

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

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ORIGINAL

RECEIVED-PPSC

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GULF POWER

A SOUTHERN COMPANY

October 18, 2006

Ms. Blanca Bayo, Director
Division of the Commission Clerk and Administrative Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Gulf Power Company's Application for authority to receive common equity contributions and to issue and sell securities. *060692-EU*

The original and one copy of Gulf Power Company's Application for authority to receive common equity contributions and to issue and sell securities, together with exhibits certified where required, are enclosed for official filing with the Commission. As noted in paragraph 3 of the application, the individuals authorized to receive notices and communications in respect to this application are:

Jeffrey A. Stone
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591-2950

Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

Also enclosed is a double sided, high density, 3.5 inch ^{*}disk containing a copy of the application in Microsoft Word format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour

lw ^{*}
DISK FORWARDED TO ECR
Enclosure

cc/enc: Beggs and Lane
J. A. Stone, Esquire

DOCUMENT NUMBER-DATE

09632 OCT 19 06

PPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Gulf Power Company's application)
for authority to issue and sell securities)
and to receive common equity contributions)
_____)

Docket No. 060612 -EU
Filed: October 18, 2006

GULF POWER COMPANY'S APPLICATION FOR AUTHORITY TO ISSUE AND SELL
SECURITIES AND TO RECEIVE COMMON EQUITY CONTRIBUTIONS

Gulf Power Company ("Gulf Power", "Gulf", or "the Company"), pursuant to Chapter 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, hereby files this application for authority to issue and sell securities and to receive common equity contributions during the twelve months ending December 31, 2007. In support of this application, the Company states:

(1) The exact name of the Company and the address of its principal business office is:

Gulf Power Company
500 Bayfront Parkway
One Energy Place
Pensacola, Florida 32520-0780

(2) The Company is a Florida corporation that has had a continuous existence since it was organized under the laws of the State of Maine on November 2, 1925. The Company was admitted to do business in the State of Florida on January 15, 1926; in the State of Mississippi on October 25, 1976; and in the State of Georgia on November 20, 1984. Gulf became a Florida corporation after being domesticated under the laws of the State of Florida on November 2, 2005.

(3) The names and addresses of the persons authorized to receive notices and communications in respect to this application are:

Jeffrey A. Stone
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591-2950

Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

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FPSC-COMMISSION CLERK

(4) Capital Stock and Funded Debt of the Company at June 30, 2006, was:

CAPITAL STOCK

(a) brief description:	Preference Stock \$100 <u>Par Value</u>	Preferred Stock \$10 <u>Par Value</u>	Common Stock Without <u>Par Value</u>	Trust Preferred <u>Securities</u>
(b) Shares authorized:	550,000	10,000,000	992,717	Not Limited
(c) Shares outstanding:				
6.0% Series	550,000			
7.375% Series (1)				1,200,000
Var. Rate Series 2002 (2)				40,000
(d) The amount held as reacquired securities:	None	None	None	None
(e) The amount pledged by applicant:	None	None	None	None
(f) The amount owned by affiliated corporations:	None	None	992,717	None
(g) The amount held in any fund:	None	None	None	None

NOTES:

- (1) Company obligated mandatorily redeemable preferred securities of subsidiary trust holding company junior subordinated notes--\$25 liquidation amount.
- (2) Company obligated mandatorily redeemable preferred securities of subsidiary trust holding company junior subordinated notes--\$1,000 liquidation amount.

FUNDED DEBT

(a) Brief description:	<u>Bank Notes</u> \$	<u>PCB's</u> \$	<u>FMB's</u> \$
(b) Amount authorized:	Not Limited	Not Limited	Not Limited
(c) Amount outstanding (000):			
6-1/2% Series due November 1, 2006			25,000
4.80% Series due 2028		13,000	
Variable Rate Series 2003 due 2023		32,550	
Variable Rate Series 2003 due 2026		29,075	
Variable Rate Series 2002 due 2037		42,000	
Variable Rate Series 1997 due 2022		40,930	
5.60% Sr. Insured Notes due 2033	65,000		
4.35% Sr. Notes due 2013	60,000		
5.25% Sr. Insured Notes due 2033	60,000		
5.75% Sr. Insured Notes due 2033	40,000		
5.875% Sr. Notes due 2044	35,000		
4.90% Sr. Notes due 2014	75,000		
5.65% Sr. Notes due 2035	60,000		
(d) Amount held as reacquired securities:		none	none
(e) Amount pledged:		none	none
(f) Amount owned by affiliated corporations:		none	none
(g) Amount held in any fund:		none	none

(5) Statement of Proposed Transactions:

(a) The Company seeks authority to: receive equity funds from and/or issue common equity securities to the Southern Company ("Gulf's parent company"); issue and sell long-term debt and equity securities; and issue and sell short-term debt securities during the period covered by this application.

