



Robert L. McGee, Jr.
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June 15, 2017

Mr. Bart Fletcher
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Monthly Rate of Return Report

Dear Mr. Fletcher:

Attached is Gulf Power Company's Jurisdictional Rate of Return Report for the month of April, 2017. In compliance with the Commission's decision in Docket 160134-EI on September 13, 2016, Gulf's Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf's native load customers to the extent it is not committed to off-system sales. Furthermore, in compliance with that same decision, Gulf is including a second Jurisdictional Rate of Return Report which removes Scherer's related investment and expenses from the retail jurisdictional rate base.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr.".

Robert L. McGee, Jr.
Regulatory and Pricing Manager

md

Attachment

cc/att.: Office of the Public Counsel
c/o Florida Legislature
111 W. Madison, Rm. 801
Tallahassee, FL 32399-1400

GOV 2-1-5-3

April 2017

Earnings Surveillance
Report
(Rate of Return)

Note: In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.



GULF POWER COMPANY
Earnings Surveillance Report Summary, Including Scherer 3*
April, 2017

	(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	187,058,267	(72,359,789)	114,698,478	0	114,698,478
Average Rate Base	3,613,154,699	(1,323,528,964)	2,289,625,735	0	2,289,625,735
Average Rate of Return	5.18%		5.01%		5.01%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	186,967,264	(73,641,210)	113,326,054	0	113,326,054
Year End Rate Base	3,609,971,983	(1,304,285,656)	2,305,686,327	0	2,305,686,327
Year End Rate of Return	5.18%		4.92%		4.92%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.11%
Midpoint	5.49%
High	5.87%

IV. Financial Integrity Indicators

A. Tie With AFUDC	5.23 x (System per Books Basis)
B. Tie Without AFUDC	5.23 x (System per Books Basis)
C. AFUDC To Net Income	0.01% (System per Books Basis)
D. Internally Generated Funds	79.34% (System per Books Basis)
E. LTD To Total Investor Funds	39.78% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	4.46% (FPSC Adjusted Basis)
G. Return on Common Equity	8.99% (FPSC Adjusted Basis)
H. Return on Common Equity	8.99% (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
 Josh J. Mason
 Assistant Treasurer, Financial Planning & Budgeting Manager

Signature

Date



6/14/17

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GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
April, 2017

	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	5,084,514,490	1,631,608,635	3,452,905,855	14,754,000	64,646,918	0	3,532,306,773	216,486,334	3,748,793,107
JURISDICTIONAL PER BOOKS	4,816,034,240	1,567,726,484	3,248,307,756	14,322,374	61,812,235	0	3,324,442,365	288,712,334	3,613,154,699
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,491,340,278)	(244,424,898)	(1,246,915,380)		(9,643,877)		(1,256,559,257)	(19,011,162)	(1,275,570,419)
INT BEARING CWIP					(589,458)		(589,458)	0	(589,458)
ENERGY CONSERVATION CLAUSE	(14,461,534)	7,903,921	(22,365,455)				(22,365,455)	(762,702)	(23,128,157)
LOANS TO EMPLOYEES / RETIREES								(40,523)	(40,523)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,485,581)	(17,146,912)
FUEL RELATED DEFERRED DEBITS								(4,621,775)	(4,621,775)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,431,719)	(2,431,719)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,505,801,812)	(236,520,977)	(1,269,280,835)	(12,661,331)	(10,233,335)	0	(1,292,175,501)	(31,353,463)	(1,323,528,964)
FPSC ADJUSTED	3,310,232,428	1,331,205,507	1,979,026,921	1,661,043	51,578,900	0	2,032,266,864	257,358,871	2,289,625,735
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	3,310,232,428	1,331,205,507	1,979,026,921	1,661,043	51,578,900	0	2,032,266,864	257,358,871	2,289,625,735

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT, INCLUDING SCHIERER 3*
April, 2017

