

**Susan D. Ritenour**  
Secretary and Treasurer  
and Regulatory Manager

One Energy Place  
Pensacola, Florida 32520-0781

Tel 850.444.6231  
Fax 850.444.6026  
SDRITENO@southernco.com



October 7, 2005

050751-EI

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.

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,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

lw

Enclosure

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

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Gulf Power Company's application )  
for authority to issue and sell ) Docket No. 05\_\_\_\_\_-EU  
securities and to receive common equity ) Filed: Oct. 7, 2005  
contributions. )  
\_\_\_\_\_ )

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 its application for authority to issue and sell securities and to receive common equity contributions during the twelve months ending December 31, 2006. 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 32591-2950

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

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(4) Capital Stock and Funded Debt of the Company at June 30, 2005, was:

CAPITAL STOCK

(a) A brief description:	Preferred 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:	801,626	10,000,000	992,717	Not Limited
(c) Shares outstanding:				
4.64% Series	12,503			
5.16% Series	13,574			
5.44% Series	16,284			
7.375% Series (1)				1,200,000
Var. Rate Series 2002 (2)				40,000
(b) 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):			
5.25% Series due 2006		12,075	*
6-1/2% Series due 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	
6-7/8% Series due 2026			30,000
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		
Variable Rate Bank Note due 2005	100,000		
(d) Amount held as reacquired securities:		none	none
(e) Amount pledged (000):			12,075
* 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.			
(f) Amount owned by affiliated corporations:		none	none
(g) Amount held in any fund:		none	none

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(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, preference stock, or depositary preference shares (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, 2006, is included as Exhibit B (1).

The actual capital structure at June 30, 2005, is as follows:

<u>Component</u>	<u>Amount</u>	<u>Ratio</u>
Common Equity	\$596,835,000	43.00%
Preferred Equity	4,098,000	.29%
Trust Preferred Securities	72,166,000	5.20%
Long-Term Debt-Net	651,243,000	46.92%
Short Term Debt	<u>63,710,000</u>	<u>4.59%</u>
TOTAL	<u>\$1,388,052,000</u>	<u>100.00%</u>

Pretax Coverage Ratio (Excluding AFUDC): 3.8284

(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 first mortgage bonds was 5.80% as of September 30, 2005.

- (2) The dividend rate for comparable BBB+ rated preferred stock was 6.00% as of September 30, 2005.
- (3) The prime interest rate, or its equivalent, for The Chase Manhattan Bank, N.A., was 6.75% as of September 30, 2005.
- (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 3.85% as of September 30, 2005.

(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 2006 are estimated to cost \$156,667,000 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, 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, depositary preference shares, 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 Company is required to file with the Securities and Exchange Commission, Washington, D.C., 20549, a statement on Form U-1 under the Public Utility Holding Company Act of 1935 with respect to the issuance of equity securities, long-term debt securities and the issuance of short-term debt securities except to the extent exempt under Section 6(b) of the Act.

(10) 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 five 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, 2006.

DATED: October 7, 2005

GULF POWER COMPANY

BY: Ronnie R. Labrato  
Ronnie R. Labrato  
Vice President and Chief  
Financial Officer

ATTEST:

Susan D. Ritenour  
Susan D. Ritenour  
Secretary and Treasurer

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

Ronnie R. Labrato, being duly sworn, deposes and says that he is the Vice President and Chief Financial Officer 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.

Ronnie R. Labrato  
Ronnie R. Labrato

STATE OF FLORIDA  
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 7th day of October, 2005, by Ronnie R. Labrato 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, 2006  
Comm. No: DD 110088

Linda C. Webb  
NOTARY PUBLIC

REQUIRED EXHIBITS

- Exhibit A (1) - Balance Sheet of the Company at December 31, 2004 and June 30, 2005.
- Exhibit A (2) - Summary of Utility Plant and Accumulated Provision for Depreciation as of December 31, 2004 and June 30, 2005.
- Exhibit A (3) - Income Statement of the Company for the twelve months ended December 31, 2004 and June 30, 2005.
- Exhibit A (4) - Statement of Retained Earnings of the Company for the twelve months ended December 31, 2004 and June 30, 2005.
- Exhibit A (5) - Contingent Liabilities. None.
- Exhibit B (1) - Statement of Sources and Uses of Funds.
- Exhibit B (2) - Construction Budget for Gross Property Additions.

