

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 5, 2009

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

090469-EI

RECEIVED-FPSC
09 OCT -7 AM 9:40
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 five copies 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

Sincerely,

Susan D. Ritenour

COM _____
ECR 2
GCL 1 mr
OPC 1 Enclosures
RCP 1
SSC _____ cc w/encl.: Beggs & Lane
SGA _____ Jeffrey A. Stone, Esq.
ADM _____
CLK _____

DOCUMENT NUMBER-DATE
10337 OCT-7 09
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)
_____)

090469
Docket No. 09 -EI
Filed: October 5, 2009

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, 2010. 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 Power became a Florida corporation after being domesticated under the laws of the State of Florida on November 2, 2005.

DOCUMENT NUMBER - DATE
10337 OCT-7 8
FPSC-COMMISSION CLERK

(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

(4) Capital Stock and Funded Debt of the Company at June 30, 2009, was:

CAPITAL STOCK

(a) Brief description:	Preference Stock \$100 <u>Par Value</u>	Class A Preferred Stock \$25 <u>Par Value</u>	Preferred Stock \$100 <u>Par Value</u>	Common Stock Without <u>Par Value</u>
(b) Shares authorized:	10,000,000	10,000,000	10,000,000	20,000,000
(c) Shares outstanding:				
6.0% Series	550,000			
6.5% Series	450,000			
(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	None	3,142,717
(g) The amount held in any fund:	None	None	None	None

FUNDED DEBT

(a) Brief description:	<u>Bank Notes</u> \$	<u>PCBs</u> \$
(b) Amount authorized:	Not Limited	Not Limited
(c) Amount outstanding (000):		
4.80% Series due 2028		13,000
1.50% Series due 2023		32,550
6.0% Series due 2026		29,075
5.25% Series due 2037		42,000
5.62% Series due 2022		37,000
Daily Rate Series due 2022		3,930
1.75% Series due 2039		65,000
Daily Rate Series due 2039		65,400
5.60% Sr. Insured Notes due 2033	62,978	
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	
Floating Rate Sr. Notes due 2010	140,000	
Variable Rate Bank Note due 2011	110,000	
(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 Gulf's parent company, the Southern Company ("Southern"); 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.

- (i) The common equity funds from Southern may take the form of common equity contributions or the issuance of shares of common stock to Southern.
- (ii) 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.
- (iii) 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 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 not exceed

- (i) 500 basis points over a U.S. Treasury security having a remaining term comparable to the term of such borrowing or
- (ii) 500 basis points over the London Interbank ("LIBOR") offered rate for the relevant interest period (in the case of any such securities issued at a floating rate).

None of the promissory notes are to be resold to the public. The Company 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.

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 other equity securities issued and the maximum principal amount of long-term debt securities issued will total not more than \$800 million. The maximum principal amount of short-term debt outstanding at any one time will total not more than \$300 million.

The Statement of Sources of Funds for Gross Property Additions Forecast for the Year Ending December 31, 2010, is included as Exhibit B (1).

The actual capital structure at June 30, 2009, is as follows:

<u>Component</u>	<u>Amount</u>	<u>Ratio</u>
Common Equity	\$964,132,000	42.90%
Preference Stock	97,998,000	4.36%
Long-Term Debt-Net	1,119,177,000	49.80%
Short-Term Debt	<u>65,986,000</u>	<u>2.94%</u>
TOTAL	<u>\$2,247,293,000</u>	<u>100.00%</u>

Pretax Coverage Ratio (Excluding AFUDC): 4.32

(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 Senior Notes was 5.55% as of August 31, 2009.
- (2) The dividend rate for comparable BBB+ rated preference stock was 6.90% as of August 31, 2009.
- (3) The prime interest rate, or its equivalent, for JPMorgan Chase Bank, N.A. was 3.25% as of August 31, 2009.
- (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 0.19% as of August 31, 2009.

(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 2010 are estimated to cost \$337,185,000 and are expected to be apportioned as shown in Exhibit B (2).

At present, it does not appear likely that any of the planned expenditures will be for facilities that require certification of need by this Commission under the Florida Electrical Power Plant Siting Act. Planned expenditures included on Exhibit B attached hereto do currently include a transmission project that is expected to require certification of need by the Commission under the Florida Electrical Transmission Line Siting Act. This project, the Holmes Creek- Miller Ferry Transmission line, is estimated at \$2.7 million in construction costs. No expenditures have been made on this project to date. The Company's long-range construction program is subject to periodic review and revision. The construction program referred to herein has been necessitated by 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 security 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 preference stock. Subject to market conditions, the Company may refund such long-term obligations with new issuances of long-term debt, preferred stock, and/or preference stock.

