



Gulf Power®

August 8, 2019

Mr. Andrew Maurey, Director
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. Maurey:

Attached is a revised Jurisdictional Rate of Return Report for the month of May, 2019. Gulf Power discovered miscalculations which did not materially change the reported rate of return; however, the Company believed corrections were warranted.

Sincerely,

C. Shane Boyett
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

May 2019

Earnings Surveillance
Report
(Rate of Return)



Gulf Power®

GULF POWER COMPANY
Earnings Surveillance Report Summary
May 2019

	(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	161,885,867	(19,412,091)	142,473,776	0	142,473,776
Average Rate Base	3,947,357,421	(1,356,726,904)	2,590,630,517	0	2,590,630,517
Average Rate of Return	4.10%		5.50%		5.50%
II. Year End Rate of Return (Jurisdictional)					
	(a)	(b)			
Net Operating Income	146,329,838	(19,610,979)	126,718,859	0	126,718,859
Year End Rate Base	4,078,039,572	(1,372,314,715)	2,705,724,857	0	2,705,724,857
Year End Rate of Return	3.59%		4.68%		4.68%

(a) Includes AFUDC Earnings
(b) Includes Reversal of AFUDC Earnings

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

Low	5.30%
Midpoint	5.73%
High	6.17%

IV. Financial Integrity Indicators

A. Tie With AFUDC	3.80 x (System per Books Basis)
B. Tie Without AFUDC	3.80 x (System per Books Basis)
C. AFUDC To Net Income	0.14% (System per Books Basis)
D. Internally Generated Funds	-29.21% (System per Books Basis)
E. LTD To Total Investor Funds	41.93% (FPSC Adjusted Basis)
F. STD To Total Investor Funds	1.07% (FPSC Adjusted Basis)
G. Return on Common Equity	9.71% (FPSC Adjusted Basis)
H. Return on Common Equity	9.71% (Proforma Basis)

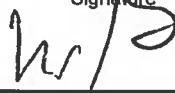
I am aware that Section 837.06, Florida Statutes, provides:

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
Mitchell P. Goldstein
Vice President - Finance

Signature

Date





GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 May 2019

	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	5,345,746,232	1,766,483,592	3,579,262,640	14,109,981	187,967,606	0	3,781,340,227	224,339,471	4,005,679,698
JURISDICTIONAL PER BOOKS	5,178,532,726	1,739,217,639	3,439,315,087	13,716,045	183,711,793	0	3,636,742,925	310,614,497	3,947,357,421
FPSC ADJUSTMENTS:									
ENVIRONMENTAL RECOVERY CLAUSE	(1,561,663,758)	(348,555,485)	(1,213,108,273)		(51,331,489)		(1,264,439,762)	(25,765,137)	(1,290,204,899)
INT BEARING CWIP					(6,138,089)		(6,138,089)	0	(6,138,089)
ENERGY CONSERVATION CLAUSE	(16,998,416)	6,718,047	(23,716,463)				(23,716,463)	(1,033,927)	(24,750,390)
LOANS TO EMPLOYEES / RETIREES								(16,049)	(16,049)
INTEREST AND DIVIDENDS RECEIVABLE								(110,115)	(110,115)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,053,657)			(12,053,657)	(22,832,017)	(34,885,674)
DEPRECIATION CREDIT ADJUSTMENT								0	0
FUEL RELATED DEFERRED DEBITS								(621,688)	(621,688)
FLAME RESISTANT CLOTHING								0	0
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
SALE OF RAILCARS								0	0
TOTAL FPSC ADJUSTMENTS	(1,578,662,174)	(341,837,438)	(1,236,824,736)	(12,053,657)	(57,469,578)	0	(1,306,347,971)	(50,378,933)	(1,356,726,904)
FPSC ADJUSTED	3,599,870,552	1,397,380,201	2,202,490,351	1,662,388	126,242,215	0	2,330,394,954	260,235,563	2,590,630,517
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	3,599,870,552	1,397,380,201	2,202,490,351	1,662,388	126,242,215	0	2,330,394,954	260,235,563	2,590,630,517