GULF POWER COMPANY  
Balance Sheet  
At December 31, 2004 and June 30, 2005  
(Thousands of Dollars)

ASSETS AND OTHER DEBITS	Dec. 31, 2004	June 30, 2005
	<u>          </u>	<u>          </u>
Utility Plant		
Utility Plant in Service	2,357,650	2,465,051
Construction Work in Progress	73,242	15,894
Utility Plant Held for Future Use	3,162	3,162
Utility Plant Acquisition Adjustment	4,329	4,201
Total Gross Utility Plant	<u>2,438,383</u>	<u>2,488,308</u>
Accumulated Prov. for Depreciation	<u>(999,434)</u>	<u>(1,025,787)</u>
Net Utility Plant	<u>1,438,949</u>	<u>1,462,521</u>
Other Property and Investments		
Nonutility Property	2,167	2,290
Accumulated Prov. for Depreciation	<u>(213)</u>	<u>(279)</u>
Net Nonutility Property	1,954	2,011
Other Investments	1,508	1,596
Other Special Funds	0	0
Investment in Capital Trust	<u>2,166</u>	<u>2,166</u>
Total Other Property and Investments	<u>5,628</u>	<u>5,773</u>
Current and Accrued Assets		
Cash	64,326	1,792
Special Deposits	133	105
Working Funds	307	317
Temporary Cash Investments	0	0
Customer Accounts Receivable	44,449	52,397
Other Accounts Receivable	35,731	45,991
Accumulated Prov. for Uncollectible Accounts	<u>(2,144)</u>	<u>(885)</u>
Receivables from Associated Companies	21,913	9,547
Materials and Supplies	69,761	86,482
Prepayments	59,846	59,459
Interest and Dividends Receivable	177	6
Accrued Utility Revenues	35,889	45,203
Vacation Accrual/Other Misc. Current and Accrued	<u>7,426</u>	<u>12,597</u>
Total Current and Accrued Assets	<u>337,814</u>	<u>313,011</u>
Deferred Debits		
Unamortized Debt Expense	6,615	6,528
Regulatory Tax Assets	17,566	17,198
Regulatory Assets	78,585	113,247
Preliminary Survey & Investigation Charges	1,547	2,001
Miscellaneous Deferred Debits	20,721	20,154
Deferred Taxes	<u>54,320</u>	<u>58,652</u>
Total Deferred Debits	<u>179,354</u>	<u>217,780</u>
Total Assets and Other Debits	<u>1,961,745</u>	<u>1,999,085</u>

Certified a True Copy.

*Luan O. Ritenour*  
Secretary

GULF POWER COMPANY

GULF POWER COMPANY  
Balance Sheet  
At December 31, 2004 and June 30, 2005  
(Thousands of Dollars)

LIABILITIES AND OTHER CREDITS	Dec. 31, 2004	June 30, 2005
<b>Proprietary Capital</b>		
Common Capital Stock	38,060	38,060
Preferred Capital Stock (\$100 par value)	4,236	4,236
Preferred Capital Stock (\$10 par value)	0	0
Premium on Capital Stock	12	12
Miscellaneous Paid-in Capital	397,396	400,055
Other Comprehensive Inc-Reclass to Income	(1,705)	(1,605)
Retained Earnings	<u>159,431</u>	<u>161,422</u>
<b>Total Proprietary Capital</b>	<u><b>597,430</b></u>	<u><b>602,180</b></u>
<b>Long-Term Debt</b>		
Bonds	55,000	55,000
Other Long-Term Debt	604,630	604,630
Affiliate Debt for Trust Preferred	72,166	72,166
Unamortized Premium	0	0
Unamortized Discount	<u>(8,641)</u>	<u>(8,387)</u>
<b>Total Long-Term Debt</b>	<u><b>723,155</b></u>	<u><b>723,409</b></u>
<b>Other Noncurrent Liabilities</b>		
Accumulated Prov. for Property Insurance	(49,552)	2,448
Accumulated Prov. for Injuries & Damages	1,700	1,691
Accumulated Prov. for Pensions & Benefits	38,387	39,302
Accumulated Prov. For Asset Retirement Obligation, Other	5,788	5,973
<b>Total Other Noncurrent Liabilities</b>	<u><b>(3,677)</b></u>	<u><b>49,414</b></u>
<b>Current and Accrued Liabilities</b>		
Notes Payable	50,000	63,710
Accounts Payable	92,554	32,182
Payables to Associated Companies	40,474	36,048
Customer Deposits	18,470	18,450
Taxes Accrued	(25,562)	(13,205)
Interest Accrued	7,665	7,231
Dividends Declared	54	54
Tax Collections Payable	1,888	2,201
Misc. Current and Accrued Liabilities	<u>7,250</u>	<u>7,004</u>
<b>Total Current And Accrued Liabilities</b>	<u><b>192,793</b></u>	<u><b>153,675</b></u>
<b>Deferred Credits</b>		
Regulatory Tax Liabilities	23,354	21,991
Regulatory Liabilities	9,213	23,946
Unamortized Investment Tax Credit	18,489	17,529
Other Deferred Credits	<u>114,103</u>	<u>117,437</u>
<b>Total Deferred Credits</b>	<u><b>165,159</b></u>	<u><b>180,903</b></u>
<b>Accumulated Deferred Income Taxes</b>	<u><b>286,885</b></u>	<u><b>289,504</b></u>
<b>Total Liabilities and Other Credits</b>	<u><b>1,961,745</b></u>	<u><b>1,999,085</b></u>