The issuance and sale of equity securities and long-term debt may be through either negotiated underwritten public offering, public offering at competitive bidding, agents or dealers, or private sale.

- (1) The common equity funds from Southern may take the form of common equity contributions or the issuance of shares of common stock to Southern.
- (2) The equity securities may take the form of preferred stock or preference stock (with such par values, terms and conditions, and relative rights and preferences as may be permitted by the Company's Restated Articles of Incorporation); trust preferred securities; or options, warrants or rights with respect to the foregoing.
- (3) The long-term debt securities may take the form of first mortgage bonds, debentures, notes, guarantees, or other long-term obligations, pollution control bonds, installment contracts or other obligations securing pollution control bonds, or options, rights, interest rate swaps or other derivative instruments with respect to the foregoing with maturities ranging from one to fifty years and issued in both domestic and international markets.

The Company has established lines of credit with a group of banks under which borrowings may be made by the issuance of unsecured promissory notes. The interest rate on the proposed borrowings will be the interest rate available to the preferred corporate customers of the bank in effect at the time of issuance and may be subject to change, either up or down, at the time the preferred customer rate changes. None of the promissory notes are to be resold by the banks to the public. The Company will reserve the right under the lines of credit to prepay all or any portion of the loans without penalty and to reborrow the amount of any notes so prepaid.

The Company also proposes to issue short-term notes to be sold in the commercial paper market. The notes may have varying maturities not to exceed one year, which maturities may be subject to extension by the Company to a final maturity not to exceed 390 days. The notes will be sold at a discount, plus a commission to the commercial paper dealer, with the aggregate interest cost to the Company expected not to exceed the prime rate in effect at the time of the sale. The Company further proposes that such commercial paper notes may be issued for its benefit by a special purpose affiliate, which would then lend the proceeds to the Company on identical terms. Such loan would be evidenced by the Company's "grid" note issued to the affiliate.

(b) The maximum amount of common equity contributions received from and common equity issued to Southern, the maximum amount of equity securities issued and the maximum principal amount of long-term debt securities issued will total not more than \$400 million. The maximum principal amount of short-term debt at any one time will total not more than \$250 million.

The Statement of Sources of Funds for Gross Property Additions Forecast for the Year Ending December 31, 2007, is included as Exhibit B (1).

The actual capital structure at June 30, 2006, is as follows:

<u>Component</u>	<u>Amount</u>	<u>Ratio</u>
Common Equity	\$623,550,000	42.80%
Preference Stock	53,887,000	3.70%
Trust Preferred Securities	72,166,000	4.95%
Long-Term Debt-Net	569,585,000	39.09%
Short Term Debt	<u>137,775,000</u>	<u>9.46%</u>
TOTAL	<u>\$1,456,963,000</u>	<u>100.00%</u>
Pretax Coverage Ratio (Excluding AFUDC): 3.39		

(c) The present estimate of the dividend rate for the aforementioned equity securities and the interest rate for the aforementioned debt securities, based upon current rates for comparable securities, is as follows:

- (1) The interest rate for comparable A rated 30 year Sr. Notes was 6.50% as of September 30, 2006.
- (2) The dividend rate for comparable BBB+ rated preference stock was 6.00% as of September 30, 2006.
- (3) The prime interest rate, or its equivalent, for JPMorgan Chase Bank, N.A., was 8.25% as of September 30, 2006.
- (4) The interest rate in effect for 90-day direct issue commercial paper as published in the Federal Reserve Statistical Release (Form H.15) was 5.21% as of September 30, 2006.

(d) The actual dividend rate and actual interest rates will be determined by market conditions at the time of the sale of the securities.

(6) Purpose of Issues:

The net proceeds to be received from these additional funds will be added to the Company's general funds and will be used for working capital requirements and for other general business purposes, including the financing of the Company's construction program.

