



Gulf Power®

August 16, 2021

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:

Enclosed is Gulf Power Company's Jurisdictional Rate of Return Report for the month of June 2021.

Sincerely,

Mark Campbell
Director, Financial Forecasting

md

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

GULF POWER COMPANY
EARNINGS SURVEILLANCE REPORT SUMMARY
JUNE, 2021

SCHEDULE 1: PAGE 1 OF 1

	ACTUAL PER BOOKS	FPSC ADJUSTMENTS	FPSC ADJUSTED	PRO FORMA ADJUSTMENTS	PRO FORMA ADJUSTED
<u>I. AVERAGE RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 305,243,371 (A)	(119,218,099) (B)	186,025,273	0	\$ 186,025,273
RATE BASE	\$ 5,748,537,237	(2,560,100,998)	3,188,436,239	0	\$ 3,188,436,239
AVERAGE RATE OF RETURN	5.31%		5.83%		5.83%
<u>II. YEAR END RATE OF RETURN (JURISDICTIONAL)</u>					
NET OPERATING INCOME	\$ 305,243,371 (A)	(119,351,604) (B)	185,891,768	0	\$ 185,891,768
RATE BASE	\$ 5,693,978,814	(2,397,388,096)	3,296,590,718	0	\$ 3,296,590,718
YEAR END RATE OF RETURN	5.36%		5.64%		5.64%

(A) INCLUDES AFUDC EARNINGS (B) INCLUDES REVERSAL OF AFUDC EARNINGS

III. REQUIRED RATES OF RETURN AVERAGE CAPITAL STRUCTURE (FPSC ADJUSTED BASIS)

LOW	5.32%
MIDPOINT	5.81%
HIGH	6.30%

IV. FINANCIAL INTEGRITY INDICATORS

A. TIMES INTEREST EARNED WITH AFUDC	8.59 (SYSTEM PER BOOKS BASIS)
B. TIMES INTEREST EARNED WITHOUT AFUDC	7.54 (SYSTEM PER BOOKS BASIS)
C. AFUDC AS PERCENT OF NET INCOME	16.35% (SYSTEM PER BOOKS BASIS)
D. PERCENT OF CONSTRUCTION GENERATED INTERNALLY	63.35% (SYSTEM PER BOOKS BASIS)
E. LTD TO TOTAL INVESTOR FUNDS	33.45% (FPSC ADJUSTED BASIS)
F. STD TO TOTAL INVESTOR FUNDS	6.14% (FPSC ADJUSTED BASIS)
G. RETURN ON COMMON EQUITY (AVERAGE)	10.30% (FPSC ADJUSTED)
H. RETURN ON COMMON EQUITY	10.30% (PROFORMA ADJUSTED)

NOTE: THIS REPORT HAS BEEN PREPARED USING A THIRTEEN MONTH AVERAGE AND END OF PERIOD RATE BASE AND ADJUSTMENTS CONSISTENT WITH DOCKET NO. 160021-EI, ORDER NO. PSC-16-0560-AS-EI. THIS REPORT DOES NOT NECESSARILY REPRESENT THE OPINION OF THE COMPANY AS TO THE ACTUAL EARNED RATE OF RETURN FOR THE PERIOD COVERED.

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, O.P.S. 775.094.

MARK CAMPBELL

DIRECTOR FINANCIAL FORECASTING

(SIGNATURE)

8/12/21

(DATE)

GULF POWER COMPANY
 AVERAGE RATE OF RETURN
 RATE BASE
 JUNE, 2021

SCHEDULE 2: PAGE 1 OF 3

	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	\$ 5,808,924,865	1,714,307,061	4,094,617,804	13,841,252	1,055,378,637	0	5,163,837,692	688,277,715	\$ 5,832,115,407
JURISDICTIONAL PER BOOKS	\$ 5,724,500,974	1,665,037,832	4,059,463,143	13,454,818	1,031,720,693	0	5,104,638,654	643,898,583	\$ 5,748,537,237
FPSC ADJUSTMENTS (SEE SCHEDULE 2, PAGE 3 OF 3 AND SCHEDULE 2, PAGE 3B OF 3)	\$ (1,638,743,211)	(284,814,107)	(1,253,929,104)	(11,997,722)	(909,002,801)	0	(2,174,929,627)	(385,171,371)	\$ (2,560,100,998)
FPSC ADJUSTED:	\$ 4,185,757,763	1,380,223,725	2,805,534,039	1,457,096	122,717,892	0	2,929,709,026	258,727,212	\$ 3,188,436,239
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 4,185,757,763	1,380,223,725	2,805,534,039	1,457,096	122,717,892	0	2,929,709,026	258,727,212	\$ 3,188,436,239
PRO FORMA ADJUSTED									