	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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,503,085,149	595,676,189	344,399,363	151,986,658	116,314,518	39,838,456	54,693,930	(472,268)	0	1,301,836,826	201,248,323 (a)
JURISDICTIONAL PER BOOKS	1,358,416,372	488,695,105	335,637,056	145,817,515	115,105,180	38,744,009	47,778,133	(399,186)	0	1,171,377,822	187,036,550 (a)
LESS FPSC ADJUSTMENTS:	(404,512,366)	(404,270,875)				(93,155)				(404,364,030)	(148,336)
RETAIL FUEL REVENUES & EXPENSES	(84,427,903)	(84,424,230)				(1,417)				(84,425,647)	(2,256)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(1,190,302)	(9,327,662)	(331,165)	(401,388)	(7,351,758)	(721,396)				(10,781,611)	(1,146,716)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(203,390,022)	(38,166,541)	(52,100,624)		(41,927,412)	(40,797,344)				(138,416,267)	(64,963,755)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,312,548)				(30,977,978)	(148,566)				(42,075,978)	(236,570)
FRANCHISE FEE REVENUE & EXPENSE	(31,382,388)					(156,001)				(31,133,979)	(248,409)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT						37,051				(59,015)	59,015
MARKETING SUPPORT ACTIVITIES		(96,076)				101,993				(162,408)	162,408
WHOLESALE EXPENSES		(264,401)				52,303				(83,284)	83,284
INSTITUTIONAL ADVERTISING EXPENSE		(135,587)				19,633				(31,261)	31,261
ECONOMIC DEVELOPMENT EXPENSE		(50,894)				4,923				(7,839)	7,839
MGMT. FINANCIAL PLANNING SERVICES		(12,762)				14,699				(23,406)	23,406
DIRECTORS' & OFFICERS' INSURANCE		(38,105)				572				(911)	911
INDUSTRY ASSOCIATION DUES		(1,483)				183,370				(291,990)	291,990
TALLAHASSEE LIAISON EXPENSES		(453,509)			(21,851)	552,785				(880,229)	880,229
GRT, FPSC FEES ON CLAUSES & FEES					(1,433,014)					0	0
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						7,132,373				7,132,373	(7,132,373)
TOTAL FPSC ADJUSTMENTS	(777,945,554)	(488,695,105)	(48,547,021)	(52,502,012)	(82,043,178)	(33,818,166)	0	0	0	(705,605,482)	(72,340,072)
FPSC ADJUSTED	580,470,818	0	287,090,035	93,315,513	35,062,002	4,925,843	47,778,133	(399,186)	0	465,772,340	114,698,478
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	580,470,818	0	287,090,035	93,315,513	35,062,002	4,925,843	47,778,133	(399,186)	0	465,772,340	114,698,478
PRO FORMA ADJUSTED	1,087,099,600	37,893,722	33,413,264	12,176,013	8,812,847	8,130,158	(3,197,365)	(62,825)	0	97,195,795	11,513,806
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			20,186	AND THE JURISDICTIONAL NOI BY	19,717						
CURRENT MONTH SYSTEM PER BOOKS	103,525,317	35,677,854	31,378,015	11,782,772	8,726,313	7,045,511	(2,246,263)	(27,267)	0	92,336,936	11,188,381
CURRENT MONTH JURISDICTIONAL PER BOOKS											

TOTALS MAY NOT ADD DUE TO ROUNDING.

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GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
April, 2017

SCHEDULE 2
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<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,535,527,825)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(511,879,597)	(197,457,555)
ACCUMULATED DEPRECIATION	251,867,068	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(209,149,457)	(80,679,403)
CWIP	(9,929,620)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,554,341)	(32,616,837)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,461,534)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,930,328)	(4,602,124)
ACCUMULATED DEPRECIATION	(7,903,921)	FUEL EXPENSE	(508,734,123)	196,244,188
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,929,641)	33,533,109
FAS 143 NET PLANT	(60,953,250)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,729,050)	3,752,981
INTEREST BEARING CWIP	(603,478)	CONSERVATION EXPENSES - OTHER TAXES	(331,165)	127,747
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,435,193)	38,742,876
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,312,548)	(18,322,065)
ECRC WORKING CAPITAL	(19,574,452)	FRANCHISE FEE	(41,927,412)	18,173,499
CONSERVATION/AEM INVENTORY	(762,702)	GROSS RECEIPTS TAX REVENUES	(31,382,388)	(12,105,756)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(30,977,978)	11,949,755
LOANS TO EMPLOYEES AND RETIREES	(42,292)	MARKETING SUPPORT ACTIVITIES	(96,076)	37,061
INTEREST & DIVIDENDS RECEIVABLE	0	WHOLESALE EXPENSES	(272,460)	105,101
NORTH ESCAMBIA SITE	(4,681,572)	INSTITUTIONAL ADVERTISING EXPENSE	(138,258)	53,333
UNAMORTIZED RATE CASE EXPENSE	(2,537,970)	ECONOMIC DEVELOPMENT EXPENSE	(50,894)	19,632
FUEL RELATED DEFERRED DEBITS	(4,621,775)	MGMT FINANCIAL PLANNING SERVICES	(13,043)	5,031
UNREALIZED LOSS ON FWD CONTRACT	(207,298)	DIRECTORS' & OFFICERS' INSURANCE	(38,947)	15,024
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,512)	583
FAS 143 WORKING CAPITAL	73,219,508	TALLAHASSEE LIAISON EXPENSE	(485,861)	187,421
FAS 158 REGULATORY ASSETS	(157,346,117)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,433,013)	552,785
FAS 158 REGULATORY LIABILITIES	157,346,117	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REF.N. ESC REV	(97,367)	(37,558)
PPA REGULATORY ASSETS	(144,754,075)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
PPA REGULATORY LIABILITIES	144,754,075	INTEREST SYNCHRONIZATION	7,277,278	7,277,278
FAS 133 REGULATORY ASSETS	(47,630,228)			
FAS 133 REGULATORY LIABILITIES	47,630,228			

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GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE, INCLUDING SCHERER 3*
April, 2017