(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 LLP
600 Peachtree Street
Suite 5200
Atlanta, GA 30308-2216

(9) A Registration Statement with respect to each public offering of securities hereunder that is subject to and not exempt from the registration requirements of the Securities Act of 1933, as amended, will be filed with the Securities and Exchange Commission, 100 F St. N.E., Washington, D.C. 20549.

(10) Southern, a Delaware corporation, owns 3,142,717 shares of the Company's common stock, without par value, representing 100% of the voting stock outstanding. Southern is also the parent company of three other traditional operating companies and certain other companies including: Southern Communications Services, Inc.; Southern Company Services, Inc.; Southern Nuclear Operating

Company, Inc.; Southern Company Holdings, Inc.; and other direct and indirect subsidiaries.

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, 2010.

DATED: October 5, 2009

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.



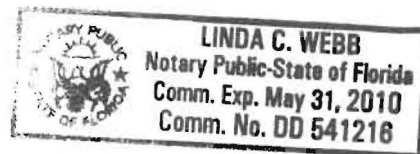
Susan D. Ritenour

STATE OF FLORIDA
COUNTY OF ESCAMBIA

The foregoing instrument was acknowledged before me this 5th day of October, 2009, 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.



NOTARY PUBLIC



REQUIRED EXHIBITS

- Exhibit A (1) - Balance Sheet of the Company at December 31, 2008 and June 30, 2009.
- Exhibit A (2) - Summary of Utility Plant and Accumulated Provision for Depreciation as of December 31, 2008 and June 30, 2009.
- Exhibit A (3) - Income Statement of the Company for the twelve months ended December 31, 2008 and June 30, 2009.
- Exhibit A (4) - Statement of Retained Earnings of the Company for the twelve months ended December 31, 2008 and June 30, 2009.
- Exhibit A (5) - Contingent Liabilities. None.
- Exhibit B (1) - Statement of Sources and Uses of Funds for the twelve months ended December 31, 2010.
- Exhibit B (2) - Construction Budget for Gross Property Additions.

GULF POWER COMPANY
Balance Sheet
At December 31, 2008 and June 30, 2009
(Thousands of Dollars)

ASSETS AND OTHER DEBITS	Dec-08	Jun-09
UTILITY PLANT		
BEGINNING OF YEAR		
GROSS PLANT - EXCLUDING CWIP	2,678,952	2,787,594
CONSTRUCTION WORK IN PROGRESS	147,729	395,172
TOTAL GROSS PLANT AT BEG YR	2,826,681	3,182,766
ADDED DURING YEAR		
CONSTRUCTION WORK IN PROGRESS	390,983	249,560
RETIREMENTS	(35,955)	(17,410)
ADJUSTMENTS	1,727	(11)
ELECTRIC PLANT HELD FOR FUTURE USE	(415)	0
ELECTRIC PLANT PURCHASED OR SOLD	0	0
ASSET RETIREMENT OBLIGATIONS	0	224
ELECTRIC PLANT ACQUISITION ADJUSTMENT	(255)	(128)
TOTAL GROSS PLANT AT END OF MONTH	3,182,766	3,415,001
ACCUM PROVISION FOR DEPR AND AMORTIZATION	(1,153,689)	(1,178,768)
NET PLANT AT END OF MONTH	2,029,077	2,236,233
OTHER PROPERTY AND INVESTMENTS:		
NONUTILITY PROPERTY	14,681	14,773
ACCUM PROVISION FOR DEPR	(1,143)	(1,302)
NET NONUTILITY PROPERTY AT END OF MONTH	13,538	13,471
OTHER INVESTMENTS	2,380	2,308
SPECIAL FUNDS-SINKING FUNDS	0	0
OTHER SPECIAL FUNDS	110,057	56,733
INVESTMENT IN CAPITAL TRUST	0	0
TOTAL OTHER PROPERTY AND INVESTMENTS	125,975	72,512
CURRENT AND ACCRUED ASSETS		
CASH	3,103	52,838
SPECIAL DEPOSITS	11	37,781
WORKING FUNDS	340	302
TEMPORARY CASH INVESTMENTS	0	0
NOTE RECEIVABLES	0	0
CUSTOMER ACCOUNTS RECEIVABLE	69,153	91,151
OTHER ACCOUNTS RECEIVABLE	79,372	84,316
ACCUM PROV FOR UNCOLL ACCTS - CREDITS	(2,188)	(2,120)
RECEIVABLES FROM ASSOCIATED COMPANIES	15,058	4,205
MATERIALS AND SUPPLIES	144,612	196,070
PREPAYMENTS	19,942	22,111
INTEREST AND DIVIDENDS RECEIVABLE	287	309
RENT RECEIVABLE	0	0
ACCRUED UTILITY REVENUE	48,742	71,132
VACATION ACCRUAL	0	0
OTHER MISCELLANEOUS CURRENT AND ACCRUED	0	0
DERIVATIVE INSTRUMENT ASSETS	1,071	741
TOTAL CURRENT AND ACCRUED ASSETS	379,503	558,836
DEFERRED DEBITS		
UNAMORTIZED DEBT EXPENSE	9,199	10,488
REGULATORY TAX ASSETS	24,220	31,556
REGULATORY ASSETS	230,035	258,419
PRELIMINARY SURVEY AND INVESTIGATION CHARGES	7,134	7,431
CLEARING ACCOUNTS	23	(81)
TEMPORARY FACILITIES	0	0
MISCELLANEOUS DEFERRED DEBITS	1,624	6,505
RESEARCH AND DEVELOPMENT	0	0
UNAMORT LOSS ON REACQUIRED DEBT	16,248	15,405
DEFERRED INCOME TAXES	56,380	69,119
TOTAL DEFERRED DEBITS	344,863	398,842
TOTAL ASSETS AND OTHER DEBITS	2,879,418	3,266,423

