



**Gulf Power®**

**Mitchell P. Goldstein**

Vice President, Finance

April 10, 2020

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 Gulf Power Company's Jurisdictional Rate of Return Report for the month of February 2020 and the revised Jurisdictional Rate of Return Report for December 2019. Gulf Power discovered a miscalculation related to FPSC adjusted rate base and net operating income which results in a change in the reported rate of return for December 2019 from 10.80% to 11.03%. All adjustments necessary to state 2020 correctly have been included in the Jurisdictional Rate of Return Report for the month of February 2020.

Sincerely,

Mitchell P. Goldstein  
Vice President, Finance

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Attachment

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

**December 2019**

Earnings Surveillance  
Report  
(Rate of Return)



**Gulf Power<sup>®</sup>**

GULF POWER COMPANY  
Earnings Surveillance Report Summary  
December 2019

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
<b>I. Average Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	217,766,185	(60,772,997)	156,993,188	0	156,993,188
Average Rate Base	4,483,523,787	(1,812,934,900)	2,670,588,887	0	2,670,588,887
Average Rate of Return	4.86%		5.88%		5.88%
<b>II. Year End Rate of Return (Jurisdictional)</b>					
	(a)	(b)			
Net Operating Income	217,779,410	(59,126,204)	158,653,206	0	158,653,206
Year End Rate Base	4,981,782,254	(2,238,658,168)	2,743,124,085	0	2,743,124,085
Year End Rate of Return	4.37%		5.78%		5.78%

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

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

Low	5.15%
Midpoint	5.56%
High	5.97%

**IV. Financial Integrity Indicators**

A. Tie With AFUDC	5.29	x (System per Books Basis)
B. Tie Without AFUDC	5.26	x (System per Books Basis)
C. AFUDC To Net Income	1.06%	(System per Books Basis)
D. Internally Generated Funds	-48.46%	(System per Books Basis)
E. LTD To Total Investor Funds	43.48%	(FPSC Adjusted Basis)
F. STD To Total Investor Funds	3.02%	(FPSC Adjusted Basis)
G. Return on Common Equity	11.03%	(FPSC Adjusted Basis)
H. Return on Common Equity	11.03%	(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

Signature

Date

Mitchell P. Goldstein  
Vice President - Finance



**April 9, 2020**

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
RATE BASE  
December 2019

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	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
<b>SYSTEM PER BOOKS</b>	5,660,604,947	1,815,868,740	3,844,736,207	14,109,788	346,900,459	0	4,205,746,454	382,670,572	4,588,417,026
<b>JURISDICTIONAL PER BOOKS</b>	5,476,890,703	1,767,537,932	3,709,352,771	13,715,857	339,238,280	0	4,062,306,908	421,216,879	4,483,523,787
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,572,473,599)	(373,001,533)	(1,199,472,066)		(68,727,066)		(1,268,199,132)	(28,774,934)	(1,296,974,066)
INT BEARING CWIP					(122,404,731)		(122,404,731)	0	(122,404,731)
ENERGY CONSERVATION CLAUSE	(17,265,921)	6,140,976	(23,406,897)				(23,406,897)	(886,163)	(24,293,060)
LOANS TO EMPLOYEES / RETIREES								(9,165)	(9,165)
INTEREST AND DIVIDENDS RECEIVABLE								(44,344)	(44,344)
FUNDED PROP RES, N. ESCAMBIA & OTHER INV.				(12,053,751)			(12,053,751)	(26,440,379)	(38,494,130)
MICHAEL STORM RECOVERY								(127,932,618)	(127,932,618)
FUEL RELATED DEFERRED DEBITS								(410,899)	(410,899)
LEASES	(165,607,881)	(26,380,837)	(139,227,044)				(139,227,044)	(63,144,843)	(202,371,887)
<b>TOTAL FPSC ADJUSTMENTS</b>	<b>(1,755,347,401)</b>	<b>(393,241,394)</b>	<b>(1,362,106,007)</b>	<b>(12,053,751)</b>	<b>(191,131,797)</b>	<b>0</b>	<b>(1,565,291,555)</b>	<b>(247,643,345)</b>	<b>(1,812,934,900)</b>
<b>FPSC ADJUSTED</b>	<b>3,721,543,302</b>	<b>1,374,296,538</b>	<b>2,347,246,764</b>	<b>1,662,106</b>	<b>148,106,483</b>	<b>0</b>	<b>2,497,015,353</b>	<b>173,573,534</b>	<b>2,670,588,887</b>
PRO FORMA REVENUE AND ANNUALIZATION ADJUSTMENTS	0	0	0	0	0	0	0	0	0
<b>TOTAL PRO FORMA ADJUST</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PRO FORMA ADJUSTED</b>	<b>3,721,543,302</b>	<b>1,374,296,538</b>	<b>2,347,246,764</b>	<b>1,662,106</b>	<b>148,106,483</b>	<b>0</b>	<b>2,497,015,353</b>	<b>173,573,534</b>	<b>2,670,588,887</b>

