

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

070673-EI



October 31, 2007

Ms. Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0850

RECEIVED 11/30  
NOV - 1 AM 10:57  
COMMISSION  
CLERK

Dear Ms. Cole:

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

CMP \_\_\_\_\_

COM \_\_\_\_\_ Also enclosed is a CD-R disk containing a copy of the application and exhibits in  
Microsoft Word format and Microsoft Excel format, respectively, as prepared on a  
CTR \_\_\_\_\_ Windows NT based computer.

ECR 1 Sincerely,

GCL CD  
OPC \_\_\_\_\_ *Susan D. Ritenour*

RCA \_\_\_\_\_

SCR \_\_\_\_\_

SGA \_\_\_\_\_ bh

SEC \_\_\_\_\_ Enclosure

OTH \_\_\_\_\_ cc w/encl.: Beggs & Lane  
J. A. Stone, Esq.

DOCUMENT NUMBER-DATE

09935 NOV-16

FPSC-COMMISSION CLERK

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 )  
\_\_\_\_\_ )

070673-EI

Docket No. 07\_\_\_\_-EU  
Filed: October 31, 2007

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, 2008. 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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(4) Capital Stock and Funded Debt of the Company at June 30, 2007, 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	1,792,717	Not Limited
(c) Shares outstanding:				
6.0% Series	550,000			
Var. Rate Series 2002 (1)				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	1,792,717	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--\$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):			
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		
5.30% Sr. Notes due 2016	110,000		
5.90% Sr. Notes due 2017	85,000		
(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, 2008, is included as Exhibit B (1).

The actual capital structure at June 30, 2007, is as follows:

<u>Component</u>	<u>Amount</u>	<u>Ratio</u>
Common Equity	\$722,939,000	45.72%
Preference Stock	53,886,000	3.41%
Trust Preferred Securities	41,238,000	2.61%
Long-Term Debt-Net	739,465,000	46.76%
Short Term Debt	<u>23,834,000</u>	<u>1.50%</u>
TOTAL	<u>\$1,581,362,000</u>	<u>100.00%</u>

Pretax Coverage Ratio (Excluding AFUDC): 3.89

(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 6.30% as of September 30, 2007.
- (2) The dividend rate for comparable BBB+ rated preference stock was 6.50% as of September 30, 2007.
- (3) The prime interest rate, or its equivalent, for JPMorgan Chase Bank, N.A., was 7.75% as of September 30, 2007.
- (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 4.76% as of September 30, 2007.

(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 2008 are estimated to cost \$457,578,000 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 1,792,717 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, 2008.

DATED: October 31, 2007

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 31st day of October, 2007, 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, 2006 and June 30, 2007.
- Exhibit A (2) - Summary of Utility Plant and Accumulated Provision for Depreciation as of December 31, 2006 and June 30, 2007.
- Exhibit A (3) - Income Statement of the Company for the twelve months ended December 31, 2006 and June 30, 2007.
- Exhibit A (4) - Statement of Retained Earnings of the Company for the twelve months ended December 31, 2006 and June 30, 2007.
- Exhibit A (5) - Contingent Liabilities. None.
- Exhibit B (1) - Statement of Sources and Uses of Funds for the twelve months ended December 31, 2008.
- Exhibit B (2) - Construction Budget for Gross Property Additions.

GULF POWER COMPANY  
Balance Sheet  
At December 31, 2006 and June 30, 2007  
(Thousands of Dollars)