Certified a True Copy.

Susan D. Ritenour
Secretary
GULF POWER COMPANY

GULF POWER COMPANY
Balance Sheet
At December 31, 2008 and June 30, 2009
(Thousands of Dollars)

Exhibit A (1)
Page 2 of 2

	Dec-08	Jun-09
LIABILITIES AND OTHER CREDITS		
PROPRIETARY CAPITAL:		
COMMON STOCK	118,060	253,060
OTHER PAID-IN CAPITAL:		
PREMIUM ON PREFERRED STOCK	0	0
ADDITIONAL PAID-IN CAPITAL STOCK	511,546	514,091
OTHER COMPREHENSIVE INC-RECLASS TO INCOME	(4,931)	(4,598)
CAPITAL STOCK EXPENSE	(2,002)	(2,002)
UNAPPROPRIATED EARNED SURPLUS	197,417	201,579
TOTAL COMMON EQUITY	820,090	962,130
PREFERRED CAPITAL STOCK		
- PREFERENCE STOCK 6%; \$100 PAR VALUE	100,000	100,000
TOTAL PREFERRED AND PREFERENCE STOCK ISSUED	100,000	100,000
TOTAL PROPRIETARY CAPITAL	920,090	1,062,130
LONG-TERM DEBT		
BONDS	0	0
ADVANCES FROM ASSOCIATED COMPANIES	0	0
POLLUTION CONTROL BONDS	157,555	287,955
OTHER LONG-TERM DEBT	698,700	837,978
AFFILIATE DEBT FOR TRUST PREFERRED	0	0
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT	(6,990)	(6,756)
TOTAL LONG-TERM DEBT	849,265	1,119,177
OTHER NONCURRENT LIABILITIES:		
ACCUMULATED PROVISION FOR PROPERTY INSURANCE	9,800	22,367
ACCUMULATED PROVISION FOR INJURIES AND DAMAGES	2,500	2,702
ACCUMULATED PROVISION FOR PENSION AND BENEFITS	57,397	128,807
ACCUMULATED PROVISION FOR MISCELLANEOUS LIABILITIES	0	0
ACCUMULATED PROVISION FOR RATE REFUNDS	203	297
ACCUMULATED PROVISION FOR ASSET RETIREMENT OBLIGATION	12,042	12,582
TOTAL OTHER NONCURRENT LIABILITIES	81,942	166,755
CURRENT AND ACCRUED LIABILITIES:		
NOTES PAYABLE	148,239	65,986
ACCOUNTS PAYABLE	86,796	89,942
PAYABLE TO ASSOCIATED COMPANIES	56,974	58,777
CUSTOMER DEPOSITS	28,017	30,571
TAXES ACCRUED	12,879	26,887
INTEREST ACCRUED	8,966	9,397
DIVIDENDS DECLARED	1,551	1,551
MATURED INTEREST	0	0
TAX COLLECTIONS PAYABLE	1,969	2,952
MISCELLANEOUS CURRENT & ACCRUED	35,942	20,230
DERIVATIVE INSTRUMENT LIABILITIES	32,233	28,979
TOTAL CURRENT AND ACCRUED LIABILITIES	413,566	335,272
DEFERRED CREDITS		
UNAMORTIZED PREMIUM ON DEBT	0	0
CUSTOMER ADVANCES FOR CONSTRUCTION	0	0
REGULATORY TAX LIABILITIES	12,983	12,048
REGULATORY LIABILITIES	78,885	34,167
OTHER DEFERRED CREDIT	161,928	165,920
UNAMORTIZED INVESTMENT CREDIT	11,255	10,454
ACCUMULATED DEFERRED INCOME TAXES-ACC. AMORT	1,904	1,733
ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPER	276,147	300,376
ACCUMULATED DEFERRED INCOME TAXES-OTHER	71,453	58,391
TOTAL DEFERRED CREDITS	614,555	583,089
 TOTAL LIABILITIES AND OTHER CREDITS	2,879,418	3,266,423