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
INCOME STATEMENT  
December 2019

SCHEDULE 2  
PAGE 2 OF 3

	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	1,483,828,435	539,742,305	309,197,625	242,732,736	115,382,568	42,458,570	(99,290)	(283,320)	(41)	1,249,131,152	234,697,283	(a)
JURISDICTIONAL PER BOOKS	1,357,870,499	442,940,287	308,982,365	238,474,710	114,514,006	36,770,079	(94,130)	(278,215)	(40)	1,141,309,062	216,561,437	(a)
LESS FPSC ADJUSTMENTS:												
RETAIL FUEL REVENUES & EXPENSES	(357,707,038)	(366,070,699)				2,119,770				(363,950,929)	6,243,891	
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,476,641)	(76,869,588)				353,042				(76,516,546)	1,039,905	
ENERGY CONSERVATION COST REVENUES & EXPENSES	(8,942,878)		(5,529,097)	(1,367,191)	(312,597)	(439,481)				(7,648,365)	(1,294,513)	
ENVIRONMENTAL COST RECOVERY CLAUSE	(176,600,322)		(27,635,756)	(57,679,265)	(8,207,774)	(21,055,999)				(114,578,794)	(62,021,528)	
FRANCHISE FEE REVENUE & EXPENSE	(43,503,556)				(42,384,644)	(283,588)				(42,668,232)	(835,324)	
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,501,649)				(31,023,659)	(121,147)				(31,144,806)	(356,843)	
INSTITUTIONAL ADVERTISING EXPENSE			(19,821)			5,024				(14,797)	14,797	
ECONOMIC DEVELOPMENT EXPENSE			(78,148)			19,806				(58,342)	58,342	(b)
INDUSTRY ASSOCIATION DUES			(1,399)			355				(1,044)	1,044	
TALLAHASSEE LIAISON EXPENSES			(309,796)		(23,791)	84,548				(249,039)	249,039	
GRT, FPSC FEES ON CLAUSES & FEES					(1,421,403)	360,255				(1,061,148)	1,061,148	
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546	
MICHAEL STORM RECOVERY	(40,751,628)			(42,579,326)		463,230				(42,116,096)	1,364,468	
INTEREST SYNCHRONIZATION						5,118,221				5,118,221	(5,118,221)	
TOTAL FPSC ADJUSTMENTS	(734,483,711)	(442,940,287)	(33,574,017)	(101,625,782)	(83,373,868)	(13,367,291)	0	0	(34,218)	(674,915,462)	(59,568,249)	
FPSC ADJUSTED	623,386,788	0	275,408,348	136,848,929	31,140,138	23,402,788	(94,130)	(278,215)	(34,258)	466,393,600	156,993,188	
PRO FORMA REVENUE ANNUALIZATION ADJUSTMENTS												
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0	
PRO FORMA ADJUSTED	623,386,788	0	275,408,348	136,848,929	31,140,138	23,402,788	(94,130)	(278,215)	(34,258)	466,393,600	156,993,188	
(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTE		1,230,035					1,204,748					
AND THE JURISDICTIONAL NOI BY							1,562,972					
(b) SYSTEM ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE		1,562,972										
ON A JURISDICTIONAL BASIS												
CURRENT MONTH SYSTEM PER BOOKS	111,956,948	38,505,562	32,169,229	21,755,807	8,429,117	4,345,058	(2,253,823)	(23,610)	0	102,927,341	9,029,608	
CURRENT MONTH JURISDICTIONAL PER BOOKS	100,466,379	29,583,914	31,697,807	21,396,171	8,368,538	2,243,784	(560,890)	(23,185)	0	92,706,139	7,760,241	

TOTALS MAY NOT ADD DUE TO ROUNDING.