	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	5,103,344,614	1,690,871,493	3,412,473,122	14,754,000	71,113,982	0	3,498,341,104	216,486,334	3,714,827,438
JURISDICTIONAL PER BOOKS	4,868,563,320	1,628,894,067	3,239,669,253	14,322,375	67,123,820	0	3,321,115,448	288,856,535	3,609,971,983
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,507,065,617)	(277,987,396)	(1,229,078,221)		(5,759,628)		(1,234,837,849)	(19,011,162)	(1,253,849,011)
INT BEARING CWIP					(2,118,920)		(2,118,920)	0	(2,118,920)
ENERGY CONSERVATION CLAUSE	(15,351,206)	7,962,888	(23,314,094)				(23,314,094)	(762,702)	(24,076,796)
LOANS TO EMPLOYEES AND RETIREES								(40,523)	(40,523)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. N. ESCAMBIA SITE. & OTHER INV.				(12,661,331)			(12,661,331)	(4,485,581)	(17,146,912)
FUEL RELATED DEFERRED DEBITS								(4,621,775)	(4,621,775)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,431,719)	(2,431,719)
TOTAL FPSC ADJUSTMENTS	(1,522,416,823)	(270,024,508)	(1,252,392,315)	(12,661,331)	(7,878,548)	0	(1,272,932,194)	(31,353,462)	(1,304,285,656)
FPSC ADJUSTED	3,346,146,497	1,358,869,559	1,987,276,938	1,661,044	59,245,272	0	2,048,183,254	257,503,073	2,305,686,327
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	3,346,146,497	1,358,869,559	1,987,276,938	1,661,044	59,245,272	0	2,048,183,254	257,503,073	2,305,686,327

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GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT, INCLUDING SCHERER 3*
April, 2017

	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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,503,085,149	595,676,169	344,399,363	151,386,658	116,314,518	39,838,456	54,893,930	(472,268)	0	1,301,836,826	201,248,323 (a)
JURISDICTIONAL PER BOOKS	1,358,416,372	489,695,105	335,637,056	145,817,525	115,105,180	38,739,603	47,873,542	(399,186)	0	1,171,468,825	186,947,547 (a)
LESS FPSC ADJUSTMENTS:	(404,512,366)	(404,270,875)				(93,155)				(404,364,030)	(148,336)
RETAIL FUEL REVENUES & EXPENSES	(84,427,903)	(84,424,230)				(1,417)				(84,425,647)	(2,256)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,930,328)					(721,396)				(10,781,611)	(1,148,716)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(203,380,022)	(9,327,662)		(401,388)	(331,165)	(40,797,344)				(138,416,267)	(64,963,755)
ENVIRONMENTAL COST RECOVERY CLAUSE	(42,312,548)	(38,166,541)		(52,100,624)	(7,351,758)	(148,566)				(42,075,978)	(236,570)
FRANCHISE FEE REVENUE & EXPENSE	(31,382,388)				(41,927,412)	(156,001)				(31,133,979)	(248,409)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT		(96,076)			(30,977,978)	37,061				(59,015)	59,015
MARKETING SUPPORT ACTIVITIES		(264,401)				101,993				(162,408)	162,408
WHOLESALE EXPENSES		(135,587)				52,303				(83,284)	83,284
INSTITUTIONAL ADVERTISING EXPENSE		(50,894)				19,633				(31,261)	31,261
ECONOMIC DEVELOPMENT EXPENSE		(12,762)				4,923				(7,839)	7,839
MGMT FINANCIAL PLANNING SERVICES		(38,105)				14,699				(23,406)	23,406
DIRECTORS' & OFFICERS' INSURANCE		(1,483)				572				(911)	911
INDUSTRY ASSOCIATION DUES		(453,509)				183,370				(291,990)	291,990
TALLAHASSEE LIAISON EXPENSES					(21,851)	552,765				(880,229)	880,229
GRT, FPSC FEES ON CLAUSES & FEES					(1,433,014)					0	0
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										8,413,794	(8,413,794)
INTEREST SYNCHRONIZATION										(704,324,061)	(73,621,493)
TOTAL FPSC ADJUSTMENTS	(777,945,554)	(488,695,105)	(48,547,021)	(52,502,012)	(82,043,178)	(32,536,745)	0	0	0	(704,324,061)	(73,621,493)
FPSC ADJUSTED	580,470,818	0	287,090,035	93,315,513	33,062,002	6,202,858	47,873,542	(399,186)	0	467,144,764	113,326,054
PRO FORMA REVENUE ANNUALIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	580,470,818	0	287,090,035	93,315,513	33,062,002	6,202,858	47,873,542	(399,186)	0	467,144,764	113,326,054
PRO FORMA ADJUSTED	0	0	0	0	0	0	0	0	0	0	0
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				20,186	AND THE JURISDICTIONAL NOI BY	19,717					

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GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS, INCLUDING SCHERER 3*
April, 2017