(a) The Company is engaged in a continuous construction program to accommodate existing and estimated future loads of the system. Total construction additions during 2007 are estimated to cost \$276,179,000 and are expected to be apportioned as shown in Exhibit B (2).

At present, none of the planned expenditures require certification of need by this Commission under either the Florida Electrical Power Plant Siting Act or the Transmission Line Siting Act. The construction program referred to herein has been necessitated by the continued growth in the demand for service on the Company's

system and the replacement and improvements required to our existing system. It is manifestly in the public interest for the Company to raise the funds which are required to perform such service.

(b) Included among the purposes of the issues could be the reimbursement of the treasury for expenditures against which securities have not been issued.

(c) The net proceeds received may also be used to repay previously issued short-term unsecured promissory notes and to refund previously issued long-term debt, preferred stock, preference stock, and trust preferred securities. Subject to market conditions, the Company may refund such long-term obligations with new issuances of long-term debt, preferred stock, preference stock, and/or trust preferred securities.

(7) The Company submits that the proposed additional funds are for lawful objects within the corporate purposes of the Company and compatible with the public interest and are reasonably necessary or appropriate for such purposes. The facts relied upon by the Company in support of such allegations are set forth in paragraph (6) hereof.

(8) The name and address of counsel who will pass upon the legality of the proposed issues are:

Beggs & Lane
501 Commendencia Street
P. O. Box 12950
Pensacola, FL 32591-2950

Troutman Sanders
600 Peachtree Street
Suite 5200
Atlanta, GA 30308-2216

(9) The Southern Company, a Delaware Corporation, owns 992,717 shares of the Company's common stock, without par value, representing 100% of the voting stock outstanding. The Southern Company is also the parent company of four other operating companies and certain other companies including: Southern Communications Services; Southern Company Services; Southern Nuclear Operating Company; and Southern Company Energy Solutions.

WHEREFORE, the Company respectfully requests an order authorizing it to issue and sell securities and to receive common equity contributions from Southern during the twelve months ending December 31, 2007.

DATED: October 18, 2006

GULF POWER COMPANY

BY: *Susan D. Ritenour*
Susan D. Ritenour
Secretary and Treasurer

ATTEST:

Terry A. Davis
Terry A. Davis
Assistant Secretary and Assistant Treasurer

STATE OF FLORIDA)
) ss.:
COUNTY OF ESCAMBIA)

Susan D. Ritenour, being duly sworn, deposes and says that she is the Secretary and Treasurer of Gulf Power Company, that she has read the foregoing petition and knows the contents thereof, and that the facts therein are true and correct to the best of her knowledge, information and belief.

Susan D. Ritenour
Susan D. Ritenour

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 18th day of October, 2006, by Susan D. Ritenour of Gulf Power Company, a Florida corporation, on behalf of the corporation. She is personally known to me and did take an oath.

Brame Nye Holsinger
NOTARY PUBLIC



REQUIRED EXHIBITS

- Exhibit A (1) - Balance Sheet of the Company at December 31, 2005 and June 30, 2006.
- Exhibit A (2) - Summary of Utility Plant and Accumulated Provision for Depreciation as of December 31, 2005 and June 30, 2006.
- Exhibit A (3) - Income Statement of the Company for the twelve months ended December 31, 2005 and June 30, 2006.
- Exhibit A (4) - Statement of Retained Earnings of the Company for the twelve months ended December 31, 2005 and June 30, 2006.
- Exhibit A (5) - Contingent Liabilities. None.
- Exhibit B (1) - Statement of Sources and Uses of Funds for the twelve months ended December 31, 2007.
- Exhibit B (2) - Construction Budget for Gross Property Additions.

GULF POWER COMPANY
Balance Sheet
At December 31, 2005 and June 30, 2006
(Thousands of Dollars)