GULF POWER COMPANY  
AVERAGE RATE OF RETURN  
SYSTEM ADJUSTMENTS  
December 2019

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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	(1,617,873,973)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(453,398,475)	(114,913,843)
ACCUMULATED DEPRECIATION	383,770,813	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(181,216,438)	(45,929,306)
CWIP	(70,711,350)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,513,218)	(19,138,825)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,265,921)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(8,942,878)	(2,266,572)
ACCUMULATED DEPRECIATION	(6,140,976)	FUEL EXPENSE	(460,644,346)	116,750,310
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(79,097,959)	20,047,378
FAS 143 NET PLANT	(54,206,714)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(6,896,288)	1,747,864
INTEREST BEARING CWIP	(124,973,945)	CONSERVATION EXPENSES - OTHER TAXES	(312,597)	79,228
PHFU - NORTH ESCAMBIA	(12,399,945)	ENVIRONMENTAL COST RECOVERY EXPENSE	(96,159,865)	24,371,718
LEASES	(141,798,084)	FRANCHISE FEE REVENUES	(43,503,556)	(11,025,976)
		FRANCHISE FEE	(42,384,644)	10,742,388
		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(72,253,277)	(18,312,593)
		GROSS RECEIPTS TAX EXPENSE	(31,023,659)	7,862,946
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	0	0
ECRC WORKING CAPITAL	(29,605,918)	WHOLESALE EXPENSES	0	0
CONSERVATION/AEM INVENTORY	(902,220)	INSTITUTIONAL ADVERTISING EXPENSE	(20,199)	5,120
TEMPORARY CASH INVESTMENT	(26,123,077)	ECONOMIC DEVELOPMENT EXPENSE	(78,149)	19,807
LOANS TO EMPLOYEES AND RETIREES	(9,326)	MICHAEL STORM RECOVERY	(42,579,326)	10,791,730
INTEREST & DIVIDENDS RECEIVABLE	(45,125)	DIRECTORS' & OFFICERS' INSURANCE	0	0
NORTH ESCAMBIA SITE	(783,154)	INDUSTRY ASSOCIATION DUES	(1,426)	361
MICHAEL STORM RECOVERY	(127,932,618)	TALLAHASSEE LIAISON EXPENSE	(340,565)	86,316
FUEL RELATED DEFERRED DEBITS	(410,899)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,421,403)	360,255
UNREALIZED LOSS ON FWD CONTRACT	(39,015)	COMP SALES\TRANS REV\G/L SALE GAS\PROV RT REF\N. ESC REV	(77,717)	(19,697)
LEASES	(64,310,909)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
FAS 143 WORKING CAPITAL	48,390,123	INTEREST SYNCHRONIZATION	5,562,214	5,562,214
FAS 158 REGULATORY ASSETS	(41,740,086)			
FAS 158 REGULATORY LIABILITIES	22,828,152			
PPA REGULATORY ASSETS	(7,470,269)			
PPA REGULATORY LIABILITIES	7,470,269			
FAS 133 REGULATORY ASSETS	(5,175,023)			
FAS 133 REGULATORY LIABILITIES	5,179,940			

