



Rhonda J. Alexander
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December 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 October, 2017.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting 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

October 2017

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
October , 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	209,399,829	(73,584,542)	135,815,286	0	135,815,286
Average Rate Base	3,713,706,666	(1,337,203,623)	2,376,503,043	0	2,376,503,043
Average Rate of Return	5.64%		5.71%		5.71%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	209,349,595	(73,026,797)	136,322,797	0	136,322,797
Year End Rate Base	3,808,860,787	(1,342,750,860)	2,466,109,927	0	2,466,109,927
Year End Rate of Return	5.50%		5.53%		5.53%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.14%
Midpoint	5.54%
High	5.94%

IV. Financial Integrity Indicators

A. Tie With AFUDC	6.07 x (System per Books Basis)
B. Tie Without AFUDC	6.07 x (System per Books Basis)
C. AFUDC To Net Income	0.05% (System per Books Basis)
D. Internally Generated Funds	78.62% (System per Books Basis)
E. LTD To Total Investor Funds	41.11% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	2.40% (FPSC Adjusted Basis)
G. Return on Common Equity	10.69% (FPSC Adjusted Basis)
H. Return on Common Equity	10.69% (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

12/15/17

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
October, 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	5,128,053,067	1,677,108,569	3,450,944,498	14,704,542	65,672,970	0	3,531,322,010	288,105,017	3,819,427,027
JURISDICTIONAL PER BOOKS	4,917,687,062	1,628,577,281	3,289,109,781	14,294,006	63,076,730	0	3,366,480,517	347,226,149	3,713,706,666
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,522,187,688)	(279,420,688)	(1,242,767,000)		(10,080,079)		(1,252,847,079)	(26,982,256)	(1,279,829,335)
INT BEARING CWIP					(1,569,357)		(1,569,357)	0	(1,569,357)
ENERGY CONSERVATION CLAUSE	(15,246,847)	7,946,577	(23,193,424)		(23,193,424)		(23,193,424)	(563,283)	(23,756,707)
LOANS TO EMPLOYEES / RETIREES								(36,054)	(36,054)
INTEREST AND DIVIDENDS RECEIVABLE								(254,077)	(254,077)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,630,677)			(12,630,677)	(4,742,094)	(17,372,771)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(9,720,106)	(9,720,106)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,665,216)	(4,665,216)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,537,494,535)	(271,474,111)	(1,265,960,424)	(12,630,677)	(11,649,436)	0	(1,290,240,537)	(46,963,086)	(1,337,203,623)
FPSC ADJUSTED	3,380,252,527	1,357,103,170	2,023,149,357	1,663,329	51,427,294	0	2,076,239,980	300,263,063	2,376,503,043
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	3,380,252,527	1,357,103,170	2,023,149,357	1,663,329	51,427,294	0	2,076,239,980	300,263,063	2,376,503,043