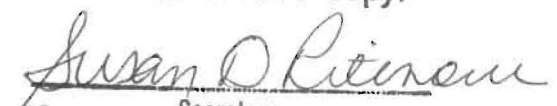
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Susan A. Riterow
Secretary
GULF POWER COMPANY

GULF POWER COMPANY
 Summary of Utility Plant and Accumulated Provision for Depreciation
 At December 31, 2008 and June 30, 2009
 (Thousands of Dollars)

	<u>Dec-08</u>	<u>Jun-09</u>
1. Utility Plant - Electric		
Plant in Service	2,644,724	2,770,173
Construction Work in Progress	538,712	644,733
Utility Plant Held for Future Use	(415)	0
Asset Retirement Obligations	(1)	224
Utility Plant Acquisition Adjustment	<u>(255)</u>	<u>(128)</u>
Total	<u>3,182,765</u>	<u>3,415,002</u>
2. Reserves - Electric		
Accumulated Provision for Depreciation	<u>(1,153,689)</u>	<u>(1,178,768)</u>
Total	<u><u>2,029,076</u></u>	<u><u>2,236,234</u></u>

Certified a True Copy.


 Secretary

GULF POWER COMPANY

GULF POWER COMPANY
INCOME STATEMENT
For the Twelve Months Ended December 31, 2008 and June 30, 2009
(Thousands of Dollars)

	Dec-08	Jun-09
1. Utility Operating Income		
Operating Revenues	1,387,374	1,351,373
Operating Revenue Deductions		
Operation and Maintenance Expenses	1,022,624	988,007
Depreciation	87,199	89,216
Amortization & Accretion	719	1,169
Taxes - Other	87,247	91,185
Taxes - Income	54,337	52,392
Total Operating Revenue Deductions	1,252,126	1,221,969
Total Utility Operating Income	135,248	129,404
2. Other Income and Deductions		
Allowances for Funds Used During		
Construction - Equity	9,969	16,971
Other - Net	2,428	1,624
Total Other Income	12,397	18,595
Income Before Interest Charges	147,645	147,999
3. Interest Charges		
Distributions on Preferred Securities	0	0
Interest on Affiliated LTD Trust		
Preferred Securities	0	0
Interest on Long-Term Debt	41,174	41,735
Amortization of Debt Discount, Premium		
and Expenses - Net	2,755	2,687
Other Interest Charges	3,142	3,504
Allowance for Funds Used During		
Construction - Borrowed Funds	(3,973)	(6,763)
Total Interest Charges	43,098	41,163
4. Extraordinary Income		
Extraordinary Income - Net	0	0
Balance Transferred to Retained Earnings	104,547	106,836

Certified a True Copy.

Susan D. Litanen
Secretary

GULF POWER COMPANY

GULF POWER COMPANY
Statement of Retained Earnings
For the Twelve Months Ended December 31, 2008 and June 30, 2009
(Thousands of Dollars)

Exhibit A (4)

	<u>Dec-08</u>	<u>Jun-09</u>
Retained Earnings - At Beginning of Period	181,987	186,446
Less: Adjustment to Retained Earnings FAS. 158 Change in Benefit Date	(1,214)	
Balance Transferred from Income	<u>104,547</u>	<u>106,836</u>
 Total Credits	 <u>285,320</u>	 <u>293,282</u>
 Deduct:		
Dividends Declared - Preferred Stock	-	-
Dividends Declared - Preference Stock	6,203	6,203
Dividends Declared - Common Stock	81,700	85,500
Other - FAS 158 Change in Pension Plan Measurement Date	<u>-</u>	<u>-</u>
 Total Debits	 <u>87,903</u>	 <u>91,703</u>
 Retained Earnings - At End of Period	 <u><u>197,417</u></u>	 <u><u>201,579</u></u>

Certified a True Copy.