SCHEDULE 3
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,550,254,246)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(511,879,597)	(197,457,555)
ACCUMULATED DEPRECIATION	285,953,800	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(209,149,457)	(80,679,403)
CWIP	(5,924,684)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,554,341)	(32,616,837)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,351,206)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,930,328)	(4,602,124)
ACCUMULATED DEPRECIATION	(7,962,888)	FUEL EXPENSE	(508,734,123)	196,244,188
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,929,641)	33,533,109
FAS 143 NET PLANT	(47,449,890)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,729,050)	3,752,981
INTEREST BEARING CWIP	(2,169,317)	CONSERVATION EXPENSES - OTHER TAXES	(331,165)	127,747
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,435,193)	38,742,876
		FRANCHISE FEE REVENUES	(42,312,548)	(16,322,065)
		FRANCHISE FEE	(41,927,412)	16,173,499
		GROSS RECEIPTS TAX REVENUES	(31,382,388)	(12,105,756)
		GROSS RECEIPTS TAX EXPENSE	(30,977,978)	11,949,755
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(96,076)	37,061
ECRC WORKING CAPITAL	(19,574,452)	WHOLESALE EXPENSES	(272,460)	105,101
CONSERVATION/AEM INVENTORY	(762,702)	INSTITUTIONAL ADVERTISING EXPENSE	(138,258)	53,333
FUNDED PROPERTY INSURANCE RESERVE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,894)	19,632
LOANS TO EMPLOYEES AND RETIREES	(42,292)	MGMT FINANCIAL PLANNING SERVICES	(13,043)	5,031
INTEREST & DIVIDENDS RECEIVABLE	0	DIRECTORS' & OFFICERS' INSURANCE	(38,947)	15,024
NORTH ESCAMBIA SITE	(4,681,572)	INDUSTRY ASSOCIATION DUES	(1,512)	583
UNAMORTIZED RATE CASE EXPENSE	(2,537,970)	TALLAHASSEE LIAISON EXPENSE	(485,861)	187,421
FUEL RELATED DEFERRED DEBITS	(4,621,775)	GRT/PPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,433,013)	552,785
UNREALIZED LOSS ON FWD CONTRACT	(207,298)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFV. ESC REV	(97,367)	(37,559)
ACCUM. PROV. FOR RATE REFUNDS	0	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 143 WORKING CAPITAL	73,219,508	INTEREST SYNCHRONIZATION	8,639,262	8,639,262
FAS 158 REGULATORY ASSETS	(157,346,117)			
FAS 158 REGULATORY LIABILITIES	157,346,117			
PPA REGULATORY ASSETS	(144,754,075)			
PPA REGULATORY LIABILITIES	144,754,075			
FAS 133 REGULATORY ASSETS	(47,630,228)			
FAS 133 REGULATORY LIABILITIES	47,630,228			

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
 CAPITAL STRUCTURE, INCLUDING SCHERER 3*
 FPSC ADJUSTED BASIS
 April, 2017

AVERAGE	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,130,249,655	1,086,528,783	(398,004,534)	0	688,524,149	30.07	4.31	1.30	4.31	1.30	4.31	1.30
SHORT TERM DEBT	131,467,563	121,946,582	(44,670,059)	0	77,276,523	3.38	0.30	0.01	0.30	0.01	0.30	0.01
PREFERENCE STOCK	146,504,320	140,872,850	(51,602,910)	0	89,269,940	3.90	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,687,601	35,571,935	(13,030,299)	0	22,541,636	0.98	2.33	0.02	2.33	0.02	2.33	0.02
COMMON EQUITY	1,420,307,585	1,382,014,188	(506,243,424)	0	875,770,764	38.25	9.25	3.54	10.25	3.92	11.25	4.30
DEFERRED INCOME TAXES	928,278,104	897,134,288	(328,627,837)	0	568,506,451	24.83						
FASB 109 DEFERRED TAXES	(53,994,859)	(52,183,325)	19,115,190	0	(33,068,135)	(1.44)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,662,775	1,269,398	(464,991)	0	804,407	0.04	7.03	0.00	7.56	0.00	8.09	0.00
TOTAL	3,740,162,744	3,613,154,699	(1,323,528,964)	0	2,289,625,735	100.00 %		5.11 %		5.49 %		5.87 %

YEAR-END	ADJUSTMENTS			LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)
LONG TERM DEBT	1,061,813,970	1,001,368,702	(361,795,283)	0	639,573,419	27.74	4.14	1.15	4.14	1.15	4.14	1.15
SHORT TERM DEBT	119,985,183	108,721,703	(39,281,235)	0	69,440,468	3.01	0.17	0.01	0.17	0.01	0.17	0.01
PREFERENCE STOCK	146,504,320	138,164,353	(49,918,887)	0	88,245,466	3.83	6.14	0.24	6.14	0.24	6.14	0.24
CUSTOMER DEPOSITS	35,276,489	34,327,557	(12,402,573)	0	21,924,984	0.95	2.34	0.02	2.34	0.02	2.34	0.02
COMMON EQUITY	1,528,474,035	1,469,245,016	(530,839,355)	0	938,405,661	40.70	9.25	3.76	10.25	4.17	11.25	4.58
DEFERRED INCOME TAXES	957,988,837	906,964,710	(327,687,048)	0	579,277,662	25.12						
FASB 109 DEFERRED TAXES	(52,733,185)	(49,924,526)	18,037,770	0	(31,886,756)	(1.38)						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	1,438,698	1,104,468	(399,045)	0	705,423	0.03	7.12	0.00	7.69	0.00	8.25	0.00
TOTAL	3,798,748,347	3,609,971,983	(1,304,285,656)	0	2,305,686,327	100.00 %		5.18 %		5.59 %		5.99 %

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
Financial Integrity Indicators, Including Scherer 3*
April, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	180,131,780
AFUDC - Debt	5,836
Income Taxes	85,572,478
	<hr/>
Total	265,710,095
Interest Charges (Before Deducting AFUDC - Debt)	50,843,166
	<hr/>
T.I.E. With AFUDC	5.23 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	180,131,780
AFUDC - Other	(14,350)
Income Taxes	85,572,478
	<hr/>
Total	265,689,908
Interest Charges (Before Deducting AFUDC - Debt)	50,843,166
	<hr/>
T.I.E. Without AFUDC	5.23 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	5,836
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	3,585
AFUDC - Other	14,350
	<hr/>
Total	17,935
	<hr/>
Net Income Available for Common Stockholders	120,291,950
Percent AFUDC to Available Net Income	0.01%