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
October, 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	1,506,029,824	581,238,943	358,678,102	138,360,968	115,245,893	9,130,166	101,923,006	(413,492)	0	1,282,163,586	223,866,238 (e)
JURISDICTIONAL PER BOOKS	1,357,140,182	468,016,217	330,080,495	133,450,508	114,218,717	9,540,362	92,889,173	(388,279)	0	1,147,829,792	209,310,390 (e)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(381,552,829)	(384,009,029)				947,479				(383,061,550)	1,508,721
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(81,224,655)	(84,007,188)				1,073,362				(82,933,826)	1,709,171
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,152,444)		(8,429,510)	(419,975)	(334,963)	(759,193)				(9,943,541)	(1,206,903)
ENVIRONMENTAL COST RECOVERY CLAUSE	(211,384,797)		(98,335,454)	(51,454,579)	(8,320,155)	(43,695,680)				(141,805,869)	(69,578,929)
FRANCHISE FEE REVENUE & EXPENSE	(42,112,172)				(41,742,809)	(142,458)				(41,885,267)	(226,845)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,882,491)				(30,465,939)	(160,685)				(30,626,624)	(235,668)
MARKETING SUPPORT ACTIVITIES			(113,550)			43,802				(69,748)	69,748
WHOLESALE EXPENSES			(226,604)			87,412				(139,192)	139,192
INSTITUTIONAL ADVERTISING EXPENSE			(166,250)			64,131				(102,119)	102,119
ECONOMIC DEVELOPMENT EXPENSE			(63,667)			24,567				(39,120)	39,120
MGMT FINANCIAL PLANNING SERVICES			(28,965)			11,173				(17,792)	17,792
DIRECTORS' & OFFICERS' INSURANCE			(35,891)			13,945				(22,046)	22,046
INDUSTRY ASSOCIATION DUES			(1,375)			530				(845)	845
TALLAHASSEE LIAISON EXPENSES			(459,197)		(21,940)	185,599				(295,538)	295,538
GRI, FPSC FEES ON CLAUSES & FEES					(1,396,701)	536,777			(11,406)	(857,924)	857,924
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						4,400				(7,006)	7,006
INTEREST SYNCHRONIZATION						8,993,781				6,993,781	(6,993,781)
TOTAL FPSC ADJUSTMENTS	(758,309,327)	(468,016,217)	(47,860,463)	(51,874,554)	(82,282,407)	(34,769,158)	0	0	(11,406)	(684,814,224)	(73,495,103)
FPSC ADJUSTED	598,830,854	0	282,220,012	81,575,954	31,936,310	(25,228,196)	92,889,173	(366,279)	(11,406)	463,015,568	135,815,286
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	598,830,854	0	282,220,012	81,575,954	31,936,310	(25,228,196)	92,889,173	(366,279)	(11,406)	463,015,568	135,815,286
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				91,316	AND THE JURISDICTIONAL NOI BY		89,439				
CURRENT MONTH SYSTEM PER BOOKS	128,765,515	48,065,415	26,381,224	13,969,940	10,177,126	4,652,797	4,648,044	(32,825)	0	109,781,721	16,983,794
CURRENT MONTH JURISDICTIONAL PER BOOKS	117,014,471	39,334,842	26,959,451	13,691,851	10,104,484	4,652,335	4,117,159	(32,234)	0	98,827,899	18,166,582

TOTALS MAY NOT ADD DUE TO ROUNDING.

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

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RATE BASE ADJUSTMENTS

ENVIRONMENTAL COST RECOVERY CLAUSE INVESTMENT	(1,566,456,159)
ACCUMULATED DEPRECIATION	287,546,839
CWIP	(10,373,229)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,246,847)
ACCUMULATED DEPRECIATION	(7,946,577)
CWIP	0
FAS 143 NET PLANT	(47,227,832)
INTEREST BEARING CWIP	(1,602,297)
PHFU - NORTH ESCAMBIA	(12,993,441)
WORKING CAPITAL:	
ECRC WORKING CAPITAL	(27,766,958)
CONSERVATION/AEM INVENTORY	(563,283)
FUNDED PROPERTY INSURANCE RESERVE	0
LOANS TO EMPLOYEES AND RETIREES	(36,689)
INTEREST & DIVIDENDS RECEIVABLE	(258,554)
NORTH ESCAMBIA SITE	(4,825,388)
UNAMORTIZED RATE CASE EXPENSE	(4,747,160)
FUEL RELATED DEFERRED DEBITS	(9,720,105)
UNREALIZED LOSS ON FWD CONTRACT	(193,773)
ACCUM. PROV. FOR RATE REFUNDS	0
FAS 143 WORKING CAPITAL	57,848,636
FAS 158 REGULATORY ASSETS	(162,279,890)
FAS 158 REGULATORY LIABILITIES	162,279,890
PPA REGULATORY ASSETS	(133,760,095)
PPA REGULATORY LIABILITIES	133,760,095
FAS 133 REGULATORY ASSETS	(32,229,348)
FAS 133 REGULATORY LIABILITIES	32,229,348