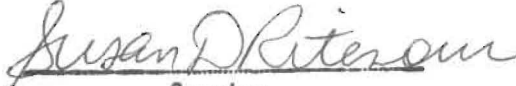
Secretary
GULF POWER COMPANY

GULF POWER COMPANY
Statement of Sources and Uses of Funds
Forecast for the Year Ended December 31, 2010
(Thousands of Dollars)

	Amount
Net Income Before Dividends	135,583
Add (Deduct) Non-Cash Items:	
Depreciation & Amortization (Including Fuel Buyouts)	121,374
Deferred Income Tax - Net	13,059
Deferred Investment Tax Credits	(1,542)
Allowance for Equity Funds Used During Construction	(9,971)
Subtotal	258,502
Less:	
Dividends on Common Stock	101,700
Dividends on Preferred Stock	6,203
Subtotal	150,600
Decrease (Increase) in Net Current Assets*	
Cash and Temporary Cash Investments	2
Receivables - Net	(14,387)
Fuel Inventory	(15,795)
Accounts Payable	2,317
Taxes Accrued	5,010
Other - Net	54,089
Subtotal	31,236
Other - Net (Including Allowance for Equity Funds Used During Construction)	(3,634)
Total Funds From Internal Sources	178,202
External Sources:	
First Mortgage Bonds	0
First Mortgage Bonds - Retirements	0
Preferred Stock and Trust Preferred Securities	30,000
Preferred Stock and Trust Preferred Securities - Retirements	0
Capital Contributions by the Parent Company	57,007
Pollution Control Obligations	0
Pollution Control Obligations - Retirements	0
Other Long-Term Debt	225,000
Other Long-Term Debt - Retirements	(140,000)
Interim Indebtedness	(13,023)
Total Funds From External Sources	158,983
GROSS PROPERTY ADDITIONS	337,185

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

Certified a True Copy.


Secretary

GULF POWER COMPANY

GULF POWER COMPANY
Construction Budget for Gross Property Additions
Forecast for the Year Ended December 31, 2010
(Thousands of Dollars)

	Amount
<u>Generating Facilities</u>	
90 Perdido Landfill Gas To Energy Project	1,288
	1,288
<u>Miscellaneous Generating Facilities</u>	
1094 Crist Fuel Handling Crane	5,500
1222 Environmental Cost Recovery Clause- Units 4 - 7 Scrubber	8,100
1279 Environmental Cost Recovery Clause- Crist 6 SCR	24,913
1298 ECRC-Crist Water Conservation Project	7,535
1443 ECRC-Water-Smith 1 & 2 Cooling Towers	8,575
1531 Daniel 1 HP/IP Turbine Upgrade	5,971
1551 ECRC-Air-Daniel 1 & 2 Scrubber	48,042
1727 Environmental- Scherer SCR	24,451
1728 Environmental- Scherer Scrubber	32,060
1824 ECRC-Air-Daniel 1 Lox Nox Burners	2,579
1842 Daniel 1 GSU Transformer	3,070
Other Miscellaneous Generating Projects	26,742
Total	197,537
<u>New Business Facilities</u>	32,845
<u>Transmission Plant Additions</u>	
Trans Infrastructure Projects	3,450
2808 Shoal River - Valp 115KV & 230KV Conv	5,500
2812 Shoal River 115KV Line	2,798
2814 Holley - Hidden Creek S.S. 115KV Reconductor	11,358
2852 Brentwood 230/115KV Autobank	12,500
2874 Smith-Laguna 115 KV Line Reconductor	21,378
Other Transmission Plant Additions	6,781
Total	63,764
<u>Distribution Plant Additions</u>	19,644
<u>Joint Line and Substation Additions</u>	15,831
<u>General Plant Additions</u>	6,276
<u>Total Gross Property Additions Projected for 2010</u>	337,185
New Products	255,887
	337,441

Certified a True Copy.

Susan P. Ritenour

Secretary

GULF POWER COMPANY