

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for authority to issue and sell securities and to receive common equity contributions during 12 months ending December 31, 2019, pursuant to Chapter 25-8, F.A.C., and Section 366.04, F.S., by Gulf Power Company.

DOCKET NO. 20180162-EI  
ORDER NO. PSC-2019-0070-FOF-EI  
ISSUED: February 25, 2019

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman  
JULIE I. BROWN  
DONALD J. POLMANN  
GARY F. CLARK  
ANDREW GILES FAY

FINAL ORDER GRANTING MODIFICATION OF GULF POWER COMPANY'S  
AUTHORITY TO ISSUE AND SELL SECURITIES AND TO RECEIVE  
COMMON EQUITY CONTRIBUTIONS

BY THE COMMISSION:

On August 31, 2018, Gulf Power Company (Gulf), pursuant to Chapter 25-8, Florida Administrative Code (F.A.C.), and Section 366.04, Florida Statutes (F.S.), filed an application for 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 twelve months ending December 31, 2019. We approved this application in Order No. PSC-2018-0542-FOF-EI, issued November 19, 2018, in this docket.

On January 7, 2019, Gulf submitted an application for modification of the authority to issue and sell securities approved by Order No. PSC-2018-0542-FOF-EI (Modification Application). The Modification Application was submitted by Gulf to reflect the acquisition of the Company by NextEra Energy, Inc. (NextEra) and to request an increase in the amount of securities authorized.

Notice of Gulf's Modification Application was given in the Florida Administrative Register on January 28, 2019.

Gulf was acquired by and became a wholly-owned subsidiary of NextEra on January 1, 2019, and states in its Modification Application that it will no longer be able to receive equity

funds from and/or issue common equity securities to Gulf's former parent, the Southern Company. Gulf also stated that it filed its original securities application on August 31, 2018, prior to Hurricane Michael making landfall in Northwest Florida on October 10, 2018. Gulf asserts that Hurricane Michael caused widespread and substantial damage to Gulf's utility infrastructure and such damage could not have been anticipated at the time Gulf submitted its original application.

The Modification Application requests approval to issue and sell and/or exchange any combination of the long-term debt and equity securities described and/or to assume liabilities or obligations as guarantor, endorser or surety in an aggregate amount not to exceed \$1.2 billion during calendar year 2019. Gulf's currently authorized amount of long-term debt and equity securities is \$600 million. Gulf also requests in its Modification Application to increase the maximum principal amount of short-term debt previously approved from \$500 million to \$600 million. The net increase in funding from the previously approved securities application would be \$600 million in long-term debt and equity securities and \$100 million in short-term debt.

Gulf states that the requested modifications are necessary to reflect the new ownership and the anticipated increased issuances of securities required due to the significant storm-related expenses incurred as a result of Hurricane Michael; to fund the cost of the prompt restoration, reconstruction and/or repair of facilities damaged or destroyed during calendar year 2019 due to the occurrence of any man-made or natural disaster or event or otherwise.

We have reviewed Gulf's projected capital expenditures. The amount of long-term securities requested (\$1.2 billion) exceeds Gulf's expected capital expenditures (\$262.8 million). The additional amount requested exceeding the projected capital expenditures allows for financial flexibility with regard to unexpected events such as hurricanes, financial market disruptions and other unforeseen circumstances.

In connection with this Modification Application, Gulf confirms that the capital raised pursuant to this authority will be used in connection with the regulated activities of Gulf and its affiliates, and not the non-regulated activities of its affiliates. We find the requested amounts to be appropriate and Gulf's authority to issue and sell securities is modified as requested.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's application to modify its authority to issue and sell securities filed on January 7, 2019, is approved as requested.

ORDERED that the maximum principal amount of Gulf's long-term debt and equity securities, at any one time, shall total not more than \$1.2 billion. It is further

ORDERED that the maximum principal amount of Gulf's short-term debt, at any one time, shall total not more than \$600 million. It is further

ORDERED that Gulf shall file a Consummation Report in accordance with Rule 25 -8.009, F.A.C., within 90 days after the end of any fiscal year in which it issues securities. It is further

ORDERED that this docket shall remain open to monitor the issuance and/or sale of securities until Gulf submits, and Commission staff has reviewed, the Consummation Report, at which time it shall be closed administratively.

By ORDER of the Florida Public Service Commission this 25th day of February, 2019.

  
ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of 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 and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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

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Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.