ASSETS AND OTHER DEBITS	<u>December 31, 2006</u>	<u>June 30, 2007</u>
UTILITY PLANT		
BEGINNING OF YEAR		
GROSS PLANT - EXCLUDING CWIP	2,496,072	2,574,517
CONSTRUCTION WORK IN PROGRESS	33,296	59,653
TOTAL GROSS PLANT AT BEG YR	<u>2,529,368</u>	<u>2,634,170</u>
ADDED DURING YEAR		
CONSTRUCTION WORK IN PROGRESS	148,447	90,548
RETIREMENTS	(42,020)	(16,466)
ADJUSTMENTS	(1,370)	(1,632)
ASSET RETIREMENT OBLIGATIONS	0	503
ELECTRIC PLANT ACQUISITION ADJUSTMENT	(255)	(128)
TOTAL GROSS PLANT AT END OF MONTH	<u>2,634,170</u>	<u>2,706,995</u>
ACCUM PROVISION FOR DEPR AND AMORTIZATION	(1,066,974)	(1,088,196)
NET PLANT AT END OF MONTH	<u>1,567,196</u>	<u>1,618,799</u>
OTHER PROPERTY AND INVESTMENTS:		
NONUTILITY PROPERTY	12,337	14,083
ACCUM PROVISION FOR DEPR	(603)	(728)
NET NONUTILITY PROPERTY AT END OF MONTH	<u>11,734</u>	<u>13,355</u>
OTHER INVESTMENTS	1,868	2,012
INVESTMENT IN CAPITAL TRUST	1,244	1,244
TOTAL OTHER PROPERTY AND INVESTMENTS	<u>14,846</u>	<u>16,611</u>
CURRENT AND ACCRUED ASSETS		
CASH	7,191	4,232
SPECIAL DEPOSITS	127	6
WORKING FUNDS	335	334
CUSTOMER ACCOUNTS RECEIVABLE	56,215	67,293
OTHER ACCOUNTS RECEIVABLE	57,658	62,194
ACCUM PROV FOR UNCOLL ACCTS - CREDITS	(1,279)	(1,090)
RECEIVABLES FROM ASSOCIATED COMPANIES	19,398	8,051
MATERIALS AND SUPPLIES	111,081	126,332
PREPAYMENTS	84,067	86,579
INTEREST AND DIVIDENDS RECEIVABLE	93	162
ACCRUED UTILITY REVENUE	38,287	54,132
DERIVATIVE INSTRUMENT ASSETS	845	4,794
TOTAL CURRENT AND ACCRUED ASSETS	<u>374,018</u>	<u>413,019</u>
DEFERRED DEBITS		
UNAMORTIZED DEBT EXPENSE	6,563	6,622
REGULATORY TAX ASSETS	17,148	17,190
REGULATORY ASSETS	184,584	174,250
PRELIMINARY SURVEY AND INVESTIGATION CHARGES	2,984	5,254
CLEARING ACCOUNTS	16	(87)
MISCELLANEOUS DEFERRED DEBITS	330	598
UNAMORT LOSS ON REACQUIRED DEBT	18,584	17,705
DEFERRED INCOME TAXES	59,956	66,622
TOTAL DEFERRED DEBITS	<u>290,165</u>	<u>288,154</u>
TOTAL ASSETS AND OTHER DEBITS	<u>2,246,225</u>	<u>2,336,583</u>

DOCUMENT NUMBER-DATE

09935 NOV-15

FPSC-COMMISSION CLERK

Certified a True Copy.

*Susan O'Riordan*  
Secretary

GULF POWER COMPANY

GULF POWER COMPANY  
Balance Sheet  
At December 31, 2006 and June 30, 2007  
(Thousands of Dollars)