D. Percent Internally Generated Funds

Net Income	129,294,450
Preference Dividends	(9,002,500)
Common Dividends	(122,534,000)
AFUDC (Debt & Other)	(20,186)
Depreciation & Amortization	160,757,773
Deferred Income Taxes	54,693,930
Investment Tax Credits	0
Other	(42,425,061)
	<hr/>
Total	170,764,405
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	215,237,129
	<hr/>
Percent Internally Generated Funds	79.34%

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	688,524,149
Short Term Debt	77,276,523
Preference Stock	89,269,940
Common Equity	875,770,764
	<hr/>
Total	1,730,841,376
	<hr/>
% Long Term Debt To Total	39.78%
	<hr/>
% Short Term Debt To Total	4.46%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.01%	5.01%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.30)	(1.30)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.57)	(1.57)
	<hr/>	<hr/>
Total	3.44	3.44
Divided by Common Equity Ratio	38.25	38.25
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	8.99%	8.99%

*In compliance with the Florida Public Service Commission's decision in Docket 160134-EI on September 13, 2016, this Jurisdictional Rate of Return Report reflects Scherer Unit 3 as a retail resource rededicated to serving Gulf Power's native load customers to the extent it is not committed to off-system sales.

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
April, 2017

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
May	2016	291,667
June	2016	291,667
July	2016	291,667
August	2016	291,667
September	2016	291,667
October	2016	291,667
November	2016	291,667
December	2016	291,663
January	2017	291,667
February	2017	291,667
March	2017	291,667
April	2017	0
12 - M-T-D		<u><u>3,208,333</u></u>

April 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
April, 2017

	(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	193,354,179	(72,308,075)	121,046,104	0	121,046,104
Average Rate Base	3,534,210,936	(1,323,528,964)	2,210,681,972	0	2,210,681,972
Average Rate of Return	5.47%		5.48%		5.48%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	193,269,995	(73,495,548)	119,774,447	0	119,774,447
Year End Rate Base	3,542,210,971	(1,304,285,656)	2,237,925,315	0	2,237,925,315
Year End Rate of Return	5.46%		5.35%		5.35%
(a) Includes AFUDC Earnings (b) Includes Reversal of AFUDC Earnings					
III. Required Rates of Return Average Capital Structure (FPSC Adjusted Basis)					
Low	5.10%				
Midpoint	5.48%				
High	5.86%				
IV. Financial Integrity Indicators					
A. Tie With AFUDC	5.23 x (System per Books Basis)				
B. Tie Without AFUDC	5.23 x (System per Books Basis)				
C. AFUDC To Net Income	0.01% (System per Books Basis)				
D. Internally Generated Funds	79.34% (System per Books Basis)				
E. LTD To Total Investor Funds	39.75% (FPSC Adjusted Basis)				
F. STD To Total Investor Funds	4.48% (FPSC Adjusted Basis)				
G. Return on Common Equity	10.24% (FPSC Adjusted Basis)				
H. Return on Common Equity	10.24% (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
Josh J. Mason
Assistant Treasurer, Financial Planning & Budgeting Manager

Signature


Date
6/14/17

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 April, 2017

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	NET UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,084,514,490	1,631,608,635	3,452,905,855	14,754,000	64,646,918	0	3,532,306,773	216,486,334	3,748,793,107
JURISDICTIONAL PER BOOKS	4,665,860,298	1,482,371,543	3,183,508,755	14,322,374	58,282,994	0	3,256,114,123	278,096,813	3,534,210,936
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,491,340,278)	(244,424,898)	(1,246,915,380)		(9,643,877)		(1,256,559,257)	(19,011,162)	(1,275,570,419)
INT BEARING CWIP					(589,458)		(589,458)	0	(589,458)
ENERGY CONSERVATION CLAUSE	(14,461,534)	7,903,921	(22,365,455)				(22,365,455)	(762,702)	(23,128,157)
LOANS TO EMPLOYEES / RETIREES								(40,523)	(40,523)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,661,331)			(12,661,331)	(4,485,581)	(17,146,912)
FUEL RELATED DEFERRED DEBITS								(4,621,775)	(4,621,775)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,431,719)	(2,431,719)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,505,801,812)	(236,520,977)	(1,269,280,835)	(12,661,331)	(10,233,335)	0	(1,292,175,501)	(31,353,463)	(1,323,528,964)
FPSC ADJUSTED	3,160,078,486	1,245,850,566	1,914,227,920	1,661,043	48,049,659	0	1,963,938,622	246,743,350	2,210,681,972
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	3,160,078,486	1,245,850,566	1,914,227,920	1,661,043	48,049,659	0	1,963,938,622	246,743,350	2,210,681,972