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
May 2019

	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	1,465,563,627	603,416,809	335,402,468	193,709,633	113,639,750	(40,413,067)	33,151,653	(307,177)	(206)	1,238,599,862	226,953,765 (a)
JURISDICTIONAL PER BOOKS	1,287,758,845	461,502,139	333,841,643	193,262,443	112,766,635	(4,044,365)	29,080,973	(301,643)	(200)	1,126,107,624	161,651,221 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(317,611,895)	(378,407,238)				15,408,579				(962,998,659)	45,386,764
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,828,331)	(83,094,901)				1,841,712				(81,253,189)	5,424,858
ENERGY CONSERVATION COST REVENUES & EXPENSES	(10,736,559)			(1,345,440)	(317,156)	(421,968)				(9,483,631)	(1,242,928)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,044,723)		(7,409,067)	(57,397,906)	(8,407,075)	(21,867,433)				(123,633,077)	(64,411,646)
FRANCHISE FEE REVENUE & EXPENSE	(42,344,159)		(35,960,663)		(41,559,776)	(198,802)				(41,758,578)	(585,581)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,552,593)				(29,919,263)	(160,518)				(30,079,781)	(472,812)
MARKETING SUPPORT ACTIVITIES			(170,495)			43,212				(127,283)	1,27,283
WHOLESALE EXPENSES			(44,214)			11,206				(33,008)	33,008
INSTITUTIONAL ADVERTISING EXPENSE			(219,408)			55,609				(163,799)	163,799
ECONOMIC DEVELOPMENT EXPENSE			(109,440)			27,738				(81,702)	81,702 (b)
MGMT FINANCIAL PLANNING SERVICES			(16,419)			4,161				(12,258)	12,258
DIRECTORS' & OFFICERS' INSURANCE			(21,663)			5,491				(16,172)	16,172
INDUSTRY ASSOCIATION DUES			(1,226)			311				(915)	915
TALLHASSEE LIAISON EXPENSES			(481,224)		(15,614)	125,924				(370,914)	370,914
GRT, FPSC FEES ON CLAUSES & FEES					(1,392,023)	352,808				(1,039,215)	1,039,215
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546
INTEREST SYNCHRONIZATION						5,146,910				5,146,910	(5,146,910)
TOTAL FPSC ADJUSTMENTS	(685,118,260)	(461,502,139)	(44,433,819)	(58,743,346)	(81,610,907)	383,613	0	0	(34,218)	(645,940,815)	(19,177,445)
FPSC ADJUSTED	622,640,585	0	289,407,824	134,519,097	31,155,728	(3,660,752)	29,080,973	(301,643)	(34,418)	480,166,809	142,473,776
PRO FORMA REVENUE ANNUALIZATION 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	622,640,585	0	289,407,824	134,519,097	31,155,728	(3,660,752)	29,080,973	(301,643)	(34,418)	480,166,809	142,473,776
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY		239,571					234,646				
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:		2,188,789					2,188,789				
CURRENT MONTH SYSTEM PER BOOKS	126,879,416	48,440,734	28,882,527	16,361,846	8,620,188	7,080,134	(3,231,473)	(23,610)	0	106,130,346	20,749,070
CURRENT MONTH JURISDICTIONAL PER BOOKS	117,600,706	41,759,669	32,863,887	16,012,259	8,552,567	4,094,484	(1,803,631)	(23,185)	0	101,456,050	16,144,656