GULF POWER COMPANY  
YEAR END RATE OF RETURN  
RATE BASE  
December 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	5,811,225,746	1,847,590,466	3,963,635,280	14,109,788	765,206,261	0	4,742,951,329	382,670,572	5,125,621,901
JURISDICTIONAL PER BOOKS	5,605,942,366	1,807,332,475	3,798,609,891	13,715,856	748,870,006	0	4,561,195,753	420,586,500	4,981,782,254
<b>FPSC ADJUSTMENTS:</b>									
ENVIRONMENTAL RECOVERY CLAUSE	(1,583,079,588)	(397,656,816)	(1,185,422,772)		(76,439,305)		(1,261,862,077)	(28,774,934)	(1,290,637,011)
INT BEARING CWIP					(548,731,851)		(548,731,851)	0	(548,731,851)
ENERGY CONSERVATION CLAUSE	(17,494,868)	5,842,594	(23,337,462)				(23,337,462)	(886,163)	(24,223,625)
LOANS TO EMPLOYEES AND RETIREES								(9,165)	(9,165)
INTEREST AND DIVIDENDS RECEIVABLE								(44,344)	(44,344)
FUNDED PROP RES, N. ESCAMBIA SITE, & OTHER INV. LEASES	(200,585,255)	(54,925,194)	(145,660,061)	(12,053,751)			(12,053,751)	(26,440,379)	(38,494,130)
FUEL RELATED DEFERRED DEBITS							(145,660,061)	(62,514,464)	(208,174,525)
MICHAEL STORM RECOVERY								(410,899)	(410,899)
								(127,932,618)	(127,932,618)
TOTAL FPSC ADJUSTMENTS	(1,801,159,711)	(446,739,416)	(1,354,420,295)	(12,053,751)	(625,171,156)	0	(1,991,645,202)	(247,012,966)	(2,238,658,168)
FPSC ADJUSTED	3,804,782,655	1,360,593,059	2,444,189,596	1,662,105	123,698,850	0	2,569,550,551	173,573,534	2,743,124,085
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	3,804,782,655	1,360,593,059	2,444,189,596	1,662,105	123,698,850	0	2,569,550,551	173,573,534	2,743,124,085

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

SCHEDULE 3  
PAGE 2 OF 3

	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	1,483,828,435	539,742,305	309,197,625	242,732,736	115,382,568	42,458,570	(99,290)	(283,320)	(41)	1,249,131,152	234,697,283 (a)
JURISDICTIONAL PER BOOKS	1,357,870,499	442,940,287	308,982,365	238,474,710	114,514,006	36,756,785	(94,061)	(278,215)	(40)	1,141,295,837	216,574,662 (a)
LESS FPSC ADJUSTMENTS:											
RETAIL FUEL REVENUES & EXPENSES	(357,707,038)	(366,070,699)				2,119,770				(363,950,929)	6,243,891
PURCHASED POWER CAPACITY REVENUES & EXPENSES	(75,476,641)	(76,869,588)				353,042				(76,516,546)	1,039,905
ENERGY CONSERVATION COST REVENUES & EXPENSES	(8,942,878)		(5,529,097)	(1,367,191)	(312,597)	(439,481)				(7,648,365)	(1,294,513)
ENVIRONMENTAL COST RECOVERY CLAUSE	(176,600,322)		(27,635,756)	(57,679,265)	(8,207,774)	(21,055,999)				(114,578,794)	(62,021,528)
FRANCHISE FEE REVENUE & EXPENSE	(43,503,556)				(42,384,644)	(283,588)				(42,668,232)	(835,324)
GROSS RECEIPTS TAX REVENUE & ADJUSTMENT	(31,501,649)				(31,023,659)	(121,147)				(31,144,806)	(356,843)
INSTITUTIONAL ADVERTISING EXPENSE			(19,821)			5,024				(14,797)	14,797
ECONOMIC DEVELOPMENT EXPENSE			(78,148)			19,806				(58,342)	58,342
INDUSTRY ASSOCIATION DUES			(1,399)			355				(1,044)	1,044
TALLAHASSEE LIAISON EXPENSES			(309,796)		(23,791)	84,548				(249,039)	249,039
GRT, FPSC FEES ON CLAUSES & FEES					(1,421,403)	360,255				(1,061,148)	1,061,148
(GAIN) / LOSS ON DISPOSITION OF PROPERTY						8,672			(34,218)	(25,546)	25,546
MICHAEL STORM RECOVERY	(40,751,628)			(42,579,326)		463,230				(42,116,096)	1,364,468
INTEREST SYNCHRONIZATION						3,471,428				3,471,428	(3,471,428)
TOTAL FPSC ADJUSTMENTS	(734,483,711)	(442,940,287)	(33,574,017)	(101,625,782)	(83,373,868)	(15,014,084)	0	0	(34,218)	(676,562,255)	(57,921,456)
FPSC ADJUSTED	623,386,788	0	275,408,348	136,848,929	31,140,138	21,742,701	(94,061)	(278,215)	(34,258)	464,733,582	158,653,206
PRO FORMA REVENUE ANNUALIZATION											
TOTAL PRO FORMA ADJUSTMENTS	0	0	0	0	0	0	0	0	0	0	0
PRO FORMA ADJUSTED	623,386,788	0	275,408,348	136,848,929	31,140,138	21,742,701	(94,061)	(278,215)	(34,258)	464,733,582	158,653,206