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
April, 2017

SCHEDULE 2
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,535,527,825)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(511,879,597)	(197,457,555)
ACCUMULATED DEPRECIATION	251,667,066	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(209,149,457)	(80,679,403)
CWIP	(9,929,620)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,554,341)	(32,618,837)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(14,461,534)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,930,328)	(4,602,124)
ACCUMULATED DEPRECIATION	(7,903,921)	FUEL EXPENSE	(508,734,123)	196,244,188
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,929,641)	33,533,109
FAS 143 NET PLANT	(60,953,250)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,729,050)	3,752,981
INTEREST BEARING CWIP	(603,478)	CONSERVATION EXPENSES - OTHER TAXES	(331,165)	127,747
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,435,193)	38,742,876
		FRANCHISE FEE REVENUES	(42,312,548)	(16,322,065)
		FRANCHISE FEE	(41,927,412)	16,173,499
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,382,388)	(12,105,756)
ECRC WORKING CAPITAL	(19,574,452)	GROSS RECEIPTS TAX EXPENSE	(30,977,878)	11,949,755
CONSERVATION/AEM INVENTORY	(762,702)	MARKETING SUPPORT ACTIVITIES	(96,076)	37,061
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSES	(272,460)	105,101
LOANS TO EMPLOYEES AND RETIREES	(42,292)	INSTITUTIONAL ADVERTISING EXPENSE	(138,258)	53,333
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,894)	19,632
NORTH ESCAMBIA SITE	(4,681,572)	MGMT FINANCIAL PLANNING SERVICES	(13,043)	5,031
UNAMORTIZED RATE CASE EXPENSE	(2,537,970)	DIRECTORS' & OFFICERS' INSURANCE	(38,947)	15,024
FUEL RELATED DEFERRED DEBITS	(4,621,775)	INDUSTRY ASSOCIATION DUES	(1,512)	583
UNREALIZED LOSS ON FWD CONTRACT	(207,298)	TALLAHASSEE LIAISON EXPENSE	(485,861)	187,421
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,433,013)	552,785
FAS 143 WORKING CAPITAL	73,219,508	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(97,367)	(37,559)
FAS 158 REGULATORY ASSETS	(157,346,117)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY LIABILITIES	157,346,117	INTEREST SYNCHRONIZATION	7,277,278	7,277,278
PPA REGULATORY ASSETS	(144,754,075)			
PPA REGULATORY LIABILITIES	144,754,075			
FAS 133 REGULATORY ASSETS	(47,630,228)			
FAS 133 REGULATORY LIABILITIES	47,630,228			

GULF POWER COMPANY
 YEAR END RATE OF RETURN
 RATE BASE
 April, 2017

	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	5,103,344,614	1,690,871,493	3,412,473,122	14,754,000	71,113,982	0	3,498,341,104	216,486,334	3,714,827,438
JURISDICTIONAL PER BOOKS	4,729,774,715	1,537,941,327	3,191,833,388	14,322,375	59,806,829	0	3,265,962,592	276,248,379	3,542,210,971
FPSC-ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,507,065,617)	(277,987,396)	(1,229,078,221)		(5,759,628)		(1,234,837,849)	(19,011,162)	(1,253,849,011)
INIT BEARING CWIP					(2,118,920)		(2,118,920)	0	(2,118,920)
ENERGY CONSERVATION CLAUSE	(15,351,206)	7,962,888	(23,314,094)				(23,314,094)	(762,702)	(24,076,796)
LOANS TO EMPLOYEES AND RETIREES							(40,523)	(40,523)	(40,523)
INTEREST AND DIVIDENDS RECEIVABLE								0	0
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,661,331)			(12,661,331)	(4,485,581)	(17,146,912)
FUEL RELATED DEFERRED DEBITS								(4,621,775)	(4,621,775)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(2,431,719)	(2,431,719)
TOTAL FPSC ADJUSTMENTS	(1,522,416,823)	(270,024,508)	(1,252,392,315)	(12,661,331)	(7,878,548)	0	(1,272,932,194)	(31,353,462)	(1,304,285,656)
FPSC ADJUSTED	3,207,357,892	1,267,916,819	1,939,441,073	1,661,044	51,928,281	0	1,993,030,398	244,894,917	2,237,925,315
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	3,207,357,892	1,267,916,819	1,939,441,073	1,661,044	51,928,281	0	1,993,030,398	244,894,917	2,237,925,315

