



C. Shane Boyett
Regulatory and Cost Recovery
Manager

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December 14, 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 October, 2018.

Sincerely,

A handwritten signature in blue ink that reads "C. Shane Boyett".

C. Shane Boyett
Regulatory and Cost Recovery 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 2018

Earnings Surveillance
Report
(Rate of Return)



Gulf Power

GULF POWER COMPANY
Earnings Surveillance Report Summary
October 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	164,987,309	(20,341,884)	144,645,425	0	144,645,425
Average Rate Base	3,761,251,198	(1,336,999,811)	2,424,251,387	0	2,424,251,387
Average Rate of Return	4.39%		5.97%		5.97%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	164,863,494	(20,336,221)	144,527,273	0	144,527,273
Year End Rate Base	3,831,058,767	(1,335,243,652)	2,495,815,115	0	2,495,815,115
Year End Rate of Return	4.30%		5.79%		5.79%

(a) Includes AFUDC Earnings

(b) Includes Reversal of AFUDC Earnings

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

Low	5.18%
Midpoint	5.59%
High	6.00%

IV. Financial Integrity Indicators

A. Tie With AFUDC	4.05 x (System per Books Basis)
B. Tie Without AFUDC	4.05 x (System per Books Basis)
C. AFUDC To Net Income	0.07% (System per Books Basis)
D. Internally Generated Funds	75.33% (System per Books Basis)
E. LTD To Total Investor Funds	44.04% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.11% (FPSC Adjusted Basis)
G. Return on Common Equity	11.16% (FPSC Adjusted Basis)
H. Return on Common Equity	11.16% (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
 Robin B. Boren
 Chief Financial Officer & Treasurer

Signature


Date
 12/14/18

GULF POWER COMPANY
AVERAGE RATE OF RETURN
RATE BASE
October 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	5,237,387,708	1,719,919,050	3,517,468,658	14,110,659	111,498,654	0	3,643,077,971	181,082,645	3,824,170,616
JURISDICTIONAL PER BOOKS	5,088,046,914	1,690,331,929	3,397,714,985	13,716,704	108,978,134	0	3,520,409,823	240,841,375	3,761,251,198
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,558,000,347)	(327,366,844)	(1,230,633,503)		(29,635,637)		(1,260,269,140)	(26,449,881)	(1,286,718,021)
INT BEARING CWIP					(2,276,752)		(2,276,752)	0	(2,276,752)
ENERGY CONSERVATION CLAUSE	(16,559,288)	7,341,813	(23,901,101)				(23,901,101)	(897,012)	(24,798,113)
LOANS TO EMPLOYEES / RETIREES								(25,510)	(25,510)
INTEREST AND DIVIDENDS RECEIVABLE								(275,836)	(275,836)
FUNDED PROP RES. N. ESCAMBIA & OTHER INV.				(12,053,657)			(12,053,657)	(1,566,433)	(13,620,090)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(8,848,521)	(8,848,521)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(435,968)	(435,968)
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,574,559,635)	(320,025,031)	(1,254,534,604)	(12,053,657)	(31,912,389)	0	(1,298,500,650)	(38,499,161)	(1,336,999,811)
FPSC ADJUSTED	3,513,487,279	1,370,306,898	2,143,180,381	1,663,047	77,065,745	0	2,221,909,173	202,342,214	2,424,251,387
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	3,513,487,279	1,370,306,898	2,143,180,381	1,663,047	77,065,745	0	2,221,909,173	202,342,214	2,424,251,387