(a) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY 1,230,035 AND THE JURISDICTIONAL NOI BY 1,204,748



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

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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	(1,833,392,770)	FUEL & IIC FUEL REVENUES AND ECONOMY PROFITS	(453,398,475)	(114,913,843)
ACCUMULATED DEPRECIATION	409,217,626	ENVIRONMENTAL COST RECOVERY CLAUSE REVENUES	(181,216,438)	(45,929,306)
CWIP	(78,661,574)	PURCHASED POWER CAPACITY COST CLAUSE REVENUES	(75,513,218)	(19,138,825)
ENERGY CONSERVATION COST RECOVERY INVESTMENT	(17,494,868)	ENERGY CONSERVATION COST RECOVERY CLAUSE REVENUES	(8,942,878)	(2,266,572)
ACCUMULATED DEPRECIATION	(5,842,594)	FUEL EXPENSE	(460,644,346)	116,750,310
CWIP	0	PURCHASED POWER CAPACITY COST EXPENSE	(79,097,959)	20,047,378
FAS 143 NET PLANT	(82,114,037)	CONSERVATION EXPENSES - DEPRECIATION AND O & M	(6,896,288)	1,747,864
INTEREST BEARING CWIP	(560,249,460)	CONSERVATION EXPENSES - OTHER TAXES	(312,597)	79,228
PHFU - NORTH ESCAMBIA LEASES	(148,349,897)	ENVIRONMENTAL COST RECOVERY EXPENSE	(96,159,865)	24,371,718
		FRANCHISE FEE REVENUES	(43,503,556)	(11,025,976)
		FRANCHISE FEE	(42,384,644)	10,742,388
		GROSS RECEIPTS TAX REVENUES/MICHAEL STORM REVENUES	(72,253,277)	(18,312,593)
		GROSS RECEIPTS TAX EXPENSE	(31,023,659)	7,862,946
WORKING CAPITAL:		MARKETING SUPPORT ACTIVITIES	0	0
ECRC WORKING CAPITAL	(29,605,918)	WHOLESALE EXPENSES	0	0
CONSERVATION/AEM INVENTORY	(902,220)	INSTITUTIONAL ADVERTISING EXPENSE	(20,199)	5,120
TEMPORARY CASH INVESTMENT	(26,123,077)	ECONOMIC DEVELOPMENT EXPENSE	(78,149)	19,807
LOANS TO EMPLOYEES AND RETIREES	(9,326)	MICHAEL STORM RECOVERY	(42,579,326)	10,791,730
INTEREST & DIVIDENDS RECEIVABLE	(45,125)	DIRECTORS' & OFFICERS' INSURANCE	0	0
NORTH ESCAMBIA SITE	(783,154)	INDUSTRY ASSOCIATION DUES	(1,426)	361
MICHAEL STORM RECOVERY	(127,932,618)	TALLAHASSEE LIAISON EXPENSE	(340,565)	86,316
FUEL RELATED DEFERRED DEBITS	(410,899)	GRT/FPSC FEES ON CLAUSE REV ADJ & FRAN FEES	(1,421,403)	360,255
UNREALIZED LOSS ON FWD CONTRACT LEASES	(39,015)	COMP SALES\TRANS REV\GL SALE GAS\PROV RT REFIN. ESC RE	(77,717)	(19,697)
FAS 143 WORKING CAPITAL	(63,668,889)	GAIN/LOSS ON DISPOSITION OF PROPERTY	(35,200)	8,921
FAS 158 REGULATORY ASSETS	48,390,123	INTEREST SYNCHRONIZATION	3,795,697	3,795,697
FAS 158 REGULATORY LIABILITIES	(41,740,086)			
PPA REGULATORY ASSETS	22,828,152			
PPA REGULATORY LIABILITIES	(7,470,269)			
FAS 133 REGULATORY ASSETS	7,470,269			
FAS 133 REGULATORY LIABILITIES	(5,175,023)			
	5,179,940			