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
April, 2017

	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 OF PROPERTY	TOTAL OPERATING EXPENSES	NET OPERATING INCOME
SYSTEM PER BOOKS	1,503,085,149	595,676,169	344,399,363	151,386,658	116,314,518	39,838,456	54,893,930	(472,268)	0	1,301,836,826	201,248,323 (a)
JURISDICTIONAL PER BOOKS	1,358,416,372	489,695,105	328,474,977	142,466,324	114,477,940	38,514,269	52,752,721	(215,242)	0	1,165,166,094	193,250,278 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(404,512,366)	(404,270,875)				(93,155)				(404,364,030)	(148,336)
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(84,427,903)	(84,424,230)				(1,417)				(84,425,647)	(2,256)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,930,328)		(9,327,662)	(401,388)	(331,165)	(721,396)				(10,781,611)	(1,148,716)
ENVIRONMENTAL COST RECOVERY CLAUSE	(203,380,022)		(38,166,541)	(52,100,624)	(7,351,758)	(40,797,344)				(138,416,267)	(64,963,755)
FRANCHISE FEE REVENUE & EXPENSE	(42,312,548)				(41,927,412)	(148,566)				(42,075,978)	(236,570)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,382,368)				(30,977,978)	(156,001)				(31,133,979)	(246,409)
MARKETING SUPPORT ACTIVITIES			(96,076)			37,061				(59,015)	59,015
WHOLESALE EXPENSES			(264,401)			101,993				(162,408)	162,408
INSTITUTIONAL ADVERTISING EXPENSE			(135,587)			52,303				(83,284)	83,284
ECONOMIC DEVELOPMENT EXPENSE			(50,894)			19,633				(31,261)	31,261
MGMT FINANCIAL PLANNING SERVICES			(12,762)			4,923				(7,839)	7,839
DIRECTORS' & OFFICERS' INSURANCE			(38,105)			14,699				(23,406)	23,406
INDUSTRY ASSOCIATION DUES			(1,483)			572				(911)	911
TALLAHASSEE LIAISON EXPENSES			(463,509)		(21,851)	183,370				(291,990)	291,990
GRT, FPSC FEES ON CLAUSES & FEES					(1,433,014)	552,785				(880,229)	880,229
(GAIN) / LOSS ON DISPOSITION OF PROPERTY										0	0
INTEREST SYNCHRONIZATION						8,268,132				8,268,132	(8,268,132)
TOTAL FPSC ADJUSTMENTS	(777,945,554)	(488,695,105)	(48,547,021)	(52,502,012)	(82,043,178)	(32,682,407)	0	0	0	(704,468,723)	(73,475,831)
FPSC ADJUSTED	580,470,818	0	279,927,956	89,964,312	32,434,762	5,831,862	52,752,721	(215,242)	0	460,696,371	119,774,447
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	580,470,818	0	279,927,956	89,964,312	32,434,762	5,831,862	52,752,721	(215,242)	0	460,696,371	119,774,447
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				20,186	AND THE JURISDICTIONAL NOI BY		19,717				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
April, 2017

SCHEDULE 3
PAGE 3 OF 3

<u>RATE BASE ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>NET OPERATING INCOME STATEMENT ADJUSTMENTS</u>	<u>AMOUNT</u>	<u>TAX EFFECT</u>
ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,550,254,246)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(511,879,597)	(197,457,555)
ACCUMULATED DEPRECIATION	285,953,800	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(209,149,457)	(80,679,403)
CWIP	(5,924,684)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(84,554,341)	(32,616,837)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,351,206)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,930,328)	(4,602,124)
ACCUMULATED DEPRECIATION	(7,962,888)	FUEL EXPENSE	(508,734,123)	196,244,188
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,929,641)	33,533,109
FAS 143 NET PLANT	(47,449,890)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,729,050)	3,752,981
INTEREST BEARING CWIP	(2,169,317)	CONSERVATION EXPENSES - OTHER TAXES	(331,165)	127,747
PHFU - NORTH ESCAMBIA	(13,042,899)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,435,193)	38,742,876
		FRANCHISE FEE REVENUES	(42,312,548)	(16,322,065)
		FRANCHISE FEE	(41,927,412)	16,173,499
WORKING CAPITAL:		GROSS RECEIPTS TAX REVENUES	(31,382,388)	(12,105,756)
ECRC WORKING CAPITAL	(19,574,452)	GROSS RECEIPTS TAX EXPENSE	(30,977,978)	11,949,755
CONSERVATION/AEM INVENTORY	(762,702)	MARKETING SUPPORT ACTIVITIES	(96,076)	37,061
FUNDED PROPERTY INSURANCE RESERVE	0	WHOLESALE EXPENSES	(272,460)	105,101
LOANS TO EMPLOYEES AND RETIREES	(42,292)	INSTITUTIONAL ADVERTISING EXPENSE	(138,258)	53,333
INTEREST & DIVIDENDS RECEIVABLE	0	ECONOMIC DEVELOPMENT EXPENSE	(50,894)	19,632
NORTH ESCAMBIA SITE	(4,681,572)	MGMT FINANCIAL PLANNING SERVICES	(13,043)	5,031
UNAMORTIZED RATE CASE EXPENSE	(2,537,970)	DIRECTORS' & OFFICERS' INSURANCE	(38,947)	15,024
FUEL RELATED DEFERRED DEBITS	(4,621,775)	INDUSTRY ASSOCIATION DUES	(1,512)	583
UNREALIZED LOSS ON FWD CONTRACT	(207,298)	TALLAHASSEE LIAISON EXPENSE	(485,861)	187,421
ACCUM. PROV. FOR RATE REFUNDS	0	GRT/PPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,433,013)	552,785
FAS 143 WORKING CAPITAL	73,219,508	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFV. ESC REV	(97,367)	(37,559)
FAS 158 REGULATORY ASSETS	(157,346,117)	GAIN/LOSS ON DISPOSITION OF PROPERTY	0	0
FAS 158 REGULATORY LIABILITIES	157,346,117	INTEREST SYNCHRONIZATION	6,639,262	6,639,262
PPA REGULATORY ASSETS	(144,754,075)			
PPA REGULATORY LIABILITIES	144,754,075			
FAS 133 REGULATORY ASSETS	(47,630,228)			
FAS 133 REGULATORY LIABILITIES	47,630,228			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
April, 2017

