



Rhonda J. Alexander
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April 13, 2018

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 February, 2018.

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

February 2018

Earnings Surveillance
Report
(Rate of Return)



GULF POWER COMPANY
Earnings Surveillance Report Summary
February, 2018

	(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	207,842,783	(67,085,034)	140,757,750	0	140,757,750
Average Rate Base	3,745,960,084	(1,342,761,775)	2,403,198,309	0	2,403,198,309
Average Rate of Return	5.55%		5.86%		5.86%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	207,791,182	(66,347,458)	141,443,725	0	141,443,725
Year End Rate Base	3,823,432,765	(1,342,862,899)	2,480,569,866	0	2,480,569,866
Year End Rate of Return	5.43%		5.70%		5.70%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.17%
Midpoint	5.58%
High	5.99%

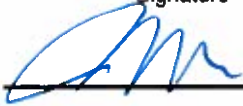
IV. Financial Integrity Indicators

A. Tie With AFUDC	5.37	x (System per Books Basis)
B. Tie Without AFUDC	5.37	x (System per Books Basis)
C. AFUDC To Net Income	0.08%	(System per Books Basis)
D. Internally Generated Funds	109.75%	(System per Books Basis)
E. LTD To Total Investor Funds	42.84%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	0.90%	(FPSC Adjusted Basis)
G. Return on Common Equity	10.94%	(FPSC Adjusted Basis)
H. Return on Common Equity	10.94%	(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
 4/13/18

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 February, 2018

	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	5,155,009,791	1,685,540,124	3,469,469,667	14,506,711	71,871,055	0	3,555,847,433	275,536,924	3,831,384,357
JURISDICTIONAL PER BOOKS	4,973,135,133	1,645,955,666	3,327,179,467	14,101,698	69,530,420	0	3,410,811,585	335,148,499	3,745,960,084
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,537,248,835)	(298,304,160)	(1,238,944,675)		(15,437,492)		(1,254,382,167)	(26,947,732)	(1,281,329,899)
INT BEARING CWIP					(2,159,511)		(2,159,511)	0	(2,159,511)
ENERGY CONSERVATION CLAUSE	(15,724,490)	7,835,736	(23,560,226)		(23,560,226)		(23,560,226)	(624,858)	(24,185,084)
LOANS TO EMPLOYEES / RETIREES								(32,383)	(32,383)
INTEREST AND DIVIDENDS RECEIVABLE								(363,723)	(363,723)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,438,368)			(12,438,368)	(3,899,122)	(16,337,490)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(14,580,628)	(14,580,628)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,773,057)	(3,773,057)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,552,973,325)	(290,468,424)	(1,262,504,901)	(12,438,368)	(17,597,003)	0	(1,292,540,272)	(50,221,503)	(1,342,761,775)
FPSC ADJUSTED	3,420,161,808	1,355,487,242	2,064,674,566	1,663,330	51,933,417	0	2,118,271,313	284,926,996	2,403,198,309
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	3,420,161,808	1,355,487,242	2,064,674,566	1,663,330	51,933,417	0	2,118,271,313	284,926,996	2,403,198,309

