

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Gulf Power) DOCKET NO. 920056-EI
Company for authority to receive) ORDER NO. PSC-92-0029-FOF-EI
common equity contributions and) ISSUED: 3/10/92
to issue and sell securities.)
_____)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
LUIS J. LAUREDO

ORDER APPROVING PETITION OF GULF POWER COMPANY
FOR AUTHORITY TO RECEIVE COMMON EQUITY CONTRIBUTIONS
AND TO ISSUE AND SELL SECURITIES

BY THE COMMISSION:

Pursuant to Rule 25-8, Florida Administrative Code, and Section 366.04, Florida Statutes, Gulf Power Company (Gulf or Company), filed its application for authority to receive common equity contributions and to issue and sell securities during the year ending March 31, 1993.

Gulf seeks authority to receive equity funds from The Southern Company, issue and sell long-term debt and equity securities and issue and sell short-term debt securities during the year ending March 31, 1993.

According to Gulf, the maximum amount of common equity contributions to be received from The Southern Company and equity and long-term debt securities issued will total not more than \$175 million. The maximum principal amount of short-term debt at anyone time will total not more than \$100 million which will not exceed the maximum principal amount of short-term borrowing now permissible under the Gulf's Articles of Incorporation.

Gulf's present estimate of the dividend rate for the equity securities and the interest rate for the debt securities, based upon current rates for comparable securities, is as follows:

- (1) The interest rate for comparable A rated first mortgage bonds was 8.75% as of December 27, 1991.

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- (2) The dividend rate for comparable A - rate preferred stock was 8.50% as of December 27, 1991.
- (3) The prime interest rate, or its equivalent, for The Chase Manhattan Bank, N.A., was 6.50% as of December 27, 1991.
- (4) The interest rate in effect for the 180-day direct issue commercial paper as published in the Federal Reserve Statistical Release (Form H.15) was 4.34% as of December 27, 1991.

However, according to Gulf the actual dividend rate and interest rates will be determined by market conditions at the time of the sale of the securities.

The Company indicates the net proceeds to be received from these additional funds will be added to Gulf's general funds and will be used for working capital requirements and for other general business purposes, including the financing of the Gulf's construction program. Gulf states that it is engaged in a continuous construction program to accommodate existing and estimated future loads of the system, with total construction additions during 1992 estimated to cost \$72,357,000.

In addition to the construction program, Gulf states that the net proceeds to be received from these additional funds could reimburse the treasury for expenditures against which securities have not been issued. Also, the net proceeds received could 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, Gulf may refund such long-term obligations with new issuances of long-term debt and/or preferred stock.

We approve of Gulf's petition to receive and/or issue and sell the requested amounts of long-term and short-term debt during the covered period. However, we find that our approval of Gulf's application be contingent upon the issuance of securities for utility purposes only.

In consideration of the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's Petition for Authority to Receive Common Equity Contributions and to Issue and Sell Securities is approved. It is further

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ORDERED that Gulf Power Company shall file a consummating report in compliance with the Rule 25-8.009, Florida Administrative Code, within (90) days after the issuance of any securities pursuant to the authorization of this Order. It is further

ORDERED that the foregoing authorization relates only to Gulf's issuance of securities of utility purposes; provided however that nothing contained in this Order is intended to create a duty or obligation on the part of a purchaser of any security authorized hereunder to make inquiry into the use of the proceeds of the sale of the security. It is further

ORDERED that the foregoing authorization is without prejudice to the authority of this Commission with respect to rates, service, accounts, valuations, estimates to determinations or costs, of any other matter whatsoever now pending or which may come before this Commission as provided in Section 366.04, Florida Statutes.

By ORDER of the Florida Public Service Commission, this
10th day of MARCH, 1992.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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by: Kay Helton
Chief, Bureau of Records

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Director, Division of Records and Reporting within fifteen (15) days of the issuance of

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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 or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.