Certified a True Copy.

*Awan D. Ritenour*

Secretary

GULF POWER COMPANY

GULF POWER COMPANY  
Income Statement  
For the Twelve Months Ended December 31, 2004 and June 30, 2005  
(Thousands of Dollars)

	Dec. 31, 2004	June 30, 2005
1. Utility Operating Income		
Operating Revenues	960,128	979,936
Operating Revenue Deductions:		
Operation and Maintenance Expenses	662,761	681,134
Depreciation	81,388	83,313
Amortization & Accretion	1,410	295
Taxes - Income	40,896	39,911
Taxes - Other	69,856	70,993
Total Operating Revenue Deductions	856,311	875,646
Total Utility Operating Income	103,817	104,290
2. Other Income and Deductions		
Allowances for Funds Used During Construction - Equity	1,855	2,013
Other - Net	(1,194)	(472)
Total Other Income	661	1,541
Income Before Interest Charges	104,478	105,831
3. Interest Charges		
Distributions on Preferred Securities	1,113	0
Int on Affiliated LTD Trust Preferred Securities	3,443	4,590
Interest on Long-Term Debt	27,693	28,508
Amortization of Debt Discount, Premium and Expenses - Net	3,051	2,975
Other Interest Charges	1,557	2,107
Allowance for Funds Used During Construction - Borrowed Funds	(819)	(888)
Total Interest Charges	36,038	37,292
4. Extraordinary Income		
Extraordinary Income - Net	0	0
Balance Transferred to Retained Earnings	68,440	68,539

Certified a True Copy.

*Suzanne D. Blencow*  
Secretary

GULF POWER COMPANY

Exhibit A (4)

GULF POWER COMPANY  
Statement of Retained Earnings for  
For the Twelve Months Ended December 31, 2004 and June 30, 2005  
(Thousands of Dollars)

	<u>Dec. 31, 2004</u>	<u>June 30, 2005</u>
Retained Earnings - At Beginning of Period	161,208	162,300
Balance Transferred from Income	<u>68,440</u>	<u>68,539</u>
Total Credits	<u>229,648</u>	<u>230,839</u>
Deduct:		
Dividends Declared - Preferred Stock	217	217
Dividends Declared - Common Stock	70,000	69,200
Preferred Stock Transactions, Net	<u>0</u>	<u>0</u>
Total Debits	<u>70,217</u>	<u>69,417</u>
Retained Earnings - At End of Period	<u><u>159,431</u></u>	<u><u>161,422</u></u>

Certified a True Copy.

*Susan D. Pitenow*  
Secretary  
GULF POWER COMPANY



GULF POWER COMPANY  
Statement of Sources and Uses of Funds  
Forecast for the Year Ended December 31, 2006  
(Thousands of Dollars)