GULF POWER COMPANY  
CAPITAL STRUCTURE  
FPSC ADJUSTED BASIS  
December 2019

SCHEDULE 4

AVERAGE	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE /WEIGHTED COS* (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,607,773,748	1,641,383,031	(541,353,864)	(202,371,887)	897,657,280	33.61	3.66	1.23	3.66	1.23	3.66	1.23
SHORT TERM DEBT	100,538,462	99,945,121	(37,599,207)	0	62,345,914	2.33	2.96	0.07	2.96	0.07	2.96	0.07
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,129,296	33,033,630	(12,427,203)	0	20,606,427	0.77	2.62	0.02	2.62	0.02	2.62	0.02
COMMON EQUITY	1,902,238,701	1,770,620,715	(666,104,894)	0	1,104,515,821	41.36	9.25	3.83	10.25	4.24	11.25	4.65
DEFERRED INCOME TAXES	625,862,495	607,004,989	(228,354,379)	0	378,650,610	14.18						
FASB 109 DEFERRED TAXES	341,011,559	330,736,734	(124,422,670)	0	206,314,064	7.73						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	824,405	799,567	(300,796)	0	498,771	0.02	6.74	0.00	7.30	0.00	7.85	0.00
<b>TOTAL</b>	<b>4,612,378,666</b>	<b>4,483,523,787</b>	<b>(1,610,563,013)</b>	<b>(202,371,887)</b>	<b>2,670,588,887</b>	<b>100.00 %</b>		<b>5.15 %</b>		<b>5.56 %</b>		<b>5.97 %</b>

YEAR-END	ADJUSTMENTS				ADJUSTED RETAIL	RATIO (%)	LOW POINT	MIDPOINT	HIGH POINT			
	SYSTEM PER BOOKS	RETAIL PER BOOKS	PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE /WEIGHTED COS* (%)	COST RATE (%)	WEIGHTED COST (%)	
LONG TERM DEBT	1,876,174,470	2,007,362,845	(765,295,907)	(208,174,525)	1,033,892,413	37.69	3.57	1.35	3.57	1.35	3.57	1.35
SHORT TERM DEBT	392,000,000	270,431,147	(115,029,565)	0	155,401,582	5.67	2.25	0.13	2.25	0.13	2.25	0.13
PREFERENCE STOCK	0	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CUSTOMER DEPOSITS	34,272,617	35,636,111	(15,158,041)	0	20,478,070	0.75	2.19	0.02	2.19	0.02	2.19	0.02
COMMON EQUITY	1,716,093,970	1,683,345,229	(716,021,330)	0	967,323,899	35.26	9.25	3.26	10.25	3.61	11.25	3.97
DEFERRED INCOME TAXES	625,525,398	641,598,298	(272,907,813)	0	368,690,485	13.44						
FASB 109 DEFERRED TAXES	334,123,028	342,708,333	(145,773,114)	0	196,935,219	7.18						
TAX CREDITS - ZERO COST	0	0	0	0	0	0.00						
TAX CREDITS - WEIGHTED COST	682,745	700,290	(297,873)	0	402,417	0.01	6.32	0.00	6.80	0.00	7.28	0.00
<b>TOTAL</b>	<b>4,978,872,228</b>	<b>4,981,782,254</b>	<b>(2,030,483,643)</b>	<b>(208,174,525)</b>	<b>2,743,124,085</b>	<b>100.00 %</b>		<b>4.75 %</b>		<b>5.11 %</b>		<b>5.46 %</b>

