

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Gulf Power Company's application)
for authority to receive common equity) Docket No. 98____-EU
contributions and to issue or sell) Filed: Jan. 15, 1998
securities.)
_____)

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

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 its application for authority to receive common equity contributions and to issue and sell securities during the twelve months ending March 31, 1999. 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 was incorporated 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.

(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 32576-2950

Susan D. Cranmer
Warren E. Tate
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

DOCUMENT NUMBER-DATE

00987 JAN 16 88

FPSG-RECORDS/REPORTING

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):			
5.55% Series due 1998			15,000
5% Series due 1998			30,000
5.2125% Note due 1998	5,754		
6.44% Note due 1998	2,573		
Variable Rate Note due 1999	13,500		
Variable Rate Note due 1999	13,500		
6-1/8% Series due 2003			30,000
5.25% Series due 2006		12,075	•
6-1/2% Series due 2006			25,000
6.20% Series due 2023		13,000	•
5.80% Series due 2023		32,550	•
5.70% Series due 2023		7,875	•
6.30% Series due 2024		22,000	•
6-7/8% Series due 2026			30,000
5-1/2% Series due 2026		21,200	•
Variable Rate Series 1994		20,000	•
Variable Rate Series 1997		40,930	
7.50% Jr. Subordinated Notes	20,000		
(d) Amount held as reacquired securities:		none	none
(e) Amount pledged (000):			128,700
<p>* These First Mortgage Bonds are pledged as collateral for the Pollution Control Bonds. They will only be issued in the event of a default of the provisions of the Pollution Control Bond agreements.</p>			
(f) Amount owned by affiliated corporations:		none	none
(g) Amount held in any fund:		none	none

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 will not be extendable or renewable nor will they contain any other provision for automatic "roll over," either at the option of the holder or at the option of the Company. The notes will be sold at a discount, plus a commission to the commercial paper dealer, with the aggregate interest cost to the Company equaling or approximating the prime rate in effect at the time of the sale.

(b) The maximum amount of common equity contributions received from Southern, the maximum amount of equity securities issued and the maximum principal amount of long-term debt securities issued will total not more than \$300 million. The maximum principal amount of short-term debt at any one time will total not more than \$185 million.

The Statement of Sources of Funds for Gross Property Additions Forecast for the Year Ending December 31, 1998, is included as Exhibit B (1).

(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 1997 are estimated to cost \$68,202,000 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 and preferred stock. Subject to market conditions, the Company may refund such long-term obligations with new issuances of long-term debt and/or preferred stock.

WHEREFORE, the Company respectfully requests an order authorizing it to receive common equity contributions from Southern and to issue and sell securities during the twelve months ending March 31, 1999.

DATED: January 15, 1998

GULF POWER COMPANY

BY: W E Tate
W. E. Tate
Secretary and Treasurer

ATTEST:

L G Malone
L. G. Malone
Assistant Secretary and Assistant Treasurer

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

W. E. Tate, being duly sworn, deposes and says that he is the Secretary and Treasurer of Gulf Power Company, that he has read the foregoing petition and knows the contents thereof, and that the facts therein are true and correct to the best of his knowledge, information and belief.

W E Tate
W. E. Tate

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 15th day of January, 1998, by W. E. Tate of Gulf Power Company, a Maine corporation, on behalf of the corporation. He is personally known to me and did take an oath.



LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 1998
Comm. No: CC 382703

Linda C. Webb
NOTARY PUBLIC

Linda G. Melone

ASST Secretary

GULF POWER COMPANY

GULF POWER COMPANY

Balance Sheet

At November 30, 1997 and December 31, 1996

(Thousands of Dollars)

ASSETS AND OTHER DEBITS	Nov. 30, 1997 \$	Dec. 31, 1996 \$
Utility Plant		
Utility Plant in Service	1,739,467	1,724,201
Construction Work in Progress	34,553	23,465
Utility Plant Held for Future Use	3,935	3,937
Utility Plant Acquisition Adjustment	6,137	6,371
Total Gross Utility Plant	1,784,092	1,757,974
Accumulated Prov. for Depreciation	(734,506)	(694,245)
Net Utility Plant	1,049,586	1,063,729
Other Property and Investments		
Nonutility Property	630	671
Accumulated Prov. for Depreciation	(34)	(53)
Net Nonutility Property	596	618
Other Special Funds	26	34
Total Other Property and Investments	622	652
Current and Accrued Assets		
Cash	857	660
Special Deposits	753	6
Working Funds	177	147
Temporary Cash Investments	27,100	0
Notes Receivable	0	0
Customer Accounts Receivable	47,198	47,555
Other Accounts Receivable	3,299	3,092
Accumulated Prov. for Uncollectible Accounts	(789)	(789)
Receivables from Associated Companies	3,962	1,666
Materials and Supplies	46,511	58,604
Prepayments	11,071	8,833
Interest and Dividends Receivable	66	0
Accrued Utility Revenues	18,351	20,172
Vacation Accrual	4,057	4,055
Coal Contract Buyouts	1,214	3,358
Total Current and Accrued Assets	163,827	147,359
Deferred Debits		
Unamortized Debt Expense	2,425	2,922
Regulatory Tax Assets	28,060	28,313
Regulatory Assets	16,181	38,853
Preliminary Survey & Investigation Charges	1,607	1,607
Clearing Accounts	(34)	(5)
Miscellaneous Deferred Debits	84,371	79,814
Total Deferred Debits	132,610	151,504
Total Assets and Other Debits	1,346,645	1,363,244