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
October 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	1,468,037,197	588,429,918	342,661,991	186,769,284	119,034,029	(11,969,244)	15,810,949	(335,846)	(165)	1,240,400,916	227,636,282 (a)
JURISDICTIONAL PER BOOKS	1,302,816,992	456,870,681	336,125,669	186,465,342	118,149,339	25,855,527	14,819,096	(329,795)	(160)	1,137,955,699	164,680,393 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(313,040,567)	(373,784,035)				16,892,632				(356,891,203)	43,850,636
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,638,896)	(83,086,646)				2,349,332				(80,737,314)	6,098,428
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,217,275)		(7,897,302)	(1,170,176)	(331,279)	(505,732)				(9,904,489)	(1,312,786)
ENVIRONMENTAL COST RECOVERY CLAUSE	(190,906,896)		(37,887,421)	(56,075,615)	(7,258,001)	(24,941,745)				(126,162,782)	(64,744,114)
FRANCHISE FEE REVENUE & EXPENSE	(44,478,400)				(43,948,192)	(147,451)				(44,095,643)	(382,757)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,258,031)				(31,785,001)	(131,550)				(31,916,551)	(341,480)
MARKETING SUPPORT ACTIVITIES						35,809				(92,953)	92,953
WHOLESALE EXPENSES			(128,762)			39,304				(102,026)	102,026
INSTITUTIONAL ADVERTISING EXPENSE			(141,330)			57,897				(190,290)	190,290
ECONOMIC DEVELOPMENT EXPENSE			(208,187)			19,358				(50,250)	50,250
MGMT FINANCIAL PLANNING SERVICES			(69,608)			13,779				(35,766)	35,766
DIRECTORS' & OFFICERS' INSURANCE			(49,545)			9,984				(25,916)	25,916
INDUSTRY ASSOCIATION DUES			(35,900)			303				(785)	785
TALLAHASSEE LIAISON EXPENSES			(1,088)							(356,573)	356,573
GRT, FPSC FEES ON CLAUSES & FEES			(472,018)		(21,919)	137,364				(1,058,628)	1,058,628
(GAIN)/LOSS ON DISPOSITION OF PROPERTY					(1,466,450)	407,822			(48,555)	(35,052)	35,052
INTEREST SYNCHRONIZATION						13,503				5,291,134	(5,291,134)
TOTAL FPSC ADJUSTMENTS	(666,540,054)	(456,870,681)	(46,891,160)	(57,245,791)	(84,810,842)	(458,057)	0	0	(48,555)	(646,325,086)	(20,214,968)
FPSC ADJUSTED	638,276,038	0	289,234,509	129,219,551	33,338,497	25,397,470	14,819,096	(329,795)	(48,715)	491,630,613	144,645,425
PRO FORMA REVENUE ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	638,276,038	0	289,234,509	129,219,551	33,338,497	25,397,470	14,819,096	(329,795)	(48,715)	491,630,613	144,645,425
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY				129,590	AND THE JURISDICTIONAL NOI BY		126,916				
CURRENT MONTH SYSTEM PER BOOKS	118,218,038	49,136,648	27,470,291	16,013,188	10,047,060	(55,184,751)	51,519,846	(27,018)	0	98,975,264	19,242,774
CURRENT MONTH JURISDICTIONAL PER BOOKS	103,848,805	37,740,519	25,947,314	15,675,000	9,974,988	(41,263,717)	43,612,660	(26,531)	0	91,660,233	12,188,572