	Amount
Net Income Before Dividends	80,418
Add (Deduct) Non-Cash Items:	
Depreciation & Amortization (Including Fuel Buyouts)	96,758
Deferred Income Tax - Net	(1,640)
Deferred Investment Tax Credits	(1,865)
Allowance for Equity Funds Used During Construction	(302)
Subtotal	173,369
Less:	
Dividends on Common Stock	70,400
Dividends on Preferred Stock	3,682
Subtotal	99,288
Decrease (Increase) in Net Current Assets*	
Cash and Temporary Cash Investments	(0)
Receivables - Net	(17,298)
Fuel Inventory	(358)
Other Materials and Supplies	611
Accrued Unbilled Revenue	(2,693)
Accounts Payable	8,062
Taxes Accrued	4,355
Interest Accrued	(347)
Other - Net	60,532
Subtotal	52,863
Other - Net (Including Allowance for Equity Funds Used During Construction)	(7,635)
Total Funds From Internal Sources	144,516
External Sources:	
First Mortgage Bonds	0
First Mortgage Bonds - Retirements	(25,000)
Preferred Stock and Trust Preferred Securities	0
Preferred Stock and Trust Preferred Securities - Retirements	0
Capital Contributions by the Parent Company	22,948
Pollution Control Obligations	0
Pollution Control Obligations - Retirements	(12,075)
Other Long-Term Debt	170,293
Other Long-Term Debt - Retirements	(14,614)
Interim Indebtedness	(129,401)
Total Funds From External Sources	12,151
GROSS PROPERTY ADDITIONS	156,667

Certified a True Copy.

\* Excluding Notes Payable and Long-Term Debt Due Within One Year

*Susan O'Brien*  
Secretary  
GULF POWER COMPANY

GULF POWER COMPANY  
Statement of Sources and Uses of Funds  
Forecast for the Year Ended December 31, 2006  
(Thousands of Dollars)

	Amount
Net Income Before Dividends	80,418
Add (Deduct) Non-Cash Items:	
Depreciation & Amortization (Including Fuel Buyouts)	96,758
Deferred Income Tax - Net	(1,640)
Deferred Investment Tax Credits	(1,865)
Allowance for Equity Funds Used During Construction	(302)
Subtotal	173,369
Less:	
Dividends on Common Stock	70,400
Dividends on Preferred Stock	3,682
Subtotal	99,288
Decrease (Increase) in Net Current Assets (1)	
Cash and Temporary Cash Investments	(0)
Receivables - Net	(17,298)
Fuel Inventory	(358)
Other Materials and Supplies	611
Accrued Unbilled Revenue	(2,693)
Accounts Payable	8,062
Taxes Accrued	4,355
Interest Accrued	(347)
Other - Net	60,532
Subtotal	52,863
Other - Net (Including Allowance for Equity Funds Used During Construction)	(7,635)
Total Funds From Internal Sources	144,516
External Sources:	
First Mortgage Bonds	0
First Mortgage Bonds - Retirements	(25,000)
Preferred Stock and Trust Preferred Securities	0
Preferred Stock and Trust Preferred Securities - Retirements	0
Capital Contributions by the Parent Company	22,948
Pollution Control Obligations	0
Pollution Control Obligations - Retirements	(12,075)
Other Long-Term Debt (2)	170,293
Other Long-Term Debt - Retirements	(14,614)
Interim Indebtedness	(129,401)
Total Funds From External Sources	12,151
GROSS PROPERTY ADDITIONS	156,667

Certified a True Copy.

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

(2) Includes both Senior Notes and Securitized Debt related to storm-recovery costs

*Susan D. Peterson*  
Secretary  
GULF POWER COMPANY

GULF POWER COMPANY  
 Construction Budget for Gross Property Additions  
 Forecast for the Year Ended December 31, 2006  
 (Thousands of Dollars)

	Amount
Generating Facilities	0
Miscellaneous Generating Facilities	
Smith CC - LTSA	16,590
Daniel 2 Superheater Replacement	2,375
Environmental Cost Recovery Clause-Crist Unit 6 & 7 Scrubber	44,169
Environmental Cost Recovery Clause-Air Upgrade Smith Unit 1 Precipitator	4,257
Environmental Cost Recovery Clause - Waste-Daniel Ash Storage	2,131
Other Miscellaneous Generating Projects	19,525
Total	89,047
 New Business Facilities	 26,202
Transmission Plant Additions	
Wright 230/115kv Autobank #3	2,250
Transmission Line Infrastructure Projects	1,569
Shoal River 230/115kv Switchyard Relay Improvement Program	1,271
Other Transmission Plant Additions	5,489
Total	10,579
 Distribution Plant Additions	 16,489
 Joint Line and Substation Additions	 8,649
 General Plant Additions	 5,701
 Total Gross Property Additions Projected for 2006	 156,667

Certified a True Copy.

*Susan O'Riordan*  
 Secretary  
 GULF POWER COMPANY