	Dec-06	Jun-07
<b>LIABILITIES AND OTHER CREDITS</b>		
PROPRIETARY CAPITAL:		
COMMON STOCK	38,060	118,060
OTHER PAID-IN CAPITAL:		
ADDITIONAL PAID-IN CAPITAL STOCK	428,592	430,126
OTHER COMPREHENSIVE INC-RECLASS TO INCOME	(4,597)	(303)
CAPITAL STOCK EXPENSE	(1,113)	(1,114)
UNAPPROPRIATED EARNED SURPLUS	171,968	175,056
TOTAL COMMON EQUITY	<b>632,910</b>	<b>721,825</b>
PREFERRED CAPITAL STOCK		
- PREFERENCE STOCK 6%; \$100 PAR VALUE	55,000	55,000
TOTAL PREFERRED AND PREFERENCE STOCK ISSUED	<b>55,000</b>	<b>55,000</b>
TOTAL PROPRIETARY CAPITAL	<b>687,910</b>	<b>776,825</b>
LONG-TERM DEBT		
POLLUTION CONTROL BONDS	157,555	157,555
OTHER LONG-TERM DEBT	505,000	590,000
AFFILIATE DEBT FOR TRUST PREFERRED	41,238	41,238
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	(7,695)	(8,090)
TOTAL LONG-TERM DEBT	<b>696,098</b>	<b>780,703</b>
OTHER NONCURRENT LIABILITIES:		
ACCUMULATED PROVISION FOR PROPERTY INSURANCE	(39,090)	(32,447)
ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	2,010	2,010
ACCUMULATED PROVISION FOR PENSION AND BENEFITS	55,413	55,409
ACCUMULATED PROVISION FOR RATE REFUNDS	16	0
ACCUMULATED PROVISION FOR ASSET RETIREMENT OBLIGATION	12,718	11,625
TOTAL OTHER NONCURRENT LIABILITIES	<b>31,067</b>	<b>36,597</b>
CURRENT AND ACCRUED LIABILITIES:		
NOTES PAYABLE	120,446	23,834
ACCOUNTS PAYABLE	64,602	47,333
PAYABLE TO ASSOCIATED COMPANIES	48,283	41,255
CUSTOMER DEPOSITS	21,363	24,333
TAXES ACCRUED	7,856	21,404
INTEREST ACCRUED	7,645	7,115
DIVIDENDS DECLARED	825	825
TAX COLLECTIONS PAYABLE	2,020	2,469
MISCELLANEOUS CURRENT & ACCRUED	11,790	10,184
DERIVATIVE INSTRUMENT LIABILITIES	8,031	3,387
TOTAL CURRENT AND ACCRUED LIABILITIES	<b>292,861</b>	<b>182,139</b>
DEFERRED CREDITS		
REGULATORY TAX LIABILITIES	17,935	16,703
REGULATORY LIABILITIES	45,776	53,073
OTHER DEFERRED CREDIT	132,269	150,409
UNAMORTIZED INVESTMENT CREDIT	14,721	13,797
ACCUMULATED DEFERRED INCOME TAXES-ACC. AMORT	2,975	3,553
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPER	243,007	244,178
ACCUMULATED DEFERRED INCOME TAXES-OTHER	81,606	78,606
TOTAL DEFERRED CREDITS	<b>538,289</b>	<b>560,319</b>
TOTAL LIABILITIES AND OTHER CREDITS	<b>2,246,225</b>	<b>2,336,583</b>

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*Susan D. Kiteaus*  
Secretary

GULF POWER COMPANY  
 Summary of Utility Plant and Accumulated Provision for Depreciation  
 At December 31, 2006 and June 30, 2007  
 (Thousands of Dollars)

	December 31, 2006	June 1, 2007
1. Utility Plant - Electric		
Plant in Service	2,452,682	2,556,419
Construction Work in Progress	181,743	150,201
Utility Plant Held for Future Use	0	0
Asset Retirement Obligations	0	503
Utility Plant Acquisition Adjustment	<u>(255)</u>	<u>(128)</u>
Total	<u>2,634,170</u>	<u>2,706,995</u>
2. Reserves - Electric		
Accumulated Provision for Depreciation	<u>(1,066,974)</u>	<u>(1,088,196)</u>
Total	<u>1,567,196</u>	<u>1,618,799</u>

**Certified a True Copy.**

*Susan R. Kiteaus*

Secretary

**GULF POWER COMPANY**

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GULF POWER COMPANY  
INCOME STATEMENT  
For the Twelve Months Ended December 31, 2006 and June 30, 2007  
(Thousands of Dollars)

	December 31, 2006	June 30, 2007
1. Utility Operating Income		
Operating Revenues	1,204,035	1,242,892
Operating Revenue Deductions		
Operation and Maintenance Expenses	868,385	899,852
Depreciation	89,155	86,576
Amortization & Accretion	14	527
Taxes - Other	79,808	81,614
Taxes - Income	44,894	47,335
Total Operating Revenue Deductions	<b>1,082,256</b>	<b>1,115,904</b>
Total Utility Operating Income	<b>121,779</b>	<b>126,988</b>
2. Other Income and Deductions		
Allowances for Funds Used During		
Construction - Equity	363	1,200
Other - Net	1,281	2,111
Total Other Income	<b>1,644</b>	<b>3,311</b>
Income Before Interest Charges	<b>123,423</b>	<b>130,299</b>
3. Interest Charges		
Distributions on Preferred Securities	0	0
Interest on Affiliated LTD Trust		
Preferred Securities	4,514	3,374
Interest on Long-Term Debt	28,863	31,544
Amortization of Debt Discount, Premium		
and Expenses - Net	2,894	2,858
Other Interest Charges	8,023	8,066
Allowance for Funds Used During		
Construction - Borrowed Funds	(160)	(529)
Total Interest Charges	<b>44,134</b>	<b>45,313</b>
4. Extraordinary Income		
Extraordinary Income - Net	0	0
Balance Transferred to Retained Earnings	<b>79,289</b>	<b>84,986</b>

Certified a True Copy.