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
May 2019

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	(1,606,605,294)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(457,713,325)	(116,007,441)
ACCUMULATED DEPRECIATION	358,586,210	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(193,135,224)	(48,950,123)
CWIP	(52,808,706)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,889,021)	(19,234,072)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(16,998,416)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(10,736,559)	(2,721,181)
ACCUMULATED DEPRECIATION	(6,718,047)	FUEL EXPENSE	(517,985,333)	131,283,383
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,503,738)	21,670,922
FAS 143 NET PLANT	(63,724,737)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,754,507)	2,218,830
INTEREST BEARING CWIP	(6,266,924)	CONSERVATION EXPENSES - OTHER TAXES	(317,156)	80,383
PHFU - NORTH ESCAMBIA	(12,399,848)	ENVIRONMENTAL COST RECOVERY EXPENSE	(104,585,132)	26,507,102
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,344,159)	(10,732,127)
ECRC WORKING CAPITAL	(26,506,606)	FRANCHISE FEE	(41,559,776)	10,533,325
CONSERVATION/AEM INVENTORY	(1,049,490)	GROSS RECEIPTS TAX REVENUES	(30,552,593)	(7,743,555)
TEMPORARY CASH INVESTMENT	(22,215,385)	GROSS RECEIPTS TAX EXPENSE	(29,919,263)	7,583,037
LOANS TO EMPLOYEES AND RETIREES	(16,332)	MARKETING SUPPORT ACTIVITIES	(170,495)	43,212
INTEREST & DIVIDENDS RECEIVABLE	(112,055)	WHOLESALE EXPENSES	(45,502)	11,532
NORTH ESCAMBIA SITE	(1,018,890)	INSTITUTIONAL ADVERTISING EXPENSE	(223,599)	56,671
UNAMORTIZED RATE CASE EXPENSE	0	ECONOMIC DEVELOPMENT EXPENSE	(109,439)	27,737
FUEL RELATED DEFERRED DEBITS	(621,688)	MGMT FINANCIAL PLANNING SERVICES	(16,763)	4,249
UNREALIZED LOSS ON FWD CONTRACT	(38,677)	DIRECTORS' & OFFICERS' INSURANCE	(22,117)	5,606
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,249)	317
FAS 143 WORKING CAPITAL	61,582,079	TALLAHASSEE LIAISON EXPENSE	(507,241)	128,560
FAS 158 REGULATORY ASSETS	(127,626,793)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,392,022)	352,808
FAS 158 REGULATORY LIABILITIES	127,270,253	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REF.N. ESC REV	(73,759)	(18,694)
PPA REGULATORY ASSETS	(96,530,834)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
PPA REGULATORY LIABILITIES	96,530,834	INTEREST SYNCHRONIZATION	5,131,633	5,131,633
FAS 133 REGULATORY ASSETS	(8,290,111)			
FAS 133 REGULATORY LIABILITIES	8,290,111			

GULF POWER COMPANY
YEAR END RATE OF RETURN
RATE BASE
May 2019

	PLANT IN SERVICE	ACCUMULATED DEPRECIATION & AMORTIZATION	NET PLANT IN SERVICE	PROPERTY HELD FOR FUTURE USE	CONSTRUCTION WORK IN PROGRESS	NUCLEAR FUEL (NET)	UTILITY PLANT	WORKING CAPITAL	TOTAL RATE BASE
SYSTEM PER BOOKS	5,470,465,867	1,827,112,061	3,643,353,807	14,109,788	285,637,754	0	3,943,101,348	224,339,471	4,167,440,819
JURISDICTIONAL PER BOOKS	5,293,155,701	1,818,657,186	3,474,498,515	13,715,857	279,210,704	0	3,767,425,076	310,614,496	4,078,098,572
<u>FPSC ADJUSTMENTS:</u>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,567,255,441)	(372,206,603)	(1,195,048,838)		(72,068,805)		(1,267,117,643)	(25,765,137)	(1,292,882,780)
INT BEARING CWIP					(19,497,359)		(19,497,359)	0	(19,497,359)
ENERGY CONSERVATION CLAUSE	(17,131,454)	6,135,575	(23,267,029)				(23,267,029)	(1,033,927)	(24,300,956)
LOANS TO EMPLOYEES AND RETIREES								(16,049)	(16,049)
INTEREST AND DIVIDENDS RECEIVABLE								(110,115)	(110,115)
FUNDED PROP RES. N. ESCAMBIA SITE, & OTHER INV.				(12,053,751)			(12,053,751)	(22,832,017)	(34,885,768)
FUEL RELATED DEFERRED DEBITS								(621,688)	(621,688)
ACCRUED PROVISION FOR REFUND								0	0
UNAMORTIZED RATE CASE EXPENSES								0	0
TOTAL FPSC ADJUSTMENTS	(1,584,386,895)	(366,071,028)	(1,218,315,867)	(12,053,751)	(91,566,164)	0	(1,321,935,782)	(50,378,933)	(1,372,314,715)
FPSC ADJUSTED	3,708,768,806	1,452,586,158	2,256,182,648	1,662,106	187,644,540	0	2,445,489,294	260,235,563	2,705,724,857
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	3,708,768,806	1,452,586,158	2,256,182,648	1,662,106	187,644,540	0	2,445,489,294	260,235,563	2,705,724,857