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
October 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	(1,602,957,722)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(442,038,138)	(122,931,336)
ACCUMULATED DEPRECIATION	336,813,282	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(196,584,278)	(54,670,324)
CWIP	(30,490,798)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,699,184)	(20,773,933)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,559,288)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,217,275)	(3,119,537)
ACCUMULATED DEPRECIATION	(7,341,813)	FUEL EXPENSE	(502,970,038)	139,876,571
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,495,243)	23,776,330
FAS 143 NET PLANT	(44,038,374)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,067,478)	2,521,676
INTEREST BEARING CWIP	(2,324,540)	CONSERVATION EXPENSES - OTHER TAXES	(331,279)	92,129
PHFU - NORTH ESCAMBIA	(12,399,848)	ENVIRONMENTAL COST RECOVERY EXPENSE	(104,043,352)	28,934,581
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(44,478,400)	(12,369,496)
ECRC WORKING CAPITAL	(27,213,114)	FRANCHISE FEE	(43,948,192)	12,222,045
CONSERVATION/AEM INVENTORY	(897,012)	GROSS RECEIPTS TAX REVENUES	(32,258,031)	(8,970,997)
FUNDED PROPERTY INSURANCE RESERVE	0	GROSS RECEIPTS TAX EXPENSE	(31,785,001)	8,839,447
LOANS TO EMPLOYEES AND RETIREES	(25,959)	MARKETING SUPPORT ACTIVITIES	(128,762)	35,809
INTEREST & DIVIDENDS RECEIVABLE	(280,696)	WHOLESALE EXPENSES	(145,445)	40,448
NORTH ESCAMBIA SITE	(1,593,948)	INSTITUTIONAL ADVERTISING EXPENSE	(212,163)	59,003
UNAMORTIZED RATE CASE EXPENSE	(443,626)	ECONOMIC DEVELOPMENT EXPENSE	(69,608)	19,358
FUEL RELATED DEFERRED DEBITS	(8,848,521)	MGMT FINANCIAL PLANNING SERVICES	(50,584)	14,067
UNREALIZED LOSS ON FWD CONTRACT	(21,013)	DIRECTORS' & OFFICERS' INSURANCE	(36,652)	10,193
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,109)	308
FAS 143 WORKING CAPITAL	54,134,871	TALLAHASSEE LIAISON EXPENSE	(504,276)	140,240
FAS 158 REGULATORY ASSETS	(165,803,910)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,466,450)	407,822
FAS 158 REGULATORY LIABILITIES	165,803,910	COMP SALES/TRANS REV/GL SALE GAS/PROV RT REFVN. ESC REV	(75,218)	(20,918)
PPA REGULATORY ASSETS	(111,772,134)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	13,891
PPA REGULATORY LIABILITIES	111,772,134	INTEREST SYNCHRONIZATION	5,284,073	5,284,073
FAS 133 REGULATORY ASSETS	(14,982,764)			
FAS 133 REGULATORY LIABILITIES	14,982,764			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
October 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	5,298,377,127	1,768,457,574	3,529,919,554	14,109,788	167,537,711	0	3,711,567,053	181,092,645	3,892,659,698
JURISDICTIONAL PER BOOKS	5,149,154,825	1,736,460,092	3,412,694,733	13,715,856	163,806,802	0	3,590,217,391	240,841,375	3,831,058,767
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,559,531,092)	(342,499,202)	(1,217,031,890)		(41,442,120)		(1,258,474,010)	(26,449,881)	(1,284,923,891)
INT BEARING CWIP					(2,344,265)		(2,344,265)	0	(2,344,265)
ENERGY CONSERVATION CLAUSE	(17,060,692)	6,811,772	(23,872,464)				(23,872,464)	(897,012)	(24,769,476)
LOANS TO EMPLOYEES AND RETIREES								(25,510)	(25,510)
INTEREST AND DIVIDENDS RECEIVABLE								(275,836)	(275,836)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(1,566,433)	(13,620,184)
FUEL RELATED DEFERRED DEBITS								(8,848,521)	(8,848,521)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								(435,968)	(435,968)
TOTAL FPSC ADJUSTMENTS	(1,576,591,784)	(335,687,430)	(1,240,904,354)	(12,053,751)	(43,786,385)	0	(1,296,744,490)	(38,499,161)	(1,335,243,652)
FPSC ADJUSTED	3,572,563,041	1,400,772,662	2,171,790,379	1,662,105	120,020,417	0	2,293,472,901	202,342,214	2,495,815,115
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	3,572,563,041	1,400,772,662	2,171,790,379	1,662,105	120,020,417	0	2,293,472,901	202,342,214	2,495,815,115