GULF POWER COMPANY  
Financial Integrity Indicators  
December 2019

## A. Times Interest Earned with AFUDC

Earnings Before Interest	240,075,997
AFUDC - Debt	(2,675,974)
Income Taxes	41,013,053
	<hr/>
Total	278,413,076
Interest Charges (Before Deducting AFUDC - Debt)	52,656,560
	<hr/>
T.I.E. With AFUDC	5.29 x

## B. Times Interest Earned without AFUDC

Earnings Before Interest	240,075,997
AFUDC - Other	(3,906,009)
Income Taxes	41,013,053
	<hr/>
Total	277,183,041
Interest Charges (Before Deducting AFUDC - Debt)	52,656,560
	<hr/>
T.I.E. Without AFUDC	5.26 x

C. Percent AFUDC To Net Income Available  
for Common Stockholders

AFUDC - Debt	(2,675,974)
X (1 - Income Tax Rate)	0.74655
	<hr/>
Subtotal	(1,997,749)
AFUDC - Other	3,906,009
	<hr/>
Total	1,908,260
	<hr/>
Net Income Available for Common Stockholders	180,321,627
	<hr/>
Percent AFUDC to Available Net Income	1.06%

## D. Percent Internally Generated Funds

Net Income	180,321,627
Preference Dividends	0
Common Dividends	(420,000,000)
AFUDC (Debt & Other)	(5,651,871)
Depreciation & Amortization	244,991,415
Deferred Income Taxes	(135,731)
Investment Tax Credits	0
Other	(293,947,401)
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Total	(294,421,962)
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Construction Expenditures (Excluding AFUDC Other & Debt)	607,538,900
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Percent Internally Generated Funds	-48.46%

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	897,657,280
Short Term Debt	62,345,914
Preference Stock	0
Common Equity	1,104,515,821
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Total	2,064,519,015
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% Long Term Debt To Total	43.48%
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% Short Term Debt To Total	3.02%

G. FPSC Adjusted Average Jurisdictional Return  
On Common Equity

	G. FPSC ADJ.	H. PROFORMA
FPSC Adjusted Average Earned Rate of Return	5.88%	5.88%
Less: Reconciled Average Retail Weighted Cost Rates For:		
Long Term Debt	(1.23)	(1.23)
Short Term Debt	(0.07)	(0.07)
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	(1.32)	(1.32)
	<hr/>	<hr/>
Total	4.56	4.56
Divided by Common Equity Ratio	41.36	41.36
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Jurisdictional Return on Common Equity	11.03%	11.03%

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

**Supplemental 1**

<u>Month</u>	<u>Year</u>	<u>\$</u>
January	2019	0
February	2019	0
March	2019	291,663
April	2019	291,667
May	2019	291,667
June	2019	291,667
July	2019	291,667
August	2019	291,667
September	2019	291,667
October	2019	875,001
November	2019	291,667
<b>December</b>	<b>2019</b>	<b>291,667</b>
<b>12 - M-T-D</b>		<b><u><u>3,500,000</u></u></b>

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**GULF POWER COMPANY**

**DOCKET NO. 990315-EI**

**RTP QUARTERLY REPORT**

**Eighty First Quarterly Report**

**Report Period: Fourth Quarter, 2019**

<b>Rate Class</b>	<b>Fourth Quarter Total Revenue</b>	<b>Fourth Quarter Total KWH Sales</b>	<b>Fourth Quarter ¢/KWH</b>	<b>12-Month Rolling Average ¢/KWH</b>
<b>RTP</b>	<b>\$25,201,258.19</b>	<b>317,766,075</b>	<b>7.931</b>	<b>7.825</b>
<b>PX/PXT</b>	<b>-</b>	<b>-</b>	<b>0.000</b>	<b>7.176</b>
<b>LP/LPT</b>	<b>\$17,446,373.63</b>	<b>198,146,647</b>	<b>8.805</b>	<b>8.595</b>

**Notes to Quarterly  
Real Time Pricing Report**

1. There were no changes made to the "M" multipliers during this period.
2. RTP prices vary by hour and by season due to the "M" multipliers. The prices for the LP/LPT and PX/PXT rate classes do not have this variability in pricing. As a result, comparisons between RTP and the other rate classes are meaningful only on an annual basis or a 12-month rolling average basis.