NOTE:
 THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL OF THE PROFORMA ADJUSTMENTS THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
INCOME STATEMENT
JUNE, 2021

SCHEDULE 2: PAGE 2 OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,432,487,832	480,886,352	222,408,991	280,515,805	115,917,544	(20,475,692)	93,205,650	(587,746)	(23,228)	1,170,937,656	\$ 261,550,176
JURISDICTIONAL PER BOOKS	\$ 1,420,847,664	479,083,681	218,640,536	277,493,413	114,612,815	(20,332,739)	92,573,123	(586,909)	(23,228)	1,161,462,691	\$ 259,384,973
FFSC ADJUSTMENTS	\$ (45,526,526)	0	(32,779)	0	(1,138,163)	(10,876,796)	0	0	0	(12,047,739)	\$ (33,478,787)
FRANCHISE REVENUE	0	0	0	0	(44,373,345)	10,881,192	0	0	0	(33,492,194)	\$ 33,492,194
FRANCHISE EXPENSE	0	0	0	0	(31,894,437)	(177,047)	0	0	0	(32,061,484)	\$ (944,951)
GROSS RECEIPTS TAX	(32,606,434)	0	(35,249)	0	0	8,644	0	0	0	(26,605)	26,605
FINANCIAL PLANNING SERVICES	0	0	(45,249)	0	0	0	0	0	0	(45,249)	34,224
ECONOMIC DEVELOPMENT 5%	0	0	(251,048)	0	0	11,119	0	0	0	(239,929)	1,681,379
FUEL COST REC RETAIL	(401,464,680)	(403,475,932)	(4,347,751)	0	0	5,684,760	(5,103,852)	0	0	(403,146,070)	(1,207,785)
CONSERVATION COST RECOVERY	(7,635,271)	0	(4,347,751)	(1,416,507)	(245,953)	160,975	(578,250)	0	0	(7,981,473)	(16,206)
CAPACITY COST RECOVERY	(79,830,285)	(71,029,587)	(8,797,158)	0	0	(404,051)	416,717	0	0	(79,814,073)	(71,975,668)
ENVIRONMENTAL COST RECOVERY	(167,374,521)	0	(20,638,177)	(44,496,009)	(6,915,866)	(24,163,911)	815,083	0	27	(95,388,653)	(348,499)
STORM PROTECTION COST RECOVERY	(500,011)	0	(11,410)	(43,777)	(244)	(494,412)	398,330	0	0	(75,481,515)	67
STORM DEFICIENCY RECOVERY	(75,481,449)	0	0	(75,481,538)	0	22	(3,587,312)	0	0	1,008,989	(1,008,989)
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,586,302	0	0	0	13,284	(13,284)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(4,316)	0	0	17,627	(737,059,486)	(73,359,700)
TOTAL FFSC ADJUSTMENTS	\$ (810,419,187)	(474,503,519)	(34,158,913)	(121,437,830)	(84,568,008)	(14,777,560)	(7,639,284)	0	17,627	(737,059,486)	\$ (73,359,700)
FFSC ADJUSTED	\$ 610,428,476	4,580,162	184,481,623	156,055,582	30,054,806	(35,110,299)	84,933,839	(586,909)	(5,601)	424,403,203	\$ 186,025,273
PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 610,428,476	4,580,162	184,481,623	156,055,582	30,054,806	(35,110,299)	84,933,839	(586,909)	(5,601)	424,403,203	\$ 186,025,273
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY	\$ 46,666,452										
(B) ECONOMIC DEVELOPMENT COSTS RELATED TO THE PERIOD ARE:	\$ 925,035										
ON A TOTAL COMPANY BASIS	\$ 906,860										
ON A JURISDICTIONAL BASIS	\$ 139,911,325										
CURRENT MONTH AMOUNT	\$ 138,846,447	46,455,782	19,322,099	25,711,746	10,325,516	8,709,344	(412,536)	(37,597)	(4,240)	109,070,114	\$ 30,841,211
SYSTEM PER BOOKS	\$ 138,846,447	46,331,729	17,992,927	25,451,298	10,260,986	8,650,650	(402,049)	(38,915)	(4,240)	109,244,386	\$ 30,602,061
JURISDICTIONAL PER BOOKS											

NOTES:

THE PRO FORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PRO FORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
JUNE, 2021