AMOUNT

NET OPERATING INCOME STATEMENT ADJUSTMENTS

AMOUNT

TAX EFFECT

FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(493,959,392)	(190,544,835)
ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(217,185,072)	(83,779,142)
PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(81,283,889)	(31,355,260)
ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,152,444)	(4,302,055)
FUEL EXPENSE	(494,787,972)	190,864,460
PURCHASED POWER CAPACITY COST EXPENSE	(86,446,216)	33,346,628
CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,849,485)	3,413,689
CONSERVATION EXPENSES - OTHER TAXES	(334,863)	129,173
ENVIRONMENTAL COST RECOVERY EXPENSE	(100,903,396)	38,923,485
FRANCHISE FEE REVENUES	(42,112,112)	(16,244,747)
FRANCHISE FEE	(41,742,809)	16,102,289
GROSS RECEIPTS TAX REVENUES	(30,882,491)	(11,912,921)
GROSS RECEIPTS TAX EXPENSE	(30,465,939)	11,752,236
MARKETING SUPPORT ACTIVITIES	(113,550)	43,802
WHOLESALE EXPENSES	(233,202)	89,958
INSTITUTIONAL ADVERTISING EXPENSE	(169,425)	65,356
ECONOMIC DEVELOPMENT EXPENSE	(63,687)	24,567
MGMT FINANCIAL PLANNING SERVICES	(29,572)	11,407
DIRECTORS' & OFFICERS' INSURANCE	(36,643)	14,135
INDUSTRY ASSOCIATION DUES	(1,401)	540
TALLAHASSEE LIAISON EXPENSE	(491,207)	189,483
GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,396,700)	538,777
COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFRN. ESC REV	(77,895)	(30,048)
GAIN/LOSS ON DISPOSITION OF PROPERTY	(11,733)	4,526
INTEREST SYNCHRONIZATION	7,071,876	7,071,876

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
October, 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	5,174,304,964	1,686,395,963	3,487,909,001	14,111,047	80,418,688	0	3,582,438,736	288,105,017	3,870,543,753
JURISDICTIONAL PER BOOKS	5,026,010,984	1,659,238,111	3,366,772,873	13,717,080	78,631,266	0	3,459,121,219	349,739,568	3,808,860,787
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,549,003,260)	(308,394,026)	(1,240,609,234)		(17,158,888)		(1,257,768,122)	(26,982,256)	(1,284,750,378)
INT BEARING CWIP					(2,183,587)		(2,183,587)	0	(2,183,587)
ENERGY CONSERVATION CLAUSE	(15,988,887)	7,793,427	(23,782,314)		(2,183,587)		(23,782,314)	(563,283)	(24,345,597)
LOANS TO EMPLOYEES AND RETIREES								(36,054)	(36,054)
INTEREST AND DIVIDENDS RECEIVABLE								(254,077)	(254,077)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(4,742,094)	(16,795,845)
FUEL RELATED DEFERRED DEBITS								(9,720,105)	(9,720,105)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(4,665,216)	(4,665,216)
TOTAL FPSC ADJUSTMENTS	(1,564,992,147)	(300,600,599)	(1,264,391,548)	(12,053,751)	(19,342,475)	0	(1,295,787,774)	(46,963,085)	(1,342,750,860)
FPSC ADJUSTED	3,461,018,837	1,358,637,512	2,102,381,325	1,663,329	59,288,791	0	2,163,333,445	302,776,482	2,466,109,927
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	3,461,018,837	1,358,637,512	2,102,381,325	1,663,329	59,288,791	0	2,163,333,445	302,776,482	2,466,109,927