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
February, 2018

	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	1,539,854,929	583,702,211	344,180,194	165,270,694	119,576,669	47,444,990	48,275,608	(382,301)	0	1,318,068,065	221,786,864 (a)
JURISDICTIONAL PER BOOKS	1,379,294,396	487,919,445	336,382,184	160,974,697	118,599,252	43,057,215	44,994,694	(355,533)	0	1,171,571,953	207,722,442 (a)
LESS FPSC ADJUSTMENTS:	(379,481,268)	(383,893,103)				1,610,929				(382,282,174)	2,800,906
RETAIL FUEL REVENUES & EXPENSES	(78,525,349)	(94,026,342)				2,008,622				(82,017,720)	3,492,371
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(11,565,507)		(8,616,640)	(572,170)	(338,542)	(744,208)				(10,271,560)	(1,293,948)
ENERGY CONSERVATION COST REVENUES & EXPENSES	(198,976,636)		(85,761,569)	(51,801,596)	(7,044,798)	(38,108,969)				(132,716,932)	(66,259,704)
ENVIRONMENTAL COST RECOVERY CLAUSE	(43,855,093)				(43,472,086)	(139,850)				(43,611,936)	(243,157)
FRANCHISE FEE REVENUE & EXPENSE	(32,242,496)				(31,811,585)	(157,342)				(31,968,927)	(273,569)
GROSS RECEIPTS TAX, REVENUE & ADJUSTMENT						40,931				(71,166)	71,166
MARKETING SUPPORT ACTIVITIES			(112,097)			82,996				(144,303)	144,303
WHOLESALE EXPENSES			(227,299)			62,907				(109,375)	109,375
INSTITUTIONAL ADVERTISING EXPENSE			(172,282)			24,252				(42,167)	42,167
ECONOMIC DEVELOPMENT EXPENSE			(66,419)			15,929				(22,696)	27,696
MGMT FINANCIAL PLANNING SERVICES			(43,625)			12,979				(866)	866
DIRECTORS' & OFFICERS' INSURANCE			(35,546)			498				(312,275)	312,275
INDUSTRY ASSOCIATION DUES			(1,364)			179,604				(925,070)	925,070
TALLAHASSEE LIAISON EXPENSES			(469,507)		(22,372)	532,050				(23,584)	23,584
GRT, FPSC FEES ON CLAUSES & FEES					(1,457,120)	13,585			(37,149)	6,866,661	(6,866,661)
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						6,866,661					
INTEREST SYNCRONIZATION											
TOTAL FPSC ADJUSTMENTS	(744,646,350)	(467,919,445)	(45,506,348)	(52,373,766)	(84,146,503)	(27,699,447)	0	0	(37,149)	(677,681,657)	(66,964,693)
FPSC ADJUSTED	634,648,046	0	290,875,836	108,600,931	34,452,749	15,358,768	44,994,694	(355,533)	(37,149)	493,890,296	140,757,750
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	634,648,046	0	290,875,836	108,600,931	34,452,749	15,358,768	44,994,694	(355,533)	(37,149)	493,890,296	140,757,750
PRO FORMA ADJUSTED	101,693,274	33,089,222	22,546,460	15,691,817	10,085,832	1,959,555	1,669,243	(27,018)	0	85,015,110	16,678,164
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				122,867	AND THE JURISDICTIONAL NOI BY		120,341				
CURRENT MONTH SYSTEM PER BOOKS	93,336,579	27,525,226	21,197,848	15,355,453	10,008,847	2,190,285	1,206,368	(26,531)	0	77,457,496	15,879,084
CURRENT MONTH JURISDICTIONAL PER BOOKS											