SCHEDULE 2: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,238,112,538	\$ 1,233,937,497
STORM PROTECTION	1,193,467	1,168,184
LOAD CONTROL	17,924,170	17,924,170
ASSET RETIREMENT OBLIGATION	66,293,776	65,240,156
CAPITAL LEASES	224,543,985	220,473,205
TOTAL	<u>\$ 1,548,067,937</u>	<u>\$ 1,538,743,211</u>
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (162,722,147)	\$ (162,173,432)
STORM PROTECTION	(7,672)	(7,510)
ASSET RETIREMENT OBLIGATION	(16,173,178)	(15,916,134)
LOAD CONTROL	4,993,179	4,993,179
CAPITAL LEASES	(114,546,026)	(111,710,210)
TOTAL	<u>\$ (288,455,845)</u>	<u>\$ (284,814,107)</u>
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,342,307	11,997,722
TOTAL	<u>\$ 12,342,307</u>	<u>\$ 11,997,722</u>
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 820,678,950	\$ 799,605,825
CWIP - CLAUSE PROJECTS	109,878,830	109,396,976
TOTAL	<u>\$ 930,557,780</u>	<u>\$ 909,002,801</u>
WORKING CAPITAL:	\$ 386,910,400	\$ 385,171,371
(SEE SCHEDULE 2, PAGE 3B OF 3)		
TOTAL ADJUSTMENTS	<u>\$ 2,589,422,579</u>	<u>\$ 2,560,100,998</u>

NOTES:

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JUNE, 2021

SCHEDULE 2: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,432,487,832	480,586,382	222,408,981	280,515,805	115,317,544	(20,475,682)	83,205,630	(597,746)	(23,228)	1,170,937,656	\$ 261,550,176
FPSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,526,526)	0	(32,778)	0	(1,138,163)	(11,056,523)	0	0	0	(12,227,465)	\$ (33,299,061)
FRANCHISE EXPENSE	0	0	0	0	(44,373,345)	10,911,602	0	0	0	(33,461,743)	33,461,743
GROSS RECEIPTS TAX	(32,606,434)	0	0	0	(31,884,437)	(27,891)	0	0	0	(31,912,317)	(94,117)
FINANCIAL PLANNING SERVICES	0	0	(35,955)	0	0	8,839	0	0	0	(27,116)	27,116
ECONOMIC DEVELOPMENT 5%	0	0	(46,252)	0	0	11,384	0	0	0	(34,868)	34,868
FUEL COST RECOVERY	(401,627,860)	(402,876,302)	(251,046)	0	(914,164)	(514,164)	725,309	0	0	(403,016,203)	1,366,344
CONSERVATION COST RECOVERY	(7,635,271)	0	(4,347,751)	(1,415,507)	(245,553)	181,536	(578,250)	0	0	(6,426,925)	(1,208,346)
CAPACITY COST RECOVERY	(79,831,445)	(72,940,530)	(9,029,010)	0	0	112,514	416,717	0	0	(81,440,310)	1,608,865
ENVIRONMENTAL COST RECOVERY	(167,374,521)	0	(20,707,898)	(44,646,561)	(6,939,268)	(24,118,973)	815,083	0	27	(85,587,289)	(71,777,232)
STORM DEFICIENCY RECOVERY	(75,481,449)	0	0	(75,481,538)	0	22	0	0	0	(75,481,516)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,693,337	(3,653,548)	0	0	1,029,789	(1,029,789)
(GAIN)LOSS ON DISPOSITION OF PROPERTY	0	0	(11,672)	(44,724)	(244)	0	0	0	17,600	17,600	(17,600)
STORM PROTECTION PLAN COST RECOVERY	(810,893,516)	(475,916,832)	(34,451,963)	(121,589,330)	(84,581,408)	(20,333,880)	(1,876,359)	0	17,627	(738,742,146)	(71,841,370)
TOTAL FPSC ADJUSTMENTS	\$ (810,893,516)	(475,916,832)	(34,451,963)	(121,589,330)	(84,581,408)	(20,333,880)	(1,876,359)	0	17,627	(738,742,146)	(71,841,370)
FPSC ADJUSTED	\$ 621,594,316	4,669,520	187,947,028	158,926,474	30,736,136	(40,809,572)	91,329,271	(597,746)	(5,601)	432,195,510	\$ 189,708,806

PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	0	0	0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 621,594,316	4,669,520	187,947,028	158,926,474	30,736,136	(40,809,572)	91,329,271	(597,746)	(5,601)	432,195,510	\$ 189,708,806