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
May 2019

	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	1,465,553,627	603,416,809	335,402,468	193,709,633	113,639,750	(40,413,067)	33,151,653	(307,177)	(206)	1,238,599,862	226,953,765 (a)
JURISDICTIONAL PER BOOKS	1,287,758,845	461,502,139	333,841,643	193,262,443	112,766,635	9,970,038	30,622,599	(301,643)	(200)	1,141,663,653	146,095,192 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(317,611,895)	(378,407,238)				15,408,579				(362,998,659)	45,386,764
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,828,331)	(83,094,901)			(317,156)	1,841,712				(81,253,189)	5,424,858
ENERGY CONSERVATION COST REVENUES & EXPENSES	(10,736,559)		(7,409,067)	(1,345,440)	(8,407,075)	(421,968)				(9,493,631)	(1,242,928)
ENVIRONMENTAL COST RECOVERY CLAUSE	(188,044,723)		(35,960,663)	(57,397,906)	(41,559,776)	(21,867,433)				(123,633,077)	(64,411,646)
FRANCHISE FEE REVENUE & EXPENSE	(42,344,159)				(29,919,263)	(198,802)				(41,758,578)	(585,581)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(30,552,593)					(160,518)				(30,079,781)	(472,812)
MARKETING SUPPORT ACTIVITIES			(170,495)			43,212				(127,283)	127,283
WHOLESALE EXPENSES			(44,214)			11,206				(33,008)	33,008
INSTITUTIONAL ADVERTISING EXPENSE			(219,408)			55,609				(163,799)	163,799
ECONOMIC DEVELOPMENT EXPENSE			(109,440)			27,738				(81,702)	81,702
MGMT FINANCIAL PLANNING SERVICES			(16,419)			4,161				(12,258)	12,258
DIRECTORS' & OFFICERS' INSURANCE			(21,663)			5,491				(16,172)	16,172
INDUSTRY ASSOCIATION DUES			(1,226)			311				(915)	915
TALLAHASSEE LIAISON EXPENSES			(481,224)		(15,614)	125,924				(370,914)	370,914
GRT, FPSC FEES ON CLAUSES & FEES					(1,392,023)	352,808				(1,039,215)	1,039,215
(GAIN)/LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546
INTEREST SYNCRONIZATION						5,345,798				5,345,798	(5,345,798)
TOTAL FPSC ADJUSTMENTS	(665,118,260)	(461,502,139)	(44,433,819)	(58,743,346)	(81,610,907)	582,501	0	0	(34,218)	(645,741,927)	(19,376,333)
FPSC ADJUSTED	622,640,585	0	289,407,824	134,519,097	31,155,728	10,552,539	30,622,599	(301,643)	(34,418)	495,921,726	126,716,859
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	622,640,585	0	289,407,824	134,519,097	31,155,728	10,552,539	30,622,599	(301,643)	(34,418)	495,921,726	126,716,859

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 239,571 AND THE JURISDICTIONAL NOI BY 234,646