SCHEDULE A

**GULF POWER COMPANY**  
**CALCULATION OF AFUDC RATE**  
 December 2019

CLASS OF CAPITAL	JURISDICTIONAL CAPITAL STRUCTURE	RATIO	COST RATE	WEIGHTED COST RATE
LONG TERM DEBT	897,657,280	33.61%	3.57	1.20
SHORT-TERM DEBT	62,345,914	2.33%	2.96	0.07
PREFERENCE STOCK	0	0.00%	0.00	0.00
CUSTOMER DEPOSITS	20,606,427	0.77%	2.62	0.02
COMMON EQUITY	1,104,515,821	41.36%	10.25	4.24
ITC	498,771	0.02%		
FASB 109 DIT	206,314,064	7.73%		
DEFERRED TAXES	378,650,610	14.18%		
<b>TOTAL</b>	<b>2,670,588,887</b>	<b>100.00%</b>		<b>5.53 %</b>

AFUDC Rate Currently Authorized per order: PSC-14-0175-PAA-EI

5.73 %

**GULF POWER COMPANY**  
**13 MONTH AVERAGE CAPITAL STRUCTURE**  
December 2019

CLASS OF CAPITAL	PER BOOK BALANCES	NON UTILITY ADJUSTMENT	SCHERER ADJUSTMENT	DIVIDENDS DECLARED	COMMON EQUITY RATIO ADJUSTMENT	RATE BASE ADJUSTMENTS	ADJUSTED CAPITAL STRUCTURE	JURISDICTIONAL FACTOR	JURISDICTIONAL CAPITAL STRUCTURE
LONG TERM DEBT	1,403,138,653	-	-	-	80,577,500	(587,884,951)	895,831,202	1.0020384	897,657,281
SHORT-TERM DEBT	100,538,462	-	-	-	2,922,500	(41,241,877)	62,219,085	1.0020384	62,345,914
PREFERENCE STOCK	-	-	-	-	-	-	-	1.0020384	-
CUSTOMER DEPOSITS	34,129,296	-	-	-	-	(13,522,869)	20,606,427	1.0000000	20,606,427
COMMON EQUITY	1,902,238,701	6,888,964	-	-	(83,500,000)	(723,358,730)	1,102,268,935	1.0020384	1,104,515,821
ITC - ZERO COST	-	-	-	-	-	-	-	1.0020384	-
ITC - WEIGHTED COST	824,405	-	-	-	-	(326,649)	497,756	1.0020384	498,771
FASB 109 DIT	341,011,559	-	-	-	-	(135,117,194)	205,894,365	1.0020384	206,314,064
DEFERRED TAXES	625,862,495	-	-	-	-	(247,982,164)	377,880,331	1.0020384	378,650,610
<b>TOTAL</b>	<b>4,407,743,571</b>	<b>6,888,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,749,434,434)</b>	<b>2,665,198,101</b>		<b>2,670,588,887</b>

\*In compliance with Gulf's 2017 comprehensive settlement agreement approved by the Florida Public Service Commission (FPSC) as evidenced by its order No. PSC-2017-0178-S-EI, and the subsequent approval by the FPSC of Gulf's 2018 settlement agreement as evidenced by its order No. PSC-2018-0180-FOF-EI, Gulf will be deemed to have an equity ratio not greater than 53.5% for all retail regulatory purposes including earnings surveillance reporting. This adjustment fulfills the requirements of paragraph 3(b) of the above-referenced 2017 settlement agreement and the subsequent amendment to paragraph 3(b) as provided for in the 2018 settlement agreement.