ASSETS AND OTHER DEBITS	<u>Dec-05</u>	<u>Jun-06</u>
UTILITY PLANT		
BEGINNING OF YEAR		
GROSS PLANT - EXCLUDING CWIP	2,365,141	2,496,072
CONSTRUCTION WORK IN PROGRESS	73,242	33,296
TOTAL GROSS PLANT AT BEG YR	<u>2,438,383</u>	<u>2,529,368</u>
ADDED DURING YEAR		
CONSTRUCTION WORK IN PROGRESS	142,583	64,806
RETIREMENTS	(53,451)	(28,585)
ADJUSTMENTS	7	(1,364)
ASSET RETIREMENT OBLIGATIONS	2,101	0
ELECTRIC PLANT ACQUISITION ADJUSTMENT	(255)	(128)
TOTAL GROSS PLANT AT END OF MONTH	<u>2,529,368</u>	<u>2,564,097</u>
ACCUM PROVISION FOR DEPR AND AMORTIZATION	(1,019,654)	(1,035,735)
NET PLANT AT END OF MONTH	<u>1,509,714</u>	<u>1,528,362</u>
OTHER PROPERTY AND INVESTMENTS:		
NONUTILITY PROPERTY	2,559	12,027
ACCUM PROVISION FOR DEPR	(377)	(484)
NET NONUTILITY PROPERTY AT END OF MONTH	<u>2,182</u>	<u>11,543</u>
OTHER INVESTMENTS	1,714	1,757
INVESTMENT IN CAPITAL TRUST	2,172	2,172
TOTAL OTHER PROPERTY AND INVESTMENTS	<u>6,068</u>	<u>15,472</u>
CURRENT AND ACCRUED ASSETS		
CASH	3,513	5,310
SPECIAL DEPOSITS	186	252
WORKING FUNDS	335	337
TEMPORARY CASH INVESTMENTS	0	0
CUSTOMER ACCOUNTS RECEIVABLE	51,378	66,559
OTHER ACCOUNTS RECEIVABLE	48,733	56,113
ACCUM PROV FOR UNCOLL ACCTS - CREDITS	(1,134)	(1,105)
RECEIVABLES FROM ASSOCIATED COMPANIES	25,871	13,371
MATERIALS AND SUPPLIES	77,716	104,962
PREPAYMENTS	61,824	57,427
INTEREST AND DIVIDENDS RECEIVABLE	405	0
ACCRUED UTILITY REVENUE	39,950	50,895
VACATION ACCRUAL	5,662	0
DERIVATIVE INSTRUMENT ASSETS	13,978	2,181
TOTAL CURRENT AND ACCRUED ASSETS	<u>328,417</u>	<u>356,302</u>
DEFERRED DEBITS		
UNAMORTIZED DEBT EXPENSE	6,846	6,698
REGULATORY TAX ASSETS	17,379	16,937
REGULATORY ASSETS	139,113	146,975
PRELIMINARY SURVEY AND INVESTIGATION CHARGES	2,566	3,285
CLEARING ACCOUNTS	6	6
MISCELLANEOUS DEFERRED DEBITS	1,284	4,405
UNAMORT LOSS ON REACQUIRED DEBT	19,433	18,520
DEFERRED INCOME TAXES	56,986	61,583
TOTAL DEFERRED DEBITS	<u>243,613</u>	<u>258,409</u>
TOTAL ASSETS AND OTHER DEBITS	<u>2,087,812</u>	<u>2,158,545</u>

Certified a True Copy.

Susan D. Ritenour

Secretary

GULF POWER COMPANY

GULF POWER COMPANY
BALANCE SHEET
At December 31, 2005 and June 30, 2006
(Thousands of Dollars)