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
May 2019

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	(1,612,472,048)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(457,713,325)	(116,007,441)
ACCUMULATED DEPRECIATION	382,945,069	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(193,135,224)	(48,950,123)
CWIP	(74,148,050)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,889,021)	(19,234,072)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,131,454)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(10,736,559)	(2,721,181)
ACCUMULATED DEPRECIATION	(6,135,575)	FUEL EXPENSE	(517,985,333)	131,283,383
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(85,503,738)	21,670,922
FAS 143 NET PLANT	(92,048,364)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(8,754,507)	2,218,830
INTEREST BEARING CWIP	(19,906,598)	CONSERVATION EXPENSES - OTHER TAXES	(317,156)	80,383
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(104,585,132)	26,507,102
WORKING CAPITAL:		FRANCHISE FEE REVENUES	(42,344,159)	(10,732,127)
ECRC WORKING CAPITAL	(26,506,606)	FRANCHISE FEE	(41,559,776)	10,533,325
CONSERVATION/AEM INVENTORY	(1,049,490)	GROSS RECEIPTS TAX REVENUES	(30,552,593)	(7,743,555)
TEMPORARY CASH INVESTMENT	(22,215,385)	GROSS RECEIPTS TAX EXPENSE	(29,919,263)	7,583,037
LOANS TO EMPLOYEES AND RETIREES	(16,332)	MARKETING SUPPORT ACTIVITIES	(170,495)	43,212
INTEREST & DIVIDENDS RECEIVABLE	(112,055)	WHOLESALE EXPENSES	(45,502)	11,532
NORTH ESCAMBIA SITE	(1,018,890)	INSTITUTIONAL ADVERTISING EXPENSE	(223,599)	56,671
UNAMORTIZED RATE CASE EXPENSE	0	ECONOMIC DEVELOPMENT EXPENSE	(109,439)	27,737
FUEL RELATED DEFERRED DEBITS	(621,688)	MGMT FINANCIAL PLANNING SERVICES	(16,763)	4,249
UNREALIZED LOSS ON FWD CONTRACT	(38,677)	DIRECTORS' & OFFICERS' INSURANCE	(22,117)	5,606
ACCUM. PROV. FOR RATE REFUNDS	0	INDUSTRY ASSOCIATION DUES	(1,249)	317
FAS 143 WORKING CAPITAL	61,582,079	TALLAHASSEE LIAISON EXPENSE	(507,241)	128,560
FAS 158 REGULATORY ASSETS	(127,626,793)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,392,022)	352,808
FAS 158 REGULATORY LIABILITIES	127,270,253	COMP SALES/TRANS REV/G/L SALE GAS/PROV RT REFRN. ESC REV	(73,759)	(18,694)
PPA REGULATORY ASSETS	(96,530,834)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
PPA REGULATORY LIABILITIES	96,530,834	INTEREST SYNCHRONIZATION	5,357,507	5,357,507
FAS 133 REGULATORY ASSETS	(8,290,111)			
FAS 133 REGULATORY LIABILITIES	8,290,111			

GULF POWER COMPANY
 CAPITAL STRUCTURE
 FPSC ADJUSTED BASIS
 May 2019

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	1,295,241,571	1,258,349,152	(432,501,030)	0	825,848,122	31.88	3.91	1.25	3.91	1.25	3.91	1.25	3.91	1.25	3.91	1.25	3.91	1.25	
SHORT TERM DEBT	33,519,429	31,960,712	(10,985,060)	0	20,975,652	0.81	2.96	0.02	2.96	0.02	2.96	0.02	2.96	0.02	2.96	0.02	2.96	0.02	
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	34,591,890	33,702,895	(11,583,857)	0	22,119,038	0.85	2.08	0.02	2.08	0.02	2.08	0.02	2.08	0.02	2.08	0.02	2.08	0.02	
COMMON EQUITY	1,745,147,648	1,710,635,683	(587,954,220)	0	1,122,681,463	43.34	9.25	4.01	10.25	4.44	11.25	4.88	11.25	4.88	11.25	4.88	11.25	4.88	
DEFERRED INCOME TAXES	590,482,538	573,663,799	(197,171,177)	0	376,492,622	14.53	9.25	4.01	10.25	4.44	11.25	4.88	11.25	4.88	11.25	4.88	11.25	4.88	
FASB 109 DEFERRED TAXES	348,032,250	338,119,233	(116,213,307)	0	221,905,926	8.57	6.99	0.00	7.56	0.00	8.14	0.00	8.14	0.00	8.14	0.00	8.14	0.00	
TAX CREDITS - ZERO COST	0	0	0	0	607,694	0.02	6.99	0.00	7.56	0.00	8.14	0.00	8.14	0.00	8.14	0.00	8.14	0.00	
TAX CREDITS - WEIGHTED COST	953,093	925,947	(318,253)	0	607,694	0.02	6.99	0.00	7.56	0.00	8.14	0.00	8.14	0.00	8.14	0.00	8.14	0.00	
TOTAL	4,047,968,419	3,947,357,421	(1,356,726,904)	0	2,590,630,517	100.00 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	5.30 %	