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2018

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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	(1,581,598,117)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(503,664,397)	(183,907,014)
ACCUMULATED DEPRECIATION	306,910,168	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(204,957,482)	(74,837,766)
CWIP	(15,882,860)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(78,562,095)	(28,686,007)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(15,724,490)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,565,507)	(4,223,006)
ACCUMULATED DEPRECIATION	(7,835,736)	FUEL EXPENSE	(507,250,278)	185,216,355
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,453,720)	31,567,539
FAS 143 NET PLANT	(46,333,964)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,188,810)	3,355,184
INTEREST BEARING CWIP	(2,204,838)	CONSERVATION EXPENSES - OTHER TAXES	(338,542)	123,614
PHFU - NORTH ESCAMBIA	(12,795,609)	ENVIRONMENTAL COST RECOVERY EXPENSE	(97,280,100)	35,520,662
		FRANCHISE FEE REVENUES	(43,855,093)	(16,013,161)
		FRANCHISE FEE	(43,472,086)	15,873,311
		GROSS RECEIPTS TAX REVENUES	(32,242,496)	(11,772,961)
WORKING CAPITAL:		GROSS RECEIPTS TAX EXPENSE	(31,811,585)	11,615,619
ECRC WORKING CAPITAL	(27,725,168)	MARKETING SUPPORT ACTIVITIES	(112,097)	40,931
CONSERVATION/AEM INVENTORY	(624,858)	WHOLESALE EXPENSES	(233,917)	85,412
FUNDED PROPERTY INSURANCE RESERVE	1	INSTITUTIONAL ADVERTISING EXPENSE	(175,572)	64,108
LOANS TO EMPLOYEES AND RETIREES	(32,954)	ECONOMIC DEVELOPMENT EXPENSE	(66,419)	24,252
INTEREST & DIVIDENDS RECEIVABLE	(370,132)	MGMT FINANCIAL PLANNING SERVICES	(44,540)	16,263
NORTH ESCAMBIA SITE	(3,967,610)	DIRECTORS' & OFFICERS' INSURANCE	(36,291)	13,251
UNAMORTIZED RATE CASE EXPENSE	(3,839,330)	INDUSTRY ASSOCIATION DUES	(1,390)	508
FUEL RELATED DEFERRED DEBITS	(14,580,628)	TALLAHASSEE LIAISON EXPENSE	(502,175)	183,363
UNREALIZED LOSS ON FWD CONTRACT	(6,766)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,457,120)	532,050
ACCUM. PROV. FOR RATE REFUNDS	0	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(56,067)	(20,472)
FAS 143 WORKING CAPITAL	56,804,521	GAIN/LOSS ON DISPOSITION OF PROPERTY	(38,216)	13,954
FAS 158 REGULATORY ASSETS	(165,104,463)	INTEREST SYNCHRONIZATION	6,890,083	6,890,083
FAS 158 REGULATORY LIABILITIES	165,104,463			
PPA REGULATORY ASSETS	(126,430,774)			
PPA REGULATORY LIABILITIES	126,430,774			
FAS 133 REGULATORY ASSETS	(26,224,367)			
FAS 133 REGULATORY LIABILITIES	26,224,367			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
February, 2018

	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	5,203,784,353	1,703,420,493	3,500,363,860	14,111,047	94,998,010	0	3,609,472,917	275,536,924	3,885,009,841
JURISDICTIONAL PER BOOKS	5,054,910,786	1,674,665,183	3,380,245,603	13,717,080	92,839,065	0	3,486,801,748	336,631,017	3,823,432,765
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,552,919,970)	(324,868,225)	(1,228,051,745)		(26,314,482)		(1,254,366,227)	(26,947,732)	(1,281,313,959)
INT BEARING CWIP					(2,258,237)		(2,258,237)	0	(2,258,237)
ENERGY CONSERVATION CLAUSE	(16,417,595)	7,545,586	(23,963,181)				(23,963,181)	(624,858)	(24,588,039)
LOANS TO EMPLOYEES AND RETIREES								(32,383)	(32,383)
INTEREST AND DIVIDENDS RECEIVABLE								(363,723)	(363,723)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(3,899,122)	(15,952,873)
FUEL RELATED DEFERRED DEBITS								(14,580,628)	(14,580,628)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(3,773,057)	(3,773,057)
<u>TOTAL FPSC ADJUSTMENTS</u>	<u>(1,569,337,565)</u>	<u>(317,322,639)</u>	<u>(1,252,014,926)</u>	<u>(12,053,751)</u>	<u>(28,572,719)</u>	<u>0</u>	<u>(1,282,641,396)</u>	<u>(50,221,503)</u>	<u>(1,342,862,899)</u>
FPSC ADJUSTED	3,485,573,221	1,357,342,544	2,128,230,677	1,663,329	64,266,346	0	2,194,160,352	286,409,514	2,480,569,866
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	3,485,573,221	1,357,342,544	2,128,230,677	1,663,329	64,266,346	0	2,194,160,352	286,409,514	2,480,569,866