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
October 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	1,468,037,197	588,429,918	342,661,991	186,769,284	119,034,029	(11,969,244)	15,810,949	(335,946)	(165)	1,240,400,916	227,636,282 (a)
JURISDICTIONAL PER BOOKS	1,302,818,092	456,870,691	336,125,669	186,465,342	118,149,339	25,928,770	14,871,668	(329,795)	(160)	1,138,079,514	184,736,578 (a)
LESS FPSC ADJUSTMENTS:	(313,040,567)	(373,784,035)				16,892,832				(356,891,203)	43,850,636
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(74,638,886)	(83,086,646)				2,349,332				(60,737,314)	6,098,428
ENERGY CONSERVATION COST REVENUES & EXPENSES	(11,217,275)		(7,897,302)	(1,170,176)	(331,279)	(505,732)				(9,904,489)	(1,312,786)
ENVIRONMENTAL COST RECOVERY CLAUSE	(190,906,896)		(37,887,421)	(58,075,615)	(7,258,001)	(24,941,745)				(126,182,782)	(64,744,114)
FRANCHISE FEE REVENUE & EXPENSE	(44,478,400)				(43,949,192)	(147,451)				(44,095,643)	(382,757)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(32,258,031)				(31,785,001)	(131,550)				(31,916,551)	(341,480)
MARKETING SUPPORT ACTIVITIES			(128,762)			35,809				(92,953)	92,953
WHOLESALE EXPENSES			(141,330)			39,304				(102,026)	102,026
INSTITUTIONAL ADVERTISING EXPENSE			(208,187)			57,897				(150,290)	150,290
ECONOMIC DEVELOPMENT EXPENSE			(69,608)			19,358				(50,250)	50,250
MGMT FINANCIAL PLANNING SERVICES			(49,545)			13,779				(35,766)	35,766
DIRECTORS' & OFFICERS' INSURANCE			(35,900)			9,884				(25,916)	25,916
INDUSTRY ASSOCIATION DUES			(1,088)			303				(785)	785
TALLAHASSEE LIAISON EXPENSES			(472,018)		(21,919)	137,364				(356,573)	356,573
GRT, FPSC FEES ON CLAUSES & FEES					(1,466,450)	407,822				(1,058,628)	1,058,628
GRT, FPSC FEES ON DISPOSITION OF PROPERTY						13,503				(35,052)	35,052
INTEREST SYNCRONIZATION						5,285,471			(48,555)	5,285,471	(5,285,471)
TOTAL FPSC ADJUSTMENTS	(666,540,054)	(456,870,681)	(46,891,160)	(57,245,791)	(84,810,642)	(463,720)	0	0	(48,555)	(846,330,749)	(20,209,305)
FPSC ADJUSTED	636,278,038	0	289,234,509	129,219,551	33,338,497	25,463,050	14,871,668	(329,795)	(48,715)	491,748,765	144,527,273
PRO FORMA REVENUE ANNUALIZATION	0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	636,278,038	0	289,234,509	129,219,551	33,338,497	25,463,050	14,871,668	(329,795)	(48,715)	491,748,765	144,527,273
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY			129,580				126,916				

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
October 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	(1,603,279,052)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(442,038,139)	(122,931,336)
ACCUMULATED DEPRECIATION CWIP	352,106,988	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(196,584,278)	(54,670,324)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,060,692)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(74,699,184)	(20,773,933)
ACCUMULATED DEPRECIATION CWIP	(8,811,772)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(11,217,275)	(3,118,537)
FAS 143 NET PLANT	(42,338,012)	FUEL EXPENSE	(502,970,038)	139,876,571
INTEREST BEARING CWIP	(2,393,470)	PURCHASED POWER CAPACITY COST EXPENSE	(85,495,243)	23,776,330
PHFU - NORTH ESCAMBIA	(12,399,945)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(9,067,478)	2,521,876
WORKING CAPITAL:		CONSERVATION EXPENSES - OTHER TAXES	(331,279)	92,129
ECRC WORKING CAPITAL	(27,213,114)	ENVIRONMENTAL COST RECOVERY EXPENSE	(104,043,352)	28,934,581
CONSERVATION/AEM INVENTORY	(897,012)	FRANCHISE FEE REVENUES	(44,478,400)	(12,368,498)
FUNDED PROPERTY INSURANCE RESERVE	0	FRANCHISE FEE	(43,948,192)	12,222,045
LOANS TO EMPLOYEES AND RETIREES	(25,959)	GROSS RECEIPTS TAX REVENUES	(32,258,031)	(8,970,997)
INTEREST & DIVIDENDS RECEIVABLE	(280,686)	GROSS RECEIPTS TAX EXPENSE	(31,785,001)	8,839,447
NORTH ESCAMBIA SITE	(1,593,948)	MARKETING SUPPORT ACTIVITIES	(128,762)	35,809
UNAMORTIZED RATE CASE EXPENSE	(443,626)	WHOLESALE EXPENSES	(145,445)	40,448
FUEL RELATED DEFERRED DEBITS	(8,848,521)	INSTITUTIONAL ADVERTISING EXPENSE	(212,183)	59,003
UNREALIZED LOSS ON FWD CONTRACT	(21,013)	ECONOMIC DEVELOPMENT EXPENSE	(89,608)	19,358
ACCUM. PROV. FOR RATE REFUNDS	0	MGMT FINANCIAL PLANNING SERVICES	(50,584)	14,067
FAS 143 WORKING CAPITAL	54,134,871	DIRECTORS' & OFFICERS' INSURANCE	(38,652)	10,193
FAS 158 REGULATORY ASSETS	(165,803,910)	INDUSTRY ASSOCIATION DUES	(1,109)	308
FAS 158 REGULATORY LIABILITIES	165,803,910	TALLAHASSEE LIAISON EXPENSE	(504,276)	140,240
PPA REGULATORY ASSETS	(111,772,134)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,468,450)	407,822
PPA REGULATORY LIABILITIES	111,772,134	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFN. ESC REV	(75,218)	(20,918)
FAS 133 REGULATORY ASSETS	(14,982,764)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(49,949)	13,891
FAS 133 REGULATORY LIABILITIES	14,982,764	INTEREST SYNCHRONIZATION	5,272,814	5,272,814