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
October, 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	1,357,140,182	581,238,943	336,678,102	138,360,968	115,245,893	9,130,166	101,923,006	(413,492)	0	1,282,163,586	223,866,238 (a)
JURISDICTIONAL PER BOOKS	1,357,140,182	468,016,217	330,080,495	133,450,508	114,218,717	9,514,281	92,966,088	(366,279)	0	1,147,880,026	209,260,156 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(381,552,829)	(384,009,029)				947,479				(383,061,550)	1,508,721
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(81,224,655)	(64,007,188)				1,073,362				(82,933,826)	1,709,171
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,152,444)		(8,429,510)	(419,975)	(334,863)	(759,193)				(9,943,541)	(1,208,903)
ENVIRONMENTAL COST RECOVERY CLAUSE	(211,384,797)		(38,335,454)	(51,454,579)	(8,320,155)	(43,695,680)				(141,805,668)	(69,578,929)
FRANCHISE FEE REVENUE & EXPENSE	(42,112,112)				(41,742,809)	(142,458)				(41,865,267)	(226,845)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,882,491)				(30,465,939)	(160,685)				(30,626,624)	(255,868)
MARKETING SUPPORT ACTIVITIES			(113,550)			43,802				(69,748)	69,748
WHOLESALE EXPENSES			(226,604)			87,412				(139,192)	139,192
INSTITUTIONAL ADVERTISING EXPENSE			(166,250)			64,131				(102,119)	102,119
ECONOMIC DEVELOPMENT EXPENSE			(63,687)			24,567				(39,120)	39,120
MGMT FINANCIAL PLANNING SERVICES			(28,965)			11,173				(17,792)	17,792
DIRECTORS' & OFFICERS' INSURANCE			(35,891)			13,845				(22,046)	22,046
INDUSTRY ASSOCIATION DUES			(1,375)			530				(845)	845
TALLAHASSEE LIAISON EXPENSES			(459,197)		(21,940)	185,599				(295,538)	295,538
GRT, FPSC FEES ON CLAUSES & FEES					(1,396,701)	538,777				(857,924)	857,924
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						4,400			(11,406)	(7,006)	7,006
INTEREST SYNCRONIZATION						6,436,036				6,436,036	(6,436,036)
TOTAL FPSC ADJUSTMENTS	(758,309,327)	(468,016,217)	(47,860,483)	(51,874,554)	(62,282,407)	(35,326,903)	0	0	(11,406)	(685,371,969)	(72,937,958)
FPSC ADJUSTED	598,830,854	0	282,220,012	81,575,954	31,936,310	(25,812,622)	92,966,088	(366,279)	(11,406)	462,508,057	136,322,797
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	598,830,854	0	282,220,012	81,575,954	31,936,310	(25,812,622)	92,966,088	(366,279)	(11,406)	462,508,057	136,322,797
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				91,316	AND THE JURISDICTIONAL NOI BY		89,439				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
October, 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	(1,593,882,731)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(493,959,392)	(190,544,835)
ACCUMULATED DEPRECIATION	317,329,166	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(217,185,072)	(83,779,142)
CWIP	(17,656,035)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(81,283,889)	(31,355,260)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,988,887)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,152,444)	(4,302,055)
ACCUMULATED DEPRECIATION	(7,793,427)	FUEL EXPENSE	(494,787,972)	190,864,460
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,446,216)	33,346,628
FAS 143 NET PLANT	(45,746,192)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,849,485)	3,413,689
INTEREST BEARING CWIP	(2,229,420)	CONSERVATION EXPENSES - OTHER TAXES	(334,863)	129,173
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(100,903,396)	38,923,485
		FRANCHISE FEE REVENUES	(42,112,112)	(16,244,747)
		FRANCHISE FEE	(41,742,909)	16,102,289
		GROSS RECEIPTS TAX REVENUES	(30,882,491)	(11,912,921)
		GROSS RECEIPTS TAX EXPENSE	(30,465,939)	11,752,236
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	(113,550)	43,802
ECRC WORKING CAPITAL	(27,766,958)	WHOLESALE EXPENSES	(233,202)	89,958
CONSERVATION/AEM INVENTORY	(563,283)	INSTITUTIONAL ADVERTISING EXPENSE	(169,425)	65,356
FUNDED PROPERTY INSURANCE RESERVE	0	ECONOMIC DEVELOPMENT EXPENSE	(63,687)	24,567
LOANS TO EMPLOYEES AND RETIREES	(36,689)	MGMT FINANCIAL PLANNING SERVICES	(29,572)	11,407
INTEREST & DIVIDENDS RECEIVABLE	(258,554)	DIRECTORS' & OFFICERS' INSURANCE	(36,643)	14,135
NORTH ESCAMBIA SITE	(4,825,388)	INDUSTRY ASSOCIATION DUES	(1,401)	540
UNAMORTIZED RATE CASE EXPENSE	(4,747,160)	TALLAHASSEE LIAISON EXPENSE	(491,207)	189,483
FUEL RELATED DEFERRED DEBITS	(9,720,105)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,396,700)	538,777
UNREALIZED LOSS ON FWD CONTRACT	(193,773)	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REPVN. ESC REV	(77,895)	(30,048)
ACCUM. PROV. FOR RATE REFUNDS	0	GAIN/LOSS ON DISPOSITION OF PROPERTY	(11,733)	4,526
FAS 143 WORKING CAPITAL	57,848,636	INTEREST SYNCHRONIZATION	6,614,421	6,614,421
FAS 158 REGULATORY ASSETS	(162,279,890)			
FAS 158 REGULATORY LIABILITIES	162,279,890			
PPA REGULATORY ASSETS	(133,760,095)			
PPA REGULATORY LIABILITIES	133,760,095			
FAS 133 REGULATORY ASSETS	(32,229,348)			
FAS 133 REGULATORY LIABILITIES	32,229,348			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
October, 2017