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
February, 2018

	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	1,539,654,929	593,702,211	344,180,194	165,270,694	119,576,669	47,444,990	48,275,608	(382,301)	0	1,318,068,085	221,786,864 (a)
JURISDICTIONAL PER BOOKS	1,379,294,396	467,919,445	336,382,184	160,974,697	118,599,252	43,065,408	45,038,102	(355,533)	0	1,171,623,554	207,670,841 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(379,481,268)	(383,893,103)				1,610,929				(382,282,174)	2,800,906
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(78,525,349)	(84,026,342)				2,006,622				(82,017,720)	3,492,371
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,565,507)		(8,616,640)	(572,170)	(338,542)	(744,208)				(10,271,560)	(1,293,948)
ENVIRONMENTAL COST RECOVERY CLAUSE	(198,976,636)	(35,761,569)		(51,801,596)	(7,044,798)	(38,108,968)				(132,716,932)	(66,259,704)
FRANCHISE FEE REVENUE & EXPENSE	(43,855,093)				(43,472,086)	(139,850)				(43,611,936)	(243,157)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,242,496)		(112,097)		(31,811,585)	(157,342)				(31,968,927)	(273,569)
MARKETING SUPPORT ACTIVITIES			(227,299)			40,931				(71,166)	71,166
WHOLESALE EXPENSES			(172,282)			82,996				(144,303)	144,303
INSTITUTIONAL ADVERTISING EXPENSE			(66,419)			62,907				(109,375)	109,375
ECONOMIC DEVELOPMENT EXPENSE			(43,625)			24,252				(42,167)	42,167
MGMT FINANCIAL PLANNING SERVICES			(35,546)			15,929				(27,696)	27,696
DIRECTORS' & OFFICERS' INSURANCE			(1,364)			12,979				(22,567)	22,567
INDUSTRY ASSOCIATION DUES			(469,507)			498				(866)	866
TALLAHASSEE LIAISON EXPENSES					(22,372)	179,604				(312,275)	312,275
GRT, FPSC FEES ON CLAUSES & FEES					(1,457,120)	532,050				(925,070)	925,070
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						13,565			(37,149)	(23,584)	23,584
INTEREST SYNCHRONIZATION						6,129,085				6,129,085	(6,129,085)
TOTAL FPSC ADJUSTMENTS	(744,646,350)	(467,919,445)	(45,506,348)	(62,373,766)	(84,146,503)	(28,436,023)	0	0	(37,149)	(678,419,233)	(66,227,117)
FPSC ADJUSTED	634,648,046	0	290,875,836	108,600,931	34,452,749	14,629,385	45,038,102	(355,533)	(37,149)	493,204,321	141,443,725
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	634,648,046	0	290,875,836	108,600,931	34,452,749	14,629,385	45,038,102	(355,533)	(37,149)	493,204,321	141,443,725

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 122,867 AND THE JURISDICTIONAL NOI BY 120,341