GULF POWER COMPANY
Financial Integrity Indicators
October 2018

A. Times Interest Earned with AFUDC

Earnings Before Interest	215,794,409
AFUDC - Debt	40,027
Income Taxes	<u>(2,846,311)</u>
Total	212,988,126
Interest Charges (Before Deducting AFUDC - Debt)	<u>52,596,221</u>
T.I.E. With AFUDC	<u>4.05 x</u>

B. Times Interest Earned without AFUDC

Earnings Before Interest	215,794,409
AFUDC - Other	(89,553)
Income Taxes	<u>(2,846,311)</u>
Total	212,858,545
Interest Charges (Before Deducting AFUDC - Debt)	<u>52,596,221</u>
T.I.E. Without AFUDC	<u>4.05 x</u>

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	40,027
X (1 - Income Tax Rate)	0.72450
Subtotal	29,000
AFUDC - Other	<u>89,553</u>
Total	<u>118,553</u>
Net Income Available for Common Stockholders	<u>163,238,216</u>
Percent AFUDC to Available Net Income	<u>0.07%</u>

D. Percent Internally Generated Funds

Net Income	163,238,216
Preference Dividends	0
Common Dividends	(153,370,000)
AFUDC (Debt & Other)	(129,580)
Depreciation & Amortization	197,336,166
Deferred Income Taxes	15,810,949
Investment Tax Credits	0
Other	<u>(24,400)</u>
Total	222,861,351
Construction Expenditures (Excluding AFUDC Other & Debt)	<u>295,831,156</u>
Percent Internally Generated Funds	<u>75.33%</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	804,305,514
Short Term Debt	20,306,887
Preference Stock	0
Common Equity	<u>1,001,751,085</u>
Total	<u>1,826,363,486</u>
% Long Term Debt To Total	<u>44.04%</u>
% Short Term Debt To Total	<u>1.11%</u>

G. FPSC Adjusted Average Jurisdictional Return On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.97%	5.97%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.30)	(1.30)
Short Term Debt	(0.03)	(0.03)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	<u>(0.00)</u>	<u>(0.00)</u>
Subtotal	<u>(1.35)</u>	<u>(1.35)</u>
Total	4.61	4.61
Divided by Common Equity Ratio	<u>41.32</u>	<u>41.32</u>
Jurisdictional Return on Common Equity	<u>11.16%</u>	<u>11.16%</u>

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
October 2018

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
November	2017	0
December	2017	2,624,999
January	2018	0
February	2018	0
March	2018	0
April	2018	0
May	2018	4,200,000
June	2018	5,700,000
July	2018	0
September	2018	0
September	2018	0
October	2018	0
12 - M-T-D		<u>12,524,999</u>