(A) THE ADDITION OF EARNINGS FROM AFJDC WOULD INCREASE THE SYSTEM NOI BY \$ 46,666,452

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
AVERAGE RATE OF RETURN
SYSTEM ADJUSTMENTS
JUNE, 2021

SCHEDULE 2: PAGE 3B OF 3

WORKING CAPITAL ADJUSTMENTS	SYSTEM	JURISDICTIONAL
ADJUSTMENTS TO ASSETS PER BOOKS:		
ACCOUNTS RECEIVABLE - ASSOC COS	21,982,099	21,601,468
ASSET RETIREMENT OBLIGATION	86,518,908	85,143,846
INTEREST & DIVIDENDS RECEIVABLE	654	643
NET UNDERRECOVERED FUEL, CAPACITY,ECCR, ECRC	6,456,698	6,456,698
POLE ATTACHMENTS RENTS RECEIVABLE	1,209,137	1,188,200
PREPAYMENTS - INTEREST ON COMMERCIAL PAPER	1,385,115	1,374,325
TEMPORARY CASH INVESTMENTS	6,092,308	5,986,816
STORM DEFICIENCY RECOVERY	295,994,432	0
JOBGING ACCOUNTS	1,251,591	1,229,919
OTH REG ASSETS - CLAUSES	194,777,367	194,122,476
MISC. DEFERRED DEBIT - CLAUSES	31,317	31,354
EMPLOYEE LOAN RECEIVABLES	4,052	3,982
OPERATING LEASES	45,034,092	44,217,665
UNREALIZED LOSS ON FWD CONTRACT	38,963	38,288
FAS 158 PENSION	1,193,953	1,174,975
TOTAL ADJUSTMENTS TO ASSETS PER BOOKS	\$ 661,970,685	\$ 362,570,654
ADJUSTMENTS TO LIABILITIES PER BOOKS:		
ACCUM DEFERRED RETIREMENT BENEFITS	(11,725,163)	(11,522,136)
ACCUM. PROV. - PROPERTY & STORM INSURANCE	(1,448,182)	293,766,442
GAIN ON SALE OF EMISSION ALLOWANCE	(134)	(133)
JOBGING ACCOUNTS	(249,247)	(249,247)
STORM DEFICIENCY RECOVERY	(100,076,468)	(100,076,468)
ASSET RETIREMENT OBLIGATION	(136,653,108)	(134,481,253)
DEFERRED TRANSMISSION CREDIT	(9,947,349)	(9,947,349)
OTHER REG LIAB - CLAUSES	(14,937,197)	(14,889,138)
TOTAL ADJUSTMENTS TO LIABILITIES PER BOOKS	\$ (275,060,285)	\$ 22,600,717
NET ADJUSTMENTS TO WORKING CAPITAL PER BOOKS	\$ 386,910,400	\$ 385,171,371

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
INCOME STATEMENT
JUNE, 2021