*Susan O. Rutenius*  
Secretary

GULF POWER COMPANY

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GULF POWER COMPANY  
Statement of Retained Earnings  
For the Twelve Months Ended December 31, 2006 and June 30, 2007  
(Thousands of Dollars)

Exhibit A (4)

	<u>December 31, 2006</u>	<u>June 30, 2007</u>
Retained Earnings - At Beginning of Period	166,279	165,569
Balance Transferred from Income	<u>79,289</u>	<u>84,986</u>
Total Credits	<u><b>245,568</b></u>	<u><b>250,555</b></u>
Deduct:		
Dividends Declared - Preferred Stock	-	-
Dividends Declared - Preference Stock	3,300	3,300
Dividends Declared - Common Stock	70,300	72,200
Other	<u>-</u>	<u>-</u>
Total Debits	<u><b>73,600</b></u>	<u><b>75,500</b></u>
Retained Earnings - At End of Period	<u><u>171,968</u></u>	<u><u>175,055</u></u>

**Certified a True Copy.**

*Susan D. Rotenous*

Secretary

**GULF POWER COMPANY**

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GULF POWER COMPANY  
Statement of Sources and Uses of Funds  
Forecast for the Year Ended December 31, 2008  
(Thousands of Dollars)

	Amount
Net Income Before Dividends	110,195
Add (Deduct) Non-Cash Items:	
Depreciation & Amortization (Including Fuel Buyouts)	95,956
Deferred Income Tax - Net	(23,548)
Deferred Investment Tax Credits	(1,834)
Allowance for Equity Funds Used During Construction	(14,081)
Subtotal	166,688
Less:	
Dividends on Common Stock	80,900
Dividends on Preferred Stock	5,072
Subtotal	80,716
Decrease (Increase) in Net Current Assets*	
Cash and Temporary Cash Investments	(0)
Receivables - Net	(8,191)
Fuel Inventory	1,228
Other Materials and Supplies	8,654
Accrued Unbilled Revenue	(2,734)
Accounts Payable	(6,702)
Taxes Accrued	5,350
Interest Accrued	1,431
Other - Net	78,246
Subtotal	77,282
Other - Net (Including Allowance for Equity Funds Used During Construction)	(3,575)
Total Funds From Internal Sources	154,423
External Sources:	
First Mortgage Bonds	0
First Mortgage Bonds - Retirements	0
Preferred Stock and Trust Preferred Securities	25,000
Preferred Stock and Trust Preferred Securities - Retirements	0
Capital Contributions by the Parent Company	124,938
Pollution Control Obligations	0
Pollution Control Obligations - Retirements	0
Other Long-Term Debt	230,000
Other Long-Term Debt - Retirements	0
Interim Indebtedness	(76,783)
Total Funds From External Sources	303,155
GROSS PROPERTY ADDITIONS	457,578

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

DOCUMENT NUMBER-DATE

09935 NOV-16

FPSC-COMMISSION CLERK

Certified a True Copy.

*Susan O. Kiterous*  
Secretary

GULF POWER COMPANY

**GULF POWER COMPANY**  
**Construction Budget for Gross Property Additions**  
**Forecast for the Year Ended December 31, 2008**  
(Thousands of Dollars)

	Amount
Generating Facilities	0
Miscellaneous Generating Facilities	
Environmental- Scherer SCR	6,878
Environmental Cost Recovery Clause- Crist 6 SCR	7,910
Environmental- Scherer Scrubber	17,905
Environmental- Scherer Baghouse	19,344
Environmental Cost Recovery Clause- Daniel 1 Scrubber	19,436
Environmental Cost Recovery Clause- Daniel 2 Scrubber	19,859
Environmental Cost Recovery Clause- Units 4 - 7 Scrubber	257,501
Other Miscellaneous Generating Projects	46,130
Total	394,963
 New Business Facilities	 28,915
Transmission Plant Additions	
Trans Sub Infrastructure Projects	2,638
Miller Bayou 230/115Kv Power Supply	3,500
Sinai Cemetary Sub Upgrade	3,000
Other Transmission Plant Additions	3,610
Total	12,748
 Distribution Plant Additions	 12,033
 Joint Line and Substation Additions	 430
 General Plant Additions	 8,489
 Total Gross Property Additions Projected for 2008	 457,578

Certified a True Copy.

*Susan D. Ridenour*  
Secretary

GULF POWER COMPANY

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