	<u>Dec-05</u>	<u>Jun-06</u>
LIABILITIES AND OTHER CREDITS		
PROPRIETARY CAPITAL:		
COMMON STOCK	38,060	38,060
OTHER PAID-IN CAPITAL:		
PREMIUM ON PREFERRED STOCK	0	0
ADDITIONAL PAID-IN CAPITAL STOCK	400,815	422,935
OTHER COMPREHENSIVE INC-RECLASS TO INCOME	(1,505)	(1,709)
CAPITAL STOCK EXPENSE	(1,109)	(1,113)
UNAPPROPRIATED EARNED SURPLUS	166,279	165,569
TOTAL COMMON EQUITY	602,540	623,742
PREFERRED CAPITAL STOCK	55,000	55,000
- PREFERENCE STOCK 6%	55,000	55,000
TOTAL PREFERRED AND PREFERENCE STOCK ISSUED	55,000	55,000
TOTAL PROPRIETARY CAPITAL	657,540	678,742
LONG-TERM DEBT		
BONDS	25,000	0
POLLUTION CONTROL BONDS	169,630	157,555
OTHER LONG-TERM DEBT	395,000	395,000
AFFILIATE DEBT FOR TRUST PREFERRED	72,166	72,166
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	(8,167)	(7,970)
TOTAL LONG-TERM DEBT	653,629	616,751
OTHER NONCURRENT LIABILITIES:		
ACCUMULATED PROVISION FOR PROPERTY INSURANCE	(43,574)	(41,212)
ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	1,725	1,798
ACCUMULATED PROVISION FOR PENSION AND BENEFITS	39,947	40,498
ACCUMULATED PROVISION FOR RATE REFUNDS	82	0
ACCUMULATED PROVISION FOR ASSET RETIREMENT OBLIGATION	15,298	15,714
TOTAL OTHER NONCURRENT LIABILITIES	13,478	16,798
CURRENT AND ACCRUED LIABILITIES:		
NOTES PAYABLE	89,465	162,775
ACCOUNTS PAYABLE	62,028	40,475
PAYABLE TO ASSOCIATED COMPANIES	38,588	45,898
CUSTOMER DEPOSITS	18,834	20,340
TAXES ACCRUED	15,319	33,658
INTEREST ACCRUED	7,713	7,428
DIVIDENDS DECLARED	403	825
TAX COLLECTIONS PAYABLE	2,177	2,686
MISCELLANEOUS CURRENT & ACCRUED	14,101	11,173
DERIVATIVE INSTRUMENT LIABILITIES	2,452	8,710
TOTAL CURRENT AND ACCRUED LIABILITIES	251,080	333,968
DEFERRED CREDITS		
REGULATORY TAX LIABILITIES	20,627	19,293
REGULATORY LIABILITIES	32,394	31,235
OTHER DEFERRED CREDIT	119,331	126,657
UNAMORTIZED INVESTMENT CREDIT	16,569	15,637
ACCUMULATED DEFERRED INCOME TAXES-ACC. AMORT	3,015	2,833
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPER	247,148	248,146
ACCUMULATED DEFERRED INCOME TAXES-OTHER	73,001	68,485
TOTAL DEFERRED CREDITS	512,085	512,286
TOTAL LIABILITIES AND OTHER CREDITS	2,087,812	2,158,545

Certified a True Copy.

Susan D. Stenover

Secretary

GULF POWER COMPANY

GULF POWER COMPANY
 Summary of Utility Plant and Accumulated Provision for Depreciation
 At December 31, 2005 and June 30, 2006
 (Thousands of Dollars)

	<u>Dec-05</u>	<u>Jun-06</u>
1. Utility Plant - Electric		
Plant in Service	2,311,697	2,466,123
Construction Work in Progress	215,825	98,102
Utility Plant Held for Future Use	0	0
Asset Retirement Obligations	2,101	0
Utility Plant Acquisition Adjustment	<u>(255)</u>	<u>(128)</u>
Total	<u>2,529,368</u>	<u>2,564,097</u>
2. Reserves - Electric		
Accumulated Provision for Depreciation	<u>(1,019,654)</u>	<u>(1,035,735)</u>
Total	<u>1,509,714</u>	<u>1,528,362</u>

Certified a True Copy.

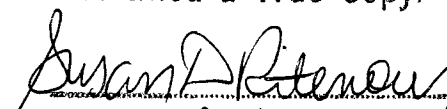
Susan P. Kitenous
 Secretary

GULF POWER COMPANY

GULF POWER COMPANY
INCOME STATEMENT
For the Twelve Months Ended December 31, 2005 and June 30, 2006
(Thousands of Dollars)

	Dec-05	Jun-06
1. Utility Operating Income		
Operating Revenues	1,083,848	1,163,791
Operating Revenue Deductions		
Operation and Maintenance Expenses	764,183	835,820
Depreciation	85,630	87,634
Amortization & Accretion	(628)	(348)
Taxes - Income	76,387	79,792
Taxes - Other	44,171	44,414
Total Operating Revenue Deductions	969,743	1,047,312
Total Utility Operating Income	114,105	116,479
2. Other Income and Deductions		
Allowances for Funds Used During	1,168	167
Other - Net	1,014	1,239
Total Other Income	2,182	1,406
Income Before Interest Charges	116,287	117,885
3. Interest Charges		
Distributions on Preferred Securities	0	0
Interest on Affiliated LTD Trust		
Preferred Securities	4,590	4,590
Interest on Long-Term Debt	29,719	29,398
Amortization of Debt Discount, Premium		
and Expenses - Net	2,963	2,941
Other Interest Charges	3,560	5,268
Allowance for Funds Used During		
Construction - Borrowed Funds	(515)	(73)
Total Interest Charges	40,317	42,124
4. Extraordinary Income		
Extraordinary Income - Net	0	0
Balance Transferred to Retained Earnings	75,970	75,761

Certified a True Copy.