SCHEDULE 3, PAGE 2 OF 3

	OPERATING REVENUES	NET INTERCHANGE	OPERATION & MAINTENANCE FUEL & OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	CURRENT INCOME TAXES	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,432,487,832	480,568,352	222,408,991	280,515,805	115,317,544	(20,475,652)	93,205,630	(597,745)	(23,228)	1,170,937,656	\$ 261,550,176
JURISDICTIONAL PER BOOKS	\$ 1,420,847,664	479,065,681	218,640,536	277,493,413	114,612,815	(20,332,739)	92,573,123	(596,909)	(23,228)	1,161,462,691	\$ 259,384,973
FFSC ADJUSTMENTS	\$ (45,526,526)	0	(32,779)	0	(1,138,163)	(10,876,796)	0	0	0	(12,047,739)	\$ (33,478,787)
FRANCHISE REVENUE	0	0	0	0	(44,373,345)	10,881,152	0	0	0	(33,492,194)	\$ 33,492,194
FRANCHISE EXPENSE	(32,806,494)	0	0	0	(31,894,437)	(177,047)	0	0	0	(32,061,484)	\$ (64,851)
GROSS RECEIPTS TAX	0	0	(35,249)	0	0	8,644	0	0	0	(26,605)	\$ 26,605
FINANCIAL PLANNING SERVICES	0	0	(45,343)	0	0	11,119	0	0	0	(34,224)	\$ 34,224
ECONOMIC DEVELOPMENT 5%	0	0	(251,046)	0	0	5,684,750	(5,103,852)	0	0	(403,146,070)	\$ 1,681,379
FUEL COST REC RETAIL	(401,464,690)	(403,475,932)	(4,347,751)	(1,416,507)	(245,953)	160,975	(578,550)	0	0	(6,427,466)	\$ (1,207,765)
CONSERVATION COST RECOVERY	(7,535,271)	0	(4,347,751)	0	(245,953)	160,975	(578,550)	0	0	(79,814,079)	\$ (16,206)
CAPACITY COST RECOVERY	(79,830,295)	(71,029,587)	(8,197,188)	(44,496,009)	(6,915,866)	(406,051)	416,777	0	27	(95,396,853)	\$ (7,197,666)
ENVIRONMENTAL COST RECOVERY	(167,374,521)	0	(20,638,177)	(44,496,009)	(6,915,866)	(24,163,911)	815,083	0	0	(75,481,516)	\$ (1,142,495)
STORM DEFICIENCY RECOVERY	(75,481,449)	0	0	(75,481,538)	0	22	0	0	0	1,142,495	\$ 67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,729,807	(3,587,312)	0	0	13,284	\$ (1,142,495)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	(4,316)	0	0	17,600	(151,513)	\$ (348,499)
STORM PROTECTION PLAN COST RECOVERY	(500,011)	0	(11,410)	(45,777)	(244)	(494,412)	398,330	0	0	(151,513)	\$ (348,499)
TOTAL FFSC ADJUSTMENTS	\$ (810,419,187)	(474,505,519)	(34,158,913)	(121,437,830)	(84,558,008)	(14,644,055)	(7,539,284)	0	17,627	(736,925,982)	\$ (73,493,205)
FFSC ADJUSTED	\$ 610,428,476	4,580,162	184,481,623	156,055,582	30,054,806	(34,976,794)	84,933,839	(586,909)	(5,601)	424,536,709	\$ 185,891,768

PRO FORMA ADJUSTMENTS	\$ 0	0	0	0	0	0	0	0	0	0	\$ 0
TOTAL PRO FORMA ADJUSTMENTS:	\$ 610,428,476	4,580,162	184,481,623	156,055,582	30,054,806	(34,976,794)	84,933,839	(586,909)	(5,601)	424,536,709	\$ 185,891,768

(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY AND THE JURISDICTIONAL NOI BY

NOTES:

THE PROFORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PROFORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
JUNE, 2021

SCHEDULE 3: PAGE 3 OF 3

RATE BASE ADJUSTMENTS	SYSTEM	JURISDICTIONAL
PLANT IN SERVICE:		
ENVIRONMENTAL	\$ 1,064,259,729	\$ 1,060,670,937
LOAD CONTROL	18,129,378	18,129,378
ASSET RETIREMENT OBLIGATION	64,725,951	63,697,249
CAPITAL LEASES	241,243,898	236,870,363
STORM PROTECTION	6,019,570	5,892,046
TOTAL	\$ 1,394,378,527	\$ 1,385,259,973
ACCUMULATED PROVISION FOR DEPRECIATION:		
ENVIRONMENTAL	\$ (262,263,110)	\$ (261,378,733)
ASSET RETIREMENT OBLIGATION	(26,270,974)	(25,853,444)
LOAD CONTROL	4,494,784	4,494,784
CAPITAL LEASES	(144,555,237)	(140,976,483)
STORM PROTECTION	(44,724)	(43,777)
TOTAL	\$ (428,639,261)	\$ (423,757,652)
PROPERTY HELD FOR FUTURE USE:		
FUTURE USE PLANT - NORTH ESCAMBIA	12,325,016	11,980,913
TOTAL	\$ 12,325,016	\$ 11,980,913
CONSTRUCTION WORK IN PROGRESS:		
CONSTRUCTION WORK IN PROGRESS	\$ 927,697,520	\$ 904,058,254
CWIP - CLAUSE PROJECTS	135,595,006	134,675,238
TOTAL	\$ 1,063,292,526	\$ 1,038,733,491
WORKING CAPITAL:		
(SEE SCHEDULE 2, PAGE 3B OF 3)	\$ 386,910,400	\$ 385,171,371
TOTAL ADJUSTMENTS	\$ 2,428,267,207	\$ 2,397,388,096

NOTES:

GULF POWER COMPANY
YEAR END RATE OF RETURN
SYSTEM ADJUSTMENTS
INCOME STATEMENT
JUNE, 2021

SCHEDULE 3: PAGE 3A OF 3

	OPERATING REVENUES	OPERATION & MAINTENANCE FUEL & NET INTERCHANGE	OTHER	DEPRECIATION & AMORTIZATION	TAXES OTHER THAN INCOME	INCOME TAXES CURRENT	DEFERRED INCOME TAXES (NET)	INVESTMENT TAX CREDIT (NET)	(GAIN)/LOSS ON DISPOSITION	TOTAL OPERATING EXPENSES	NET OPERATING INCOME (A)
SYSTEM PER BOOKS	\$ 1,432,487,832	480,586,932	222,408,981	280,515,895	115,317,544	(20,475,692)	93,205,630	(597,746)	(23,228)	1,170,937,655	\$ 261,550,176
FFSC ADJUSTMENTS											
FRANCHISE REVENUE	\$ (45,526,526)	0	(32,779)	0	(1,138,163)	(11,056,523)	0	0	0	(12,227,465)	\$ (32,299,061)
FRANCHISE EXPENSE	0	0	0	0	(44,373,346)	10,911,602	0	0	0	(33,461,743)	33,461,743
GROSS RECEIPTS TAX	(32,605,434)	0	0	0	(31,884,437)	(27,881)	0	0	0	(31,912,317)	(694,117)
FINANCIAL PLANNING SERVICES	0	0	(35,955)	0	0	8,839	0	0	0	(27,116)	27,116
ECONOMIC DEVELOPMENT 5%	0	0	(46,252)	0	0	11,364	0	0	0	(34,888)	34,888
FUEL COST REC RETAIL	(401,627,860)	(402,976,302)	(251,046)	0	0	(514,164)	725,309	0	0	(403,016,203)	1,388,344
CONSERVATION COST RECOVERY	(7,635,271)	0	(4,347,751)	(1,416,507)	(245,953)	164,536	(578,250)	0	0	(6,426,825)	(1,208,346)
CAPACITY COST RECOVERY	(79,891,445)	(72,940,500)	(9,023,010)	0	0	112,514	416,717	0	0	(81,440,310)	1,608,865
ENVIRONMENTAL COST RECOVERY	(167,374,521)	0	(20,707,599)	(44,646,561)	(6,939,266)	(24,118,973)	815,083	0	27	(95,597,289)	(71,777,232)
STORM DEFICIENCY RECOVERY	(75,481,449)	0	0	(75,481,538)	0	22	0	0	0	(75,481,516)	67
INTEREST SYNCHRONIZATION	0	0	0	0	0	4,902,487	(3,653,548)	0	0	1,248,939	(1,248,939)
(GAIN) / LOSS ON DISPOSITION OF PROPERTY	0	0	0	0	0	0	0	0	17,600	(17,600)	(17,600)
STORM PROTECTION PLAN COST RECOVERY	(500,011)	0	(11,572)	(44,724)	(244)	(505,553)	388,330	0	0	(163,763)	(336,249)
TOTAL FFSC ADJUSTMENTS	\$ (810,583,516)	(475,916,832)	(34,461,963)	(121,589,330)	(84,581,408)	(20,114,729)	(1,876,359)	0	17,627	(738,522,896)	\$ (72,060,521)
FFSC ADJUSTED	\$ 621,904,316	4,669,520	187,947,028	158,926,474	30,736,136	(40,590,421)	91,329,271	(597,746)	(5,601)	432,414,660	\$ 189,489,656
PRO FORMA 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 SYSTEM PER BOOKS ADJUSTED	\$ 621,904,316	4,669,520	187,947,028	158,926,474	30,736,136	(40,590,421)	91,329,271	(597,746)	(5,601)	432,414,660	\$ 189,489,656
(A) THE ADDITION OF EARNINGS FROM AFUDC WOULD INCREASE THE SYSTEM NOI BY	\$ 46,666,452										

NOTES:

THE PRO FORMA ADJUSTMENTS ARE NOT NECESSARILY ALL THE PRO FORMA THAT WOULD BE MADE IN A BASE RATE FILING.

