983
		MARKETING SUPPORT ACTIVITIES	(140,052)	54,025
WORKING CAPITAL:		MGMT FINANCIAL PLANNING SERVICES	(65,774)	25,372
ECRC WORKING CAPITAL	(11,309,066)	FRANCHISE FEE	(39,703,090)	15,315,467
LOANS TO EMPLOYEES AND RETIREES	(50,716)	GROSS RECEIPTS TAX EXPENSE	(30,996,436)	11,956,875
UNREALIZED LOSS ON FWD CONTRACT	(1,538)	LIAISON EXPENSE	(316,089)	121,931
CONSERVATION/AEM INVENTORY	(1,968,089)	ECRC/ECCR EXPENSES	(59,962,462)	23,130,520
INTEREST & DIVIDENDS RECEIVABLE	(315,190)	COMPETITIVE SALES EXPENSES	0	0
PLANT SCHERER	(10,117,053)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,491,665)	575,410
TEMPORARY CASH INVESTMENTS	(335,213)	INTEREST SYNCHRONIZATION	6,224,059	6,224,059
FUNDED PROP RES & OTHER INVESTMENTS	(18,548,573)			
FUEL RELATED DEFERRED DEBITS	(14,366,149)			
FLAME RESISTANT CLOTHING	(61)			
IVAN STORM RECOVERY	0			
ACCUM. PROV. FOR RATE REFUNDS	280,833			
FAS 143 WORKING CAPITAL	19,088,104			
FAS 158 REGULATORY ASSETS	(83,396,131)			
FAS 158 REGULATORY LIABILITIES	83,396,131			
PPA REGULATORY ASSETS	(79,899,117)			
PPA REGULATORY LIABILITIES	79,899,117			
FAS 133 REGULATORY ASSETS	(17,379,129)			
FAS 133 REGULATORY LIABILITIES	17,379,129			



GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
December, 2011

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	
LONG TERM DEBT	1,211,015,546	1,067,141,148	(405,901,281)	0	661,239,867	41.29	4.88	2.01	4.88	2.01	4.88	2.01	4.88	2.01	
SHORT TERM DEBT	64,803,463	43,046,129	(16,373,166)	0	26,672,963	1.67	0.42	0.01	0.42	0.01	0.42	0.01	0.42	0.01	
PREFERRED STOCK	97,998,345	86,353,756	(32,845,796)	0	53,507,960	3.34	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,889,120	36,062,542	(13,716,866)	0	22,345,676	1.40	6.29	0.09	6.29	0.09	6.29	0.09	6.29	0.09	
COMMON EQUITY	1,111,677,437	982,538,741	(373,721,634)	0	608,817,107	38.01	10.75	4.09	12.00	4.56	12.75	4.85	12.75	4.85	
DEFERRED INCOME TAXES	428,562,483	399,705,881	(152,033,430)	0	247,672,451	15.46									
FASB 109 DEFERRED TAXES	(38,705,645)	(36,099,461)	13,730,909	0	(22,368,552)	(1.40)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	7,433,098	5,939,877	(2,259,311)	0	3,680,566	0.23	7.64	0.02	8.21	0.02	8.56	0.02	8.56	0.02	
<b>TOTAL</b>	<b>2,918,673,847</b>	<b>2,584,688,613</b>	<b>(983,120,575)</b>	<b>0</b>	<b>1,601,568,038</b>	<b>100.00 %</b>		<b>6.42 %</b>		<b>6.90 %</b>		<b>7.19 %</b>			

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	COST RATEWEIGHTED COST (%)	
LONG TERM DEBT	1,208,231,796	1,072,774,229	(411,939,130)	0	660,835,099	39.90	5.12	2.04	5.12	2.04	5.12	2.04	5.12	2.04	
SHORT TERM DEBT	114,507,497	87,514,187	(33,604,944)	0	53,909,243	3.26	0.27	0.01	0.27	0.01	0.27	0.01	0.27	0.01	
PREFERRED STOCK	97,998,345	87,011,531	(33,411,927)	0	53,599,604	3.24	6.33	0.21	6.33	0.21	6.33	0.21	6.33	0.21	
CUSTOMER DEPOSITS	35,778,822	36,193,141	(13,897,958)	0	22,295,183	1.35	6.25	0.08	6.25	0.08	6.25	0.08	6.25	0.08	
COMMON EQUITY	1,127,102,136	988,932,195	(379,744,272)	0	609,187,923	36.78	10.75	3.95	12.00	4.41	12.75	4.69	12.75	4.69	
DEFERRED INCOME TAXES	471,612,467	444,901,176	(170,839,491)	0	274,061,685	16.55									
FASB 109 DEFERRED TAXES	(36,419,225)	(34,356,505)	13,192,700	0	(21,163,805)	(1.28)									
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00									
TAX CREDITS - WEIGHTED COST	6,760,082	5,477,472	(2,103,318)	0	3,374,154	0.20	7.76	0.02	8.33	0.02	8.68	0.02	8.68	0.02	
<b>TOTAL</b>	<b>3,025,571,919</b>	<b>2,688,447,426</b>	<b>(1,032,348,340)</b>	<b>0</b>	<b>1,656,099,086</b>	<b>100.00 %</b>		<b>6.31 %</b>		<b>6.77 %</b>		<b>7.05 %</b>			

