

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell securities and to receive common equity contributions during 12 months ending December 31, 2019, pursuant to Chapter 25-8, F.A.C., and Section 366.04, F.S., by Gulf Power Company.	DOCKET NO. 20180162-EI ORDER NO. PSC-2018-0542-FOF-EI ISSUED: November 19, 2018
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The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

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

BY THE COMMISSION:

On August 31, 2018, Gulf Power Company (Gulf), pursuant to Chapter 25-8, Florida Administrative Code (F.A.C.), and Section 366.04, Florida Statutes (F.S.), filed an application for 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 twelve months ending December 31, 2019.

Notice of Gulf's application was given in the Florida Administrative Register on October 22, 2018.

Gulf asserts that the issuance and sale of equity securities and long-term debt may be through negotiated underwritten public offering, public offering at competitive bidding, agents or dealers, or private sale. The common equity funds from Southern Company may take the form of common equity contributions or the proceeds from the issuance of shares of common stock to Southern Company. The other 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 Gulf's Restated Articles of Incorporation); or options, warrants or rights with respect to the foregoing. 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.

Gulf has established lines of credit and other credit arrangements with a group of banks and other entities under which borrowings may be made by the issuance of unsecured promissory notes. The interest rate on the proposed borrowings will bear the prevailing market interest rate at the time of issuance and may be subject to change, either up or down. None of the promissory notes are to be resold by the banks or other entities to the public. Gulf will seek to 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.

Gulf 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 Gulf 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 Gulf expected not to exceed the prime rate in effect at the time of the sale. Gulf 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 Gulf on identical terms. Such loan would be evidenced by Gulf's "grid" note issued to the affiliate.

Gulf states that the maximum amount of common equity contributions received from and proceeds from common equity shares issued to Southern Company, the maximum amount of other equity securities issued and the maximum principal amount of long-term debt securities issued under the authority requested in this application will total not more than \$600 million. The maximum principal amount of short-term debt outstanding at any one time under the authority requested in this application will total not more than \$500 million.

Having reviewed the application, it is the finding of this Commission that the transactions described in the application will not impair the ability of Gulf to perform the services of a public utility. These transactions are for such lawful purposes within Gulf's corporate powers and, as such, the application is granted.

Our approval of the proposed issuance of securities by Gulf does not indicate specific approval of any rates, terms, or conditions associated with the issuance. Such matters are properly reserved for review by this Commission within the context of a rate proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application by Gulf Power Company to receive common equity contributions and issue and sell securities pursuant to Section 366.04, Florida Statutes, and Chapter 25-8, Florida Administrative Code, is granted as set forth herein. It is further

ORDERED that Gulf is authorized to receive equity funds from and/ or issue common equity securities to its parent company, Southern Company; issue and sell long-term debt and equity

securities; and issue and sell short-term debt securities during the twelve months ending December 31, 2019. It is further

ORDERED that the amount of common equity contributions received from and issued to Southern Company, the amount of other equity securities issued, and the maximum principal amount of long-term debt securities issued by Gulf shall not total more than \$600 million. It is further

ORDERED that the maximum principal amount of Gulf's short-term debt, at any one time, shall total not more than \$500 million. It is further

ORDERED that Gulf shall file a Consummation Report in accordance with Rule 25 -8.009, F.A.C., within 90 days after the end of any fiscal year in which it issues securities. It is further

ORDERED that this docket shall remain open to monitor the issuance and/or sale of securities until Gulf submits, and Commission staff has reviewed, the Consummation Report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 19th day of November, 2018.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
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Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.