GULF POWER COMPANY
CAPITAL STRUCTURE
FPSC ADJUSTED BASIS
JUNE, 2021

SCHEDULE 4; PAGE 1 OF 2

AVERAGE	SYSTEM PER BOOKS	RETAIL PER BOOKS	ADJUSTMENTS		ADJUSTED RETAIL	RATIO (%)	LOW POINT			MIDPOINT			HIGH POINT		
			PRO RATA	SPECIFIC			COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	COST RATE (%)	WEIGHTED COST (%)	
	1	5	6	7	8	9	10	11	12	13	14	15			
LONG TERM DEBT	\$ 1,692,893,077	\$ 1,668,633,179	\$ (652,795,036)	\$ (154,354,984)	\$ 861,483,159	27.02%	2.52%	0.68%	2.52%	0.68%	2.52%	0.68%			
SHORT TERM DEBT	281,987,767	277,913,844	(119,806,769)	-	158,107,075	4.96%	1.63%	0.08%	1.63%	0.08%	1.63%	0.08%			
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
COMMON EQUITY	2,764,553,704	2,724,470,039	(1,178,788,748)	9,947,349	1,555,628,640	48.79%	9.25%	4.51%	10.25%	5.00%	11.25%	5.49%			
CUSTOMER DEPOSITS	37,358,983	37,450,008	(16,144,444)	-	21,305,564	0.67%	1.95%	0.01%	1.95%	0.01%	1.95%	0.01%			
DEFERRED INCOME TAX	707,696,974	697,467,459	(300,631,709)	367,042	397,002,791	12.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
FAS 109 DEFERRED INCOME TAX	322,665,684	318,023,792	(137,097,895)	-	180,925,897	5.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
INVESTMENT TAX CREDITS	(1) 24,939,216	24,578,915	(10,595,803)	-	13,983,112	0.44%	6.85%	0.03%	7.49%	0.03%	8.14%	0.04%			
TOTAL	\$ 5,832,115,407	\$ 5,748,537,237	\$ (2,416,060,406)	\$ (144,040,592)	\$ 3,188,436,239	100.00%		5.32%		5.81%		6.30%			
LONG TERM DEBT	\$ 1,568,888,035	\$ 1,552,790,536	\$ (574,947,485)	\$ (141,485,870)	\$ 836,357,181	25.37%	2.64%	0.67%	2.64%	0.67%	2.64%	0.67%			
SHORT TERM DEBT	440,310,755	437,703,175	(178,314,680)	-	259,388,495	7.87%	0.64%	0.05%	0.64%	0.05%	0.64%	0.05%			
PREFERRED STOCK	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
COMMON EQUITY	2,668,308,869	2,652,867,143	(1,084,796,594)	9,947,349	1,578,017,888	47.87%	9.25%	4.43%	10.25%	4.91%	11.25%	5.39%			
CUSTOMER DEPOSITS	36,227,299	36,116,216	(14,713,285)	-	21,402,931	0.65%	2.00%	0.01%	2.00%	0.01%	2.00%	0.01%			
DEFERRED INCOME TAX	703,604,662	699,451,117	(285,096,874)	367,042	414,721,184	12.58%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
FAS 109 DEFERRED INCOME TAX	293,724,604	291,985,127	(118,951,009)	0	173,034,118	5.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%			
INVESTMENT TAX CREDITS	(1) 23,202,911	23,065,500	(9,396,590)	-	13,668,910	0.41%	6.96%	0.03%	7.61%	0.03%	8.27%	0.03%			
TOTAL	\$ 5,734,267,135	\$ 5,693,876,814	\$ (2,266,216,817)	\$ (131,171,479)	\$ 3,295,590,718	100.00%		5.19%		5.67%		6.15%			

NOTE:
(1) INVESTMENT TAX CREDITS COST RATES ARE BASED ON THE WEIGHTED AVERAGE COST OF LONG TERM DEBT, PREFERRED STOCK AND COMMON EQUITY.
(2) COLUMNS MAY NOT FOOT DUE TO ROUNDING.

A. TIMES INTEREST EARNED WITH AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 293,754,303
ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	14,415,261
INCOME TAXES	72,447,053
TOTAL	\$ 380,616,618
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 44,315,591
TIMES INTEREST EARNED WITH AFUDC	8.59

B. TIMES INTEREST EARNED WITHOUT AFUDC

EARNINGS BEFORE INTEREST CHARGES	\$ 293,754,303
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	(32,251,190)
INCOME TAXES	72,447,053
TOTAL	\$ 333,950,166
INTEREST CHARGES EXCLUDING DEBT AFUDC	\$ 44,315,591
TIMES INTEREST EARNED WITHOUT AFUDC	7.54

C. PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS

ALLOWANCE FOR BORROWED FUNDS DURING CONSTRUCTION	\$ 14,415,261
X (1 - INCOME TAX RATE)	0.7548
SUBTOTAL	\$ 10,880,377
ALLOWANCE FOR EQUITY FUNDS USED DURING CONSTRUCTION	\$ 32,251,190
TOTAL	\$ 43,131,567
NET INCOME AVAILABLE FOR COMMON	\$ 263,853,974
AFUDC AS PERCENT OF NET INCOME	16.35%