GULF POWER COMPANY  
Financial Integrity Indicators  
December, 2011

## A. Times Interest Earned with AFUDC

Earnings Before Interest	169,357,381
AFUDC - Debt	3,950,982
Income Taxes	61,267,543
	<u>                    </u>
Total	234,575,907
Interest Charges (Before Deducting AFUDC - Debt)	62,100,896
	<u>                    </u>
T.I.E. With AFUDC	3.78 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	169,357,381
AFUDC - Other	(9,913,793)
Income Taxes	61,267,543
	<u>                    </u>
Total	220,711,132
Interest Charges (Before Deducting AFUDC - Debt)	62,100,896
	<u>                    </u>
T.I.E. Without AFUDC	3.55 x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	3,950,982
X (1 - Income Tax Rate)	0.6143
	<u>                    </u>
Subtotal	2,426,891
AFUDC - Other	9,913,793
	<u>                    </u>
Total	12,340,684
	<u>                    </u>
Net Income Available for Common Stockholders	105,004,967
Percent AFUDC to Available Net Income	11.75%

## D. Percent Internally Generated Funds

Net Income	111,207,467
Preferred Dividends	(6,202,500)
Common Dividends	(110,000,000)
AFUDC (Debt & Other)	(13,864,775)
Depreciation & Amortization	139,400,949
Deferred Income Taxes	79,107,501
Investment Tax Credits	0
Other	40,620,906
	<u>                    </u>
Total	240,269,549
	<u>                    </u>
Construction Expenditures (Excluding AFUDC Other & Debt)	329,987,362
	<u>                    </u>
Percent Internally Generated Funds	72.81%

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	661,239,867
Short Term Debt	26,672,963
Preferred Stock	53,507,960
Common Equity	608,817,107
	<u>                    </u>
Total	1,350,237,897
	<u>                    </u>
% Long Term Debt To Total	48.97%
	<u>                    </u>
% Short Term Debt To Total	1.98%
	<u>                    </u>

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	4.20%	4.20%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(2.01)	(2.01)
Short Term Debt	(0.01)	(0.01)
Preferred Stock	(0.21)	(0.21)
Customer Deposits	(0.09)	(0.09)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.02)	(0.02)
	<u>                    </u>	<u>                    </u>
Subtotal	(2.34)	(2.34)
	<u>                    </u>	<u>                    </u>
Total	1.87	1.87
Divided by Common Equity Ratio	38.01	38.01
	<u>                    </u>	<u>                    </u>
Jurisdictional Return on Common Equity	4.91%	4.91%
	<u>                    </u>	<u>                    </u>

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
October	2011	291,667
November	2011	291,667
<b>December</b>	<b>2011</b>	<b>291,663</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>

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GULF POWER COMPANY

DOCKET NO. 990315-EI

RTP QUARTERLY REPORT

Forty-ninth Quarterly Report

Report Period: Fourth Quarter, 2011

<u>Rate Class</u>	<u>Fourth Quarter Total Revenue</u>	<u>Fourth Quarter Total KWH Sales</u>	<u>Fourth Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$16,940,951.15	198,384,033	8.539	8.452
PX/PXT	-	-	-	-
LP/LPT	\$40,870,385.63	423,127,674	9.659	9.422

Notes to Quarterly  
Real Time Pricing Report

1. There were no changes made to the "M" multipliers during this period.
2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling average basis.

SCHEDULE A

**GULF POWER COMPANY**  
**CALCULATION OF AFUDC RATE**  
 December, 2011

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	661,239,867	41.29%	5.12	2.11
SHORT-TERM DEBT	26,672,963	1.67%	0.42	0.01
PREFERRED STOCK	53,507,960	3.34%	6.33	0.21
CUSTOMER DEPOSITS	22,345,676	1.40%	6.29	0.09
COMMON EQUITY	608,817,107	38.01%	12.00	4.56
ITC	3,680,566	0.23%		
FASB 109 DIT	(22,368,552)	-1.40%		
DEFERRED TAXES	247,672,451	15.46%		
<b>TOTAL</b>	<b>1,601,568,038</b>	<b>100.00%</b>		<b>6.98 %</b>

AFUDC Rate Currently Authorized per order: PSC-08-0263-PAA-EI

7.65 %

**GULF POWER COMPANY**  
**13 MONTH AVERAGE CAPITAL STRUCTURE**  
December, 2011

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,211,015,546	-	(121,069,550)	-	(411,311,892)	678,634,104	0.9743688	661,239,867
SHORT-TERM DEBT	64,803,463	-	(6,471,287)	-	(30,957,568)	27,374,608	0.9743688	26,672,963
PREFERRED STOCK	97,998,345	-	(9,799,206)	-	(33,283,626)	54,915,513	0.9743688	53,507,960
CUSTOMER DEPOSITS	35,889,120	-	-	-	(13,543,444)	22,345,676	1.0000000	22,345,676
COMMON EQUITY	1,111,677,437	(13,368,076)	(111,696,802)	16,923,077	(378,703,298)	624,832,338	0.9743688	608,817,107
ITC - ZERO COST	-	-	-	-	-	-	0.9743688	-
ITC - WEIGHTED COST	7,433,098	-	(1,366,285)	-	(2,289,428)	3,777,385	0.9743688	3,680,566
FASB 109 DIT	(38,705,645)	-	1,834,739	-	13,913,938	(22,956,968)	0.9743688	(22,368,552)
DEFERRED TAXES	428,562,483	-	(20,314,871)	-	(154,060,016)	254,187,596	0.9743688	247,672,451
<b>TOTAL</b>	<b>2,918,673,847</b>	<b>(13,368,076)</b>	<b>(268,883,262)</b>	<b>16,923,077</b>	<b>(1,010,235,334)</b>	<b>1,643,110,252</b>		<b>1,601,568,038</b>