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
February, 2018

SCHEDULE 3
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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	(1,597,925,594)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(503,664,397)	(183,907,014)
ACCUMULATED DEPRECIATION	334,283,325	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(204,957,482)	(74,837,766)
CWIP	(27,077,109)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(78,562,095)	(28,686,007)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,417,595)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,565,507)	(4,223,006)
ACCUMULATED DEPRECIATION	(7,545,586)	FUEL EXPENSE	(507,250,278)	185,216,355
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(86,453,720)	31,567,539
FAS 143 NET PLANT	(44,605,374)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,188,810)	3,355,184
INTEREST BEARING CWIP	(2,305,636)	CONSERVATION EXPENSES - OTHER TAXES	(338,542)	123,614
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(97,280,100)	35,520,662
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(43,855,093)	(16,013,161)
ECRC WORKING CAPITAL	(27,725,168)	FRANCHISE FEE	(43,472,086)	15,873,311
CONSERVATION/AEM INVENTORY	(624,858)	GROSS RECEIPTS TAX REVENUES	(32,242,496)	(11,772,961)
FUNDED PROPERTY INSURANCE RESERVE	1	GROSS RECEIPTS TAX EXPENSE	(31,811,585)	11,615,619
LOANS TO EMPLOYEES AND RETIREES	(32,954)	MARKETING SUPPORT ACTIVITIES	(112,097)	40,931
INTEREST & DIVIDENDS RECEIVABLE	(370,132)	WHOLESALE EXPENSES	(233,917)	85,412
NORTH ESCAMBIA SITE	(3,967,610)	INSTITUTIONAL ADVERTISING EXPENSE	(175,572)	64,108
UNAMORTIZED RATE CASE EXPENSE	(3,839,330)	ECONOMIC DEVELOPMENT EXPENSE	(66,419)	24,252
FUEL RELATED DEFERRED DEBITS	(14,580,628)	MGMT FINANCIAL PLANNING SERVICES	(44,540)	16,263
UNREALIZED LOSS ON FWD CONTRACT	(6,766)	DIRECTORS' & OFFICERS' INSURANCE	(36,291)	13,251
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,390)	508
FAS 143 WORKING CAPITAL	56,804,521	TALLAHASSEE LIAISON EXPENSE	(502,175)	183,363
FAS 158 REGULATORY ASSETS	(165,104,463)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,457,120)	532,050
FAS 158 REGULATORY LIABILITIES	165,104,463	COMP SALESTRANS REV/G/L SALE GAS/PROV RT REFM. ESC REV	(56,067)	(20,472)
PPA REGULATORY ASSETS	(126,430,774)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(38,216)	13,954
PPA REGULATORY LIABILITIES	126,430,774	INTEREST SYNCHRONIZATION	6,014,845	6,014,845
FAS 133 REGULATORY ASSETS	(26,224,367)			
FAS 133 REGULATORY LIABILITIES	26,224,367			

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC, ADJUSTED BASIS
February, 2018

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	1,230,263,750	1,203,770,351	(431,498,675)	0	772,271,676	32.14	3.93	1.26	3.93	1.26	3.93	1.26	3.93	1.26	3.93	1.26	3.93	1.26	
SHORT TERM DEBT	40,913,555	25,408,326	(9,107,766)	0	16,300,560	0.68	2.07	0.01	2.07	0.01	2.07	0.01	2.07	0.01	2.07	0.01	2.07	0.01	
PREFERENCE STOCK	45,078,252	43,627,983	(15,638,711)	0	27,989,272	1.16	6.14	0.07	6.14	0.07	6.14	0.07	6.14	0.07	6.14	0.07	6.14	0.07	
CUSTOMER DEPOSITS	35,067,980	35,024,234	(12,554,646)	0	22,469,588	0.93	2.28	0.02	2.28	0.02	2.28	0.02	2.28	0.02	2.28	0.02	2.28	0.02	
COMMON EQUITY	1,550,777,189	1,537,374,557	(551,081,096)	0	986,293,461	41.04	9.25	3.80	10.25	4.21	11.25	4.21	11.25	4.21	11.25	4.21	11.25	4.62	
DEFERRED INCOME TAXES	876,585,756	858,454,375	(307,718,100)	0	550,736,275	22.92													
FASB 109 DEFERRED TAXES	41,989,091	41,120,587	(14,739,921)	0	26,380,666	1.10													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00	6.90	0.00	7.45	0.00	8.01	0.00	8.01	0.00	8.01	0.00	8.01	0.00	
TAX CREDITS - WEIGHTED COST	1,308,736	1,179,671	(422,860)	0	756,811	0.03													
TOTAL	3,821,984,309	3,745,960,084	(1,342,761,775)	0	2,403,198,309	100.00		5.17		5.58		5.58		5.58		5.99		5.99	