SCHEDULE 4

AVERAGE	SYSTEM PER BOOKS		RETAIL PER BOOKS		ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	PER BOOKS	PER BOOKS	PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,181,121,899	1,147,592,096	(413,216,327)	0	734,375,709	30.90	4.02	1.24	4.02	1.24	4.02	1.24	4.02	1.24			
SHORT TERM DEBT	79,209,914	66,962,458	(24,111,339)	0	42,851,119	1.80	0.86	0.02	0.86	0.02	0.86	0.02	0.86	0.02			
PREFERENCE STOCK	90,156,504	87,056,695	(31,346,721)	0	55,709,974	2.34	6.14	0.14	6.14	0.14	6.14	0.14	6.14	0.14			
CUSTOMER DEPOSITS	35,220,286	35,130,382	(12,649,484)	0	22,480,898	0.95	2.36	0.02	2.36	0.02	2.36	0.02	2.36	0.02			
COMMON EQUITY	1,514,398,024	1,490,057,236	(536,528,626)	0	953,528,610	40.12	9.25	3.71	10.25	4.11	11.25	4.51	11.25	4.51			
DEFERRED INCOME TAXES	962,394,266	937,270,433	(337,485,303)	0	599,785,130	25.24	599,785,130	25.24	599,785,130	25.24	599,785,130	25.24	599,785,130	25.24			
FASB 109 DEFERRED TAXES	(52,959,533)	(51,576,994)	18,571,456	0	(33,005,538)	(1.39)	0	0	0	0	0	0	0	0			
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00	6.95	0.00	7.49	0.00	8.04	0.00	8.04	0.00			
TAX CREDITS - WEIGHTED COST	1,440,959	1,214,420	(437,279)	0	777,141	0.03	6.95	0.00	7.49	0.00	8.04	0.00	8.04	0.00			
TOTAL	3,810,982,319	3,713,706,666	(1,337,203,623)	0	2,376,503,043	100.00	5.14	5.14	5.54	5.54	5.94	5.94	5.94	5.94			

