

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 18, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Accounting and Finance (Hightower, D. Buys, Cicchetti)
Office of the General Counsel (Schrader)

RE: 20180162-EI - 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.

AGENDA: 10/30/2018 - Consent Agenda - Final Action - Interested Persons May Participate

SPECIAL INSTRUCTIONS: None

Please place the following securities application on the consent agenda for approval.

Docket No. 20180162-EI – 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.

Gulf Power Company (Gulf Power or Company) seeks authority to receive equity funds from and/or issue common equity securities to its parent company, Southern Company (Southern); issue and sell long-term debt and equity securities; and issue and sell short-term debt securities during 2019. The amount of common equity contributions received from and issued to Southern, the amount of other equity securities issued, and the maximum principal amount of long-term debt securities issued will total not more than \$600 million. The maximum principal amount of short-term debt at any one time will total not more than \$500 million.

In connection with this application, Gulf Power confirms that the capital raised pursuant to this application will be used in connection with the regulated electric operations of Gulf Power and not the unregulated activities of the Company or its affiliates.

Staff has reviewed Gulf Power's projected capital expenditures. The amount requested by the Company (\$1.1 billion) exceeds its 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. Staff believes the requested amounts are appropriate. Staff recommends Gulf Power's petition to issue securities be approved.

Docket No. 20180162-EI

Date: October 18, 2018

For monitoring purposes, this docket should remain open until May 1, 2020, to allow the Company time to file the required Consummation Report.