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	1,268,213,778	1,286,755,334	(451,933,146)	0	834,822,188	33.65	3.92	1.32	3.92	1.32	3.92	1.32	3.92	1.32	3.92	1.32	3.92	1.32	
SHORT TERM DEBT	11,999,383	0	0	0	0	0.00	0.00	0.00	0.00	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	0.00	0.00	0.00	0.00	
CUSTOMER DEPOSITS	34,731,186	35,828,465	(12,583,644)	0	23,244,821	0.94	2.06	0.02	2.06	0.02	2.06	0.02	2.06	0.02	2.06	0.02	2.06	0.02	
COMMON EQUITY	1,523,699,334	1,592,367,550	(559,270,016)	0	1,033,097,534	41.65	9.25	3.85	10.25	4.27	11.25	4.27	11.25	4.27	11.25	4.27	11.25	4.69	
DEFERRED INCOME TAXES	536,877,399	545,837,626	(191,708,640)	0	354,128,986	14.28													
FASB 109 DEFERRED TAXES	355,568,742	361,503,016	(126,966,791)	0	234,536,225	9.45													
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00	6.87	0.00	7.42	0.00	7.97	0.00	7.97	0.00	7.97	0.00	7.97	0.00	
TAX CREDITS - WEIGHTED COST	1,122,047	1,140,774	(400,662)	0	740,112	0.03													
TOTAL	3,738,211,870	3,823,432,765	(1,342,862,899)	0	2,480,569,866	100.00		5.19		5.61		5.61		5.61		6.03		6.03	

GULF POWER COMPANY
Financial Integrity Indicators
February, 2018

A. Times Interest Earned with AFUDC

Earnings Before Interest	194,442,746
AFUDC - Debt	37,954
Income Taxes	<u>79,921,935</u>
Total	274,402,634
Interest Charges (Before Deducting AFUDC - Debt)	<u>51,096,292</u>
T.I.E. With AFUDC	<u>5.37 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	194,442,746
AFUDC - Other	(84,913)
Income Taxes	<u>79,921,935</u>
Total	274,279,768
Interest Charges (Before Deducting AFUDC - Debt)	<u>51,096,292</u>
T.I.E. Without AFUDC	<u>5.37 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	37,954
X (1 - Income Tax Rate)	0.63630
Subtotal	23,731
AFUDC - Other	<u>84,913</u>
Total	<u>108,645</u>
Net Income Available for Common Stockholders	<u>140,683,657</u>
Percent AFUDC to Available Net Income	<u>0.08%</u>

D. Percent Internally Generated Funds

Net Income	143,384,408
Preference Dividends	(2,700,751)
Common Dividends	(132,517,000)
AFUDC (Debt & Other)	(122,867)
Depreciation & Amortization	175,076,970
Deferred Income Taxes	48,275,608
Investment Tax Credits	0
Other	<u>(1,444,357)</u>
Total	229,952,012
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>209,527,905</u>
Percent Internally Generated Funds	<u>109.75%</u>

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	772,271,676
Short Term Debt	16,300,560
Preference Stock	27,989,272
Common Equity	<u>986,293,461</u>
Total	<u>1,802,854,969</u>
% Long Term Debt To Total	<u>42.84%</u>
% Short Term Debt To Total	<u>0.90%</u>

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.86%	5.86%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.26)	(1.26)
Short Term Debt	(0.01)	(0.01)
Preference Stock	(0.07)	(0.07)
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	<u>(1.37)</u>	<u>(1.37)</u>
Total	4.49	4.49
Divided by Common Equity Ratio	<u>41.04</u>	<u>41.04</u>
Jurisdictional Return on Common Equity	<u>10.94%</u>	<u>10.94%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
February, 2018

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
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
November	2017	0
December	2017	2,624,999
January	2018	0
February	2018	0
12 - M-T-D		<u>2,916,666</u>