57.00%

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	1,375,428,345	1,270,350,342	(427,489,836)	0	842,860,506	31.15	3.80	1.18	3.80	1.18	3.80	1.18	3.80	1.18	3.80	1.18	3.80	1.18	
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	0.00	0.00	0.00	0.00	
PREFERENCE STOCK	0	9,138	(3,075)	0	6,063	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	34,072,527	31,658,145	(10,653,388)	0	21,004,757	0.78	2.24	0.02	2.24	0.02	2.24	0.02	2.24	0.02	2.24	0.02	2.24	0.02	
COMMON EQUITY	2,023,218,863	1,877,443,610	(631,784,819)	0	1,245,658,791	46.04	9.25	4.26	10.25	4.72	11.25	5.18	11.25	5.18	11.25	5.18	11.25	5.18	
DEFERRED INCOME TAXES	625,601,297	578,047,868	(194,520,818)	0	383,527,050	14.17	9.25	4.26	10.25	4.72	11.25	5.18	11.25	5.18	11.25	5.18	11.25	5.18	
FASB 109 DEFERRED TAXES	346,051,072	319,746,914	(107,599,102)	0	212,147,812	7.84	7.05	0.00	7.65	0.00	8.24	0.00	8.24	0.00	8.24	0.00	8.24	0.00	
TAX CREDITS - ZERO COST	848,015	783,555	(263,677)	0	519,878	0.02	7.05	0.00	7.65	0.00	8.24	0.00	8.24	0.00	8.24	0.00	8.24	0.00	
TAX CREDITS - WEIGHTED COST	848,015	783,555	(263,677)	0	519,878	0.02	7.05	0.00	7.65	0.00	8.24	0.00	8.24	0.00	8.24	0.00	8.24	0.00	
TOTAL	4,405,220,120	4,078,039,572	(1,372,314,715)	0	2,705,724,857	100.00 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	5.46 %	

6.38 %

GULF POWER COMPANY
Financial Integrity Indicators
May 2019

A. Times Interest Earned with AFUDC

Earnings Before Interest	217,563,832
AFUDC - Debt	74,003
Income Taxes	(12,484,929)
	<hr/>
Total	205,152,906
Interest Charges (Before Deducting AFUDC - Debt)	53,947,812
	<hr/>
T.I.E. With AFUDC	3.80 x

B. Times Interest Earned without AFUDC

Earnings Before Interest	217,563,832
AFUDC - Other	(165,567)
Income Taxes	(12,484,929)
	<hr/>
Total	204,913,336
Interest Charges (Before Deducting AFUDC - Debt)	53,947,812
	<hr/>
T.I.E. Without AFUDC	3.80 x

C. Percent AFUDC To Net Income Available for Common Stockholders

AFUDC - Debt	74,003
X (1 - Income Tax Rate)	0.74655
	<hr/>
Subtotal	55,247
AFUDC - Other	165,567
	<hr/>
Total	220,815
	<hr/>
Net Income Available for Common Stockholders	159,268,187
Percent AFUDC to Available Net Income	0.14%

D. Percent Internally Generated Funds

Net Income	159,268,187
Preference Dividends	0
Common Dividends	(76,402,000)
AFUDC (Debt & Other)	(239,571)
Depreciation & Amortization	201,122,933
Deferred Income Taxes	33,142,867
Investment Tax Credits	0
Other	(426,878,957)
	<hr/>
Total	(109,986,540)
	<hr/>
Construction Expenditures (Excluding AFUDC Other & Debt)	376,519,784
	<hr/>
Percent Internally Generated Funds	-29.21%

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	825,848,122
Short Term Debt	20,975,652
Preference Stock	0
Common Equity	1,122,681,463
	<hr/>
Total	1,969,505,237
	<hr/>
% Long Term Debt To Total	41.93%
	<hr/>
% Short Term Debt To Total	1.07%

G. FPSC Adjusted Average Jurisdictional Return
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.50%	5.50%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.25)	(1.25)
Short Term Debt	(0.02)	(0.02)
Preference Stock	0.00	0.00
Customer Deposits	(0.02)	(0.02)
Tax Credits - Weighted Cost (Common Equity at Midpoint)	(0.00)	(0.00)
	<hr/>	<hr/>
Subtotal	(1.29)	(1.29)
	<hr/>	<hr/>
Total	4.21	4.21
Divided by Common Equity Ratio	43.34	43.34
	<hr/>	<hr/>
Jurisdictional Return on Common Equity	9.71%	9.71%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
May 2019

Supplemental 1

<u>Month</u>	<u>Year</u>	<u>\$</u>
June	2018	5,700,000
July	2018	0
August	2018	0
September	2018	0
October	2018	0
November	2018	10,900,000
December	2018	7,444,428
January	2019	0
February	2019	0
March	2019	291,663
April	2019	291,667
May	2019	291,667
12 - M-T-D		<u>24,919,425</u>