YEAR-END	SYSTEM PER BOOKS		RETAIL PER BOOKS		ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
	PER BOOKS	PER BOOKS	PER BOOKS	PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,275,100,544	1,251,661,189	(441,252,446)	0	810,408,743	32.86	3.87	1.27	3.87	1.27	3.87	1.27	3.87	1.27			
SHORT TERM DEBT	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
CUSTOMER DEPOSITS	34,920,971	35,047,358	(12,355,366)	0	22,691,992	0.92	2.24	0.02	2.24	0.02	2.24	0.02	2.24	0.02			
COMMON EQUITY	1,562,797,604	1,574,940,076	(555,219,069)	0	1,019,721,007	41.35	9.25	3.82	10.25	4.24	11.25	4.65	11.25	4.65			
DEFERRED INCOME TAXES	1,008,305,334	997,373,294	(351,607,456)	0	645,765,838	26.19	645,765,838	26.19	645,765,838	26.19	645,765,838	26.19	645,765,838	26.19			
FASB 109 DEFERRED TAXES	(51,952,685)	(51,389,414)	18,116,488	0	(33,272,926)	(1.35)	0	0	0	0	0	0	0	0			
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00	6.87	0.00	7.42	0.00	7.98	0.00	7.98	0.00			
TAX CREDITS - WEIGHTED COST	1,241,748	1,228,284	(433,011)	0	795,273	0.03	6.87	0.00	7.42	0.00	7.98	0.00	7.98	0.00			
TOTAL	3,830,413,516	3,808,660,787	(1,342,750,860)	0	2,466,109,927	100.00	5.12	5.12	5.53	5.53	5.95	5.95	5.95	5.95			

GULF POWER COMPANY
Financial Integrity Indicators
October , 2017

A. Times Interest Earned with AFUDC

Earnings Before Interest	202,385,438
AFUDC - Debt	28,208
Income Taxes	100,441,639
	<hr/>
Total	302,855,284
Interest Charges (Before Deducting AFUDC - Debt)	49,916,358
T.I.E. With AFUDC	<hr/> 6.06725527 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	202,385,438
AFUDC - Other	(63,109)
Income Taxes	100,441,639
	<hr/>
Total	302,763,968
Interest Charges (Before Deducting AFUDC - Debt)	49,916,358
T.I.E. Without AFUDC	<hr/> 6.07 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	28,208
X (1 - Income Tax Rate)	0.61425
	<hr/>
Subtotal	17,327
AFUDC - Other	63,109
	<hr/>
Total	80,435
	<hr/>
Net Income Available for Common Stockholders	146,795,704
Percent AFUDC to Available Net Income	<hr/> 0.05%

D. Percent Internally Generated Funds

Net Income	152,497,288
Preference Dividends	(5,701,584)
Common Dividends	(125,000,000)
AFUDC (Debt & Other)	(91,316)
Depreciation & Amortization	148,095,611
Deferred Income Taxes	101,923,006
Investment Tax Credits	0
Other	(108,092,887)
	<hr/>
Total	163,630,118
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	208,134,167
	<hr/>
Percent Internally Generated Funds	<hr/> 78.62%

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	734,375,709
Short Term Debt	42,851,119
Preference Stock	55,709,974
Common Equity	953,528,610
	<hr/>
Total	1,786,465,412
	<hr/>
% Long Term Debt To Total	41.11%
	<hr/>
% Short Term Debt To Total	2.40%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.71%	5.71%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.24)	(1.24)
Short Term Debt	(0.02)	(0.02)
Preference Stock	(0.14)	(0.14)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.43)	(1.43)
	<hr/>	<hr/>
Total	4.29	4.29
Divided by Common Equity Ratio	40.12	40.12
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	10.69%	10.69%

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

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
November	2016	291,667
December	2016	291,663
January	2017	291,667
February	2017	291,667
March	2017	291,667
April	2017	0
May	2017	0
June	2017	0
July	2017	0
August	2017	0
September	2017	0
October	2017	0
12 - M-T-D		<u><u>1,458,331</u></u>