

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-28015)

Filings Under the Public Utility Holding Company Act of 1935, as amended ("Act")

August 10, 2005

Notice is hereby given that the following filing(s) has/have been made with the Commission under provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by **September 6, 2005**, to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-9303, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After **September 6, 2005**, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Gulf Power Company (70-10117)

Gulf Power Company ("Gulf Power"), One Energy Place, Pensacola, Florida, 32520, a wholly-owned utility subsidiary of The Southern Company ("Southern"), a

registered holding company, has filed an amendment to its original declaration/application (“Amended Declaration”) under sections 6(a), 7, and 12(c) of the Act and rules 42, 53 and 54 under the Act.

By order dated June 27, 2003 (Holding Company Act Release No. 27690) (“Original Order”) Gulf Power was authorized to issue up to \$450 million principal amount of senior debentures, senior promissory notes or other senior debt instruments, first mortgage bonds and preferred stock (“Senior Security Limitation”) through March 31, 2006 (“Authorization Period”).¹ In the Amended Declaration, Gulf Power is seeking authority to also issue preference stock. Any issuance of preference stock would be included within the Senior Security Limitation.

A. Description of the Preference Stock

Gulf Power proposes that each issuance of preference stock, with par or stated value of up to \$100 per share (“Preference Stock”), will be sold for the best price obtainable (after giving effect to the purchasers’ compensation) but for a price to Gulf Power (before giving effect to the purchasers’ compensation) of not less than 98% of the par or stated value per share.

The terms of each series of Preference Stock will be established by amendment to Gulf Power’s Articles of Incorporation. Each series may have a cumulative sinking fund which would retire a certain number of shares of the series annually, commencing at a specified date after the sale. In connection with the sinking fund, Gulf Power may have

¹ Pursuant to Original Order, Gulf Power has issued \$270 million in securities under the Senior Securities Limit, leaving it with authority to issue an additional \$180 million under that limit. Gulf Power was also authorized to issue an aggregate of \$180 million in pollution control revenue bonds under the Original Order but to date has not issued any bonds.

the non-cumulative option of redeeming up to an additional like number of shares of the series annually.

Gulf Power may determine that, in light of the current market conditions at the time any series of the Preference Stock is offered, it is in the best interest of Gulf Power and its investors and consumers that the terms of the Preference Stock provide for an adjustable dividend rate to be determined on a periodic basis, rather than a fixed rate dividend. In that event, Gulf Power proposes that the rate of dividends on the Preference Stock for an initial period would be a fixed amount or rate per annum. Periodically thereafter, the rate would be adjusted by periodic auction or remarketing procedures, or in accordance with a formula or formulae based upon certain reference rates, or by other predetermined methods.

B. Financing Parameters

Gulf Power states that except as modified below, the transaction described in the Amended Declaration will be subject to the parameters applicable to the transactions listed in the Original Order.

At all times during the Authorization Period, Gulf Power represents that it will maintain a common equity ratio of at least thirty percent of its consolidated capitalization (common equity, preferred stock, preference stock and long-term and short-term debt) as reflected in its most recent Form 10-K or Form 10-Q filed with the Commission adjusted to reflect changes in capitalization since the balance sheet date, unless otherwise authorized. With respect to the securities issuance authority proposed in the Amended Declaration: (1) within four business days after the occurrence of a Ratings Event, Gulf Power will notify the Commission of its occurrence (by means of a letter, via fax, email

or overnight mail to the Office of Public Utility Regulation) and (2) within 30 days after the occurrence of a Ratings Event, Gulf Power will submit a post-effective amendment to the Amended Declaration explaining the material facts and circumstances relating to that Ratings Event (including the basis on which taking into account the interests of investors, consumers and the public as well as other applicable criteria under the Act, it remains appropriate for Gulf Power to issue the securities for which authorization is sought in the Amended Declaration, so long as Gulf Power continues to comply with the other applicable terms and conditions specified in the Commission's order authorizing the transactions requested in the Amended Declaration). Furthermore, no securities authorized as a result of the Amended Declaration will be issued following the 60th day after a Ratings Event if any downgraded rating has not been upgraded to investment grade. Gulf Power also requests that the Commission reserve jurisdiction through the remainder of the Authorization Period over the issuance of any authorized securities pursuant to the Amended Declaration that are prohibited from being issued after the 60th day following a Ratings Event, if no revised rating reflecting an investment grade rating has been issued.

A "Ratings Event" will be deemed to have occurred if, during the Authorization Period (1) any outstanding security of Gulf Power that is rated is downgraded below investment grade; (2) any security to be issued by Gulf Power pursuant to the authorization sought in the Amended Declaration upon original issuance is rated below investment grade; or (3) any outstanding security of Southern that is rated is downgraded below investment grade. For purposes of this provision, a security will be deemed to be rated "investment grade" if it is rated investment grade by at least one nationally

recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of rule 15c3-1 under the Securities Exchange Act of 1934, as amended. Gulf Power requests that it be permitted to issue a security that does not satisfy the foregoing condition if the requirements of rule 52(a)(i) and rule 52(a)(iii) of the Act are met and the issue and sale of a security have been expressly authorized by the Florida Public Service Commission.

The effective cost of money on the Preference Stock will not exceed competitive market rates available at the time of issuance for securities having the same or reasonably similar terms and conditions issued by similar companies of reasonably comparative credit quality.

The proceeds from the sales of any series of Preference Stock may be used to redeem or otherwise retire Gulf Power's outstanding debt or preferred and preference stock if considered advisable. In addition proceeds may be used to pay a portion of its cash requirements to carry on its electric utility business.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland
Deputy Secretary