*Linda G. Malone*ASST. Secretary
GULF POWER COMPANYGULF POWER COMPANY
Balance SheetAt November 30, 1997 and December 31, 1996
(Thousands of Dollars)Exhibit A (1)
Page 2 of 2

LIABILITIES AND OTHER CREDITS	Nov. 30, 1997 \$	Dec. 31, 1996 \$
Proprietary Capital		
Common Capital Stock	38,060	38,060
Preferred Capital Stock (\$100 par value)	15,102	25,102
Preferred Capital Stock (\$10 par value)	35,000	64,500
Premium on Capital Stock	44	81
Miscellaneous Paid-in Capital	218,438	218,438
Capital Stock Expense	(1,116)	(2,626)
Retained Earnings	179,540	181,805
Total Proprietary Capital	485,068	525,360
Company Obligated Mandatorily Redeemable Preferred Securities of Gulf Power Capital Trust I Holding Company Junior Subordinated Notes		
	40,000	0
Long-Term Debt		
Bonds	130,000	155,000
Other Long-Term Debt	224,957	220,929
Unamortized Premium	0	0
Unamortized Discount	(4,666)	(3,077)
Total Long-Term Debt	350,291	372,852
Other Noncurrent Liabilities		
Accumulated Prov. for Property Insurance	274	(3,275)
Accumulated Prov. for Injuries & Damages	1,413	1,796
Accumulated Prov. for Pensions & Benefits	20,409	18,338
Total Other Noncurrent Liabilities	22,096	16,859
Current and Accrued Liabilities		
Notes Payable	0	25,000
Accounts Payable	17,179	21,693
Payables to Associated Companies	9,951	10,119
Customer Deposits	13,841	13,464
Taxes Accrued	27,727	4,886
Interest Accrued	8,724	7,630
Dividends Declared	14,819	11,452
Tax Collections Payable	782	803
Misc. Current and Accrued Liabilities	20,328	7,928
Total Current And Accrued Liabilities	113,351	102,975
Deferred Credits		
Regulatory Tax Liabilities	61,094	64,354
Regulatory Liabilities	5,859	6,264
Unamortized Investment Tax Credit	31,736	33,760
Other Deferred Credits	15,842	15,200
Total Deferred Credits	114,531	119,578
Accumulated Deferred Income Taxes	221,308	225,620
Total Liabilities and Other Credits	1,346,645	1,363,244

Certified a True Copy.

Linda G. Malone

ASST. Secretary
GULF POWER COMPANY

GULF POWER COMPANY
Statement of Retained Earnings for
the Twelve Months ended November 30, 1997
(Thousands of Dollars)

Exhibit A (4)

	\$
Retained Earnings - At Beginning of Period	188,666
Balance Transferred from Income	61,087
Total Credits	249,753
Deduct:	
Dividends Declared - Preferred Stock	4,140
Dividends Declared - Common Stock	64,600
Preferred Stock Transactions, Net	1,473
Total Debits	70,213
Retained Earnings - At End of Period	179,540

Linda G. Malone
ASST. Secretary
GULF POWER COMPANY

Gulf Power Company

Construction Budget for Gross Property Additions
Forecast for the Year Ended 12/31/98
(Thousands of Dollars)

	\$
Generating Facilities	1,066
Miscellaneous Generating Facilities	
Daniel units 1 and 2 igniter upgrade	2,500
Daniel units 1 and 2 economizer replacement	2,530
Daniel unit 1- Upgrade Internals and hot to cold side conversion	7,650
Other Miscellaneous Generating Projects	9,707
Total	22,387
New Business Facilities	21,089
Transmission Plant Additions	2,760
Distribution Plant Additions	11,379
Joint Line and Substation Additions	3,126
General Plant Additions	6,395
Total Plant Additions for 1998	68,202