SCHEDULE 4

AVERAGE	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,130,249,655	1,060,301,174	(397,072,890)	0	663,228,294	30.00	4.31	1.29	4.31	1.29	4.31	1.29	4.31	1.29	4.31	1.29	4.31	1.29	
SHORT TERM DEBT	131,467,563	119,966,901	(44,701,789)	0	74,665,112	3.38	0.30	0.01	0.30	0.01	0.30	0.01	0.30	0.01	0.30	0.01	0.30	0.01	
PREFERENCE STOCK	146,504,320	137,472,080	(51,482,009)	0	85,990,071	3.89	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	6.14	0.24	
CUSTOMER DEPOSITS	1,420,307,585	1,349,965,336	(505,549,401)	0	844,415,935	38.20	9.25	3.53	9.25	3.53	10.25	3.92	11.25	4.30	11.25	4.30	11.25	4.30	
COMMON EQUITY	928,278,104	882,539,190	(330,502,678)	0	552,036,512	24.97													
DEFERRED INCOME TAXES	(53,994,859)	(51,334,378)	19,224,245	0	(32,110,133)	(1.45)													
FASB 109 DEFERRED TAXES	0	0	0	0	0	0.00													
TAX CREDITS - ZERO COST	1,662,775	333,615	(124,936)	0	208,679	0.01	7.03	0.00	7.56	0.00	7.56	0.00	8.09	0.00	8.09	0.00	8.09	0.00	
TAX CREDITS - WEIGHTED COST																			
TOTAL	3,740,162,744	3,534,210,936	(1,323,528,964)	0	2,210,681,972	100.00 %		5.10 %		5.48 %		5.86 %							

YEAR-END	ADJUSTMENTS										LOW POINT			MIDPOINT			HIGH POINT		
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC	ADJUSTED RETAIL	RATIO (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,061,813,970	980,322,442	(360,966,783)	0	619,355,659	27.68	4.14	1.15	4.14	1.15	4.14	1.15	4.14	1.15	4.14	1.15	4.14	1.15	
SHORT TERM DEBT	119,985,183	106,344,359	(39,157,301)	0	67,187,058	3.00	0.17	0.01	0.17	0.01	0.17	0.01	0.17	0.01	0.17	0.01	0.17	0.01	
PREFERENCE STOCK	146,504,320	135,260,484	(49,804,574)	0	85,455,910	3.82	6.14	0.23	6.14	0.23	6.14	0.23	6.14	0.23	6.14	0.23	6.14	0.23	
CUSTOMER DEPOSITS	35,276,489	34,303,186	(12,630,855)	0	21,672,331	0.97	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	2.34	0.02	
COMMON EQUITY	1,528,474,035	1,438,365,169	(529,623,750)	0	908,741,419	40.61	9.25	3.76	10.25	4.16	11.25	4.57	11.25	4.57	11.25	4.57	11.25	4.57	
DEFERRED INCOME TAXES	957,988,837	896,745,367	(330,192,677)	0	566,552,690	25.30													
FASB 109 DEFERRED TAXES	(52,733,185)	(49,361,995)	18,175,694	0	(31,186,301)	(1.39)													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00													
TAX CREDITS - WEIGHTED COST	1,438,698	231,959	(85,410)	0	146,549	0.01	7.12	0.00	7.69	0.00	8.25	0.00	8.25	0.00	8.25	0.00	8.25	0.00	
TOTAL	3,798,748,347	3,542,210,971	(1,304,285,656)	0	2,237,925,315	100.00 %		5.17 %		5.57 %		5.98 %							

GULF POWER COMPANY
Financial Integrity Indicators
April, 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	180,131,780
AFUDC - Debt	5,836
Income Taxes	85,572,478
	<hr/>
Total	265,710,095
Interest Charges (Before Deducting AFUDC - Debt)	50,843,166
	<hr/>
T.I.E. With AFUDC	5.23 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	180,131,780
AFUDC - Other	(14,350)
Income Taxes	85,572,478
	<hr/>
Total	265,689,908
Interest Charges (Before Deducting AFUDC - Debt)	50,843,166
	<hr/>
T.I.E. Without AFUDC	5.23 x

C. Percent AFUDC To Net Income Available
for Common Stockholders

AFUDC - Debt	5,836
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	3,585
AFUDC - Other	14,350
	<hr/>
Total	17,935
	<hr/>
Net Income Available for Common Stockholders	120,291,950
Percent AFUDC to Available Net Income	0.01%

D. Percent Internally Generated Funds

Net Income	129,294,450
Preference Dividends	(9,002,500)
Common Dividends	(122,534,000)
AFUDC (Debt & Other)	(20,186)
Depreciation & Amortization	160,757,773
Deferred Income Taxes	54,693,930
Investment Tax Credits	0
Other	(42,425,061)
	<hr/>
Total	170,764,405
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	215,237,129
	<hr/>
Percent Internally Generated Funds	79.34%

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	663,228,294
Short Term Debt	74,665,112
Preference Stock	85,990,071
Common Equity	844,415,935
	<hr/>
Total	1,668,299,412
	<hr/>
% Long Term Debt To Total	39.75%
	<hr/>
% Short Term Debt To Total	4.48%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.48%	5.48%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.29)	(1.29)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.24)	(0.24)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.57)	(1.57)
	<hr/>	<hr/>
Total	3.91	3.91
Divided by Common Equity Ratio	38.20	38.20
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.24%	10.24%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
April, 2017

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
May	2016	291,667
June	2016	291,667
July	2016	291,667
August	2016	291,667
September	2016	291,667
October	2016	291,667
November	2016	291,667
December	2016	291,663
January	2017	291,667
February	2017	291,667
March	2017	291,667
April	2017	0
12 - M-T-D		<u><u>3,208,333</u></u>