D. PERCENT INTERNALLY GENERATED FUNDS

NET INCOME	\$ 283,853,974
PREFERRED DIVIDENDS DECLARED	0
COMMON DIVIDENDS	(95,000,000)
AFUDC (DEBT & OTHER)	(46,666,452)
DEPRECIATION AND AMORTIZATION EXPENSE	280,515,805
DEFERRED INCOME TAXES	93,172,168
INVESTMENT TAX CREDITS	(597,746)
CLAUSE OVER/UNDER RECOVERY	8,689,805
OTHER	263,125
INTERNALLY GENERATED FUNDS	\$ 504,230,679
CONSTRUCTION EXPENDITURES	\$ 795,954,016
PERCENT INTERNALLY GENERATED FUNDS	63.35%

E. LONG TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

F. SHORT TERM DEBT AS A PERCENT OF TOTAL INVESTOR CAPITAL

AVERAGE RETAIL AMOUNTS	\$ 861,483,159
JURIS ADJUSTED LONG TERM DEBT	168,107,075
JURIS ADJUSTED SHORT TERM DEBT	0
JURIS ADJUSTED PREFERRED STOCK	1,555,628,640
JURIS ADJUSTED COMMON STOCK	2,575,218,874
TOTAL	\$ 5,100,435,748
LTD TO TOTAL INVESTOR FUNDS	33.45%
STD TO TOTAL INVESTOR FUNDS	6.14%

ADJUSTED AVERAGE JURISDICTIONAL RETURN ON COMMON EQUITY

RATE OF RETURN	5.83%	H. PROFORMA	5.83%
LESS: RECONCILED AV.G. RETAIL WEIGHTED COST RATES FOR :			
LONG TERM DEBT	0.68%		0.68%
SHORT TERM DEBT	0.08%		0.08%
PREFERRED STOCK	0.00%		0.00%
CUSTOMER DEPOSITS	0.01%		0.01%
TAX CREDITS - WEIGHTED COST	0.03%		0.03%
SUBTOTAL	0.81%		0.81%
TOTAL	5.03%		5.03%
DIVIDED BY COMMON EQUITY RATIO	48.79%		48.79%
JURISDICTIONAL RETURN ON COMMON EQUITY	10.30%		10.30%

GULF POWER COMPANY
Storm Accrual - Twelve Month to Date
June 2021

Supplemental 1

	<u>Month</u>	<u>Year</u>	<u>\$</u>
July		2020	291,667
August		2020	291,667
September		2020	291,667
October		2020	291,667
November		2020	291,667
December		2020	291,667
January		2021	0
February		2021	583,335
March		2021	291,667
April		2021	291,667
May		2021	291,667
June		2021	291,667
	12 - M-T-D		<u>3,500,000</u>

Order No: 2020-0262-PCO-EI

Line No.		June Activity	Cumulative Balance
1	Incremental Bad Debt Expense	\$ (2,559,849)	\$ 11,841,829
2			
3	Safety Related Costs ⁽¹⁾ :		
4	Testing	\$ 133,549	\$ 1,535,734
5	Personal Protective Equipment	\$ 862	\$ 788,431
6	Temperature Screening	\$ -	\$ 1,021,211
7	Facility Upgrades/Cleaning	\$ 10,894	\$ 594,464
8	Other	\$ -	\$ 26,377
9	Total Safety Related Costs	\$ 145,305	\$ 3,966,217
10			
11	Total COVID-19 Costs	\$ (2,414,543)	\$ 15,808,046
12			
13	Less Savings:		
14	Reduction in Travel and Meal Expenses	\$ (33,743)	\$ (981,468)
15	Reduction in Medical Expenses	\$ -	\$ (1,626,578)
16	Total Savings	\$ (33,743)	\$ (2,608,046)
17			
18	Total Regulatory Asset	\$ (2,448,287)	\$ 13,200,000

Notes

(1) Excludes capital costs.

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GULF POWER COMPANY

DOCKET NO. 990315-EI

RTP QUARTERLY REPORT

Eighty Seventh Quarterly Report

Report Period: Second Quarter, 2021

<u>Rate Class</u>	<u>Second Quarter Total Revenue</u>	<u>Second Quarter Total KWH Sales</u>	<u>Second Quarter ¢/KWH</u>	<u>12-Month Rolling Average ¢/KWH</u>
RTP	\$19,822,336.01	262,615,699	7.548	8.034
PX/PXT	\$0.00	-	0.000	0.000
LP/LPT	\$17,235,892.76	192,651,045	8.947	9.264

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.