Secretary

GULF POWER COMPANY

GULF POWER COMPANY
Statement of Retained Earnings
For the Twelve Months Ended December 31, 2005 and June 30, 2006
(Thousands of Dollars)

	<u>Dec-05</u>	<u>Jun-06</u>
Retained Earnings - At Beginning of Period	159,431	161,422
Balance Transferred from Income	<u>75,970</u>	<u>75,761</u>
Total Credits	<u>235,401</u>	<u>237,183</u>
Deduct:		
Dividends Declared - Preferred Stock	163	54
Dividends Declared - Preference Stock	403	2,054
Dividends Declared - Common Stock	68,400	69,350
Other	<u>156</u>	<u>156</u>
Total Debits	<u>69,122</u>	<u>71,614</u>
Retained Earnings - At End of Period	<u><u>166,279</u></u>	<u><u>165,569</u></u>

Certified a True Copy.

Susan P. Kitchens
Secretary

GULF POWER COMPANY

GULF POWER COMPANY
Statement of Sources and Uses of Funds
Forecast for the Year Ended December 31, 2007
(Thousands of Dollars)

	Amount
Net Income Before Dividends	87,593
Add (Deduct) Non-Cash Items:	
Depreciation & Amortization (including Fuel Buyouts)	100,587
Deferred Income Tax - Net	(35,675)
Deferred Investment Tax Credits	(1,864)
Allowance for Equity Funds Used During Construction	(3,358)
Subtotal	147,283
Less:	
Dividends on Common Stock	73,800
Dividends on Preference Stock	3,298
Subtotal	70,185
Decrease (Increase) in Net Current Assets (1)	
Cash and Temporary Cash Investments	0
Receivables - Net	(18,432)
Fuel Inventory	4,080
Other Materials and Supplies	(283)
Accrued Unbilled Revenue	(3,542)
Accounts Payable	4,227
Taxes Accrued	5,142
Interest Accrued	142
Other - Net	97,716
Subtotal	89,050
Other - Net (Including Allowance for Equity Funds Used During Construction)	2,743
Total Funds From Internal Sources	161,978
External Sources:	
First Mortgage Bonds	0
First Mortgage Bonds - Retirements	0
Preference Stock and Trust Preferred Securities	0
Preference Stock and Trust Preferred Securities - Retirements	0
Capital Contributions by the Parent Company	86,143
Pollution Control Obligations	0
Pollution Control Obligations - Retirements	0
Other Long-Term Debt	50,000
Other Long-Term Debt - Retirements	0
Interim Indebtedness	(21,942)
Total Funds From External Sources	114,201
GROSS PROPERTY ADDITIONS	276,179

(1) Excluding Notes Payable and Long-Term Debt Due Within One Year

~~Certified a True Copy.~~

Susan O'Ritencour

Secretary

GULF POWER COMPANY

GULF POWER COMPANY
 Construction Budget for Gross Property Additions
 Forecast for the Year Ended December 31, 2007
 (Thousands of Dollars)

	Amount
Generating Facilities	0
Miscellaneous Generating Facilities	
Smith CC - LTSA	10,626
Environmental Cost Recovery Clause-Air Upgrade Smith Unit 1 Precipitator	5,057
Environmental Cost Recovery Clause- Unit 6 & 7 Scrubber	119,588
Environmental - Scherer Baghouse	15,881
Other Miscellaneous Generating Projects	42,957
Total	194,109
 New Business Facilities	 25,819
Transmission Plant Additions	
Miller Bayou 230/115Kv Power Supply	4,200
Trans Line Infrastructure Projects	3,031
115 Kv Static Wire Replacements	1,000
Other Transmission Plant Additions	4,779
Total	13,010
 Distribution Plant Additions	 16,292
 Joint Line and Substation Additions	 4,998
 General Plant Additions	 21,951
 Total Gross Property Additions Projected for 2007	 276,179

Certified a True Copy.

Susan D. Blenau
 Secretary

GULF POWER COMPANY