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SECURITIES AND EXCHANGE COMMISSION

[Release No. 35-27733]

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

October 3, 2003.

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to 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 October 27, 2003, to the Secretary, Securities and Exchange Commission, Washington, DC 20549-0609, 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 October 27, 2003, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Gulf Power Company (70-10154)

Gulf Power Company ("Gulf"), One Energy Place, Pensacola, Florida 32520, a wholly owned electric utility subsidiary of The Southern Company ("Southern"), 270 Peachtree Street, NW., Atlanta, Georgia 30303, a registered holding company, has filed an application-declaration ("Application") under sections 6(a), 7, 9(a), 10 and 12 (b) of the Act and rules 45, 52 and 54. Gulf proposes to organize one or more subsidiaries for the purpose of effecting various financing

transactions involving the issuance and sale of an aggregate of \$150,000,000 of preferred securities, from time to time, through December 31, 2006.

In connection with the issuance of the preferred securities, Gulf proposes to organize one or more separate subsidiaries as a business trust under the laws of the State of Florida or a statutory trust under the laws of the State of Delaware or another comparable trust in any jurisdiction, or any other entity or structure, foreign or domestic, that is considered advantageous by Gulf (individually a "Trust" and collectively the "Trusts").¹ Gulf proposes that the Trusts will issue and sell from time to time preferred securities, as described in this Application (the "Preferred Securities"), with a specified par or stated value or liquidation amount or preference per security. Gulf requests the Commission to reserve jurisdiction over the use of a foreign entity as a Trust.

Gulf has a total amount of \$115,000,000 of Preferred Securities issued and outstanding through Trusts, as of June 30, 2003. The outstanding Preferred Securities were issued through Trusts rather than directly by Gulf as subordinated debt because certain rating agencies recognize preferred securities of this kind, issued through trusts, as having some equity content, rather than directly issued subordinated debt, which has no equity content. Gulf states that transactions of the Trusts are reported by Gulf on its financial statements and asserts that it is desirable for Gulf to continue to maintain a degree of similarity in its financial statements by issuing Preferred Securities through the Trusts rather than directly issuing subordinated debt.²

¹ Applicants state that the ability to use trusts in financing transactions can sometimes offer increased state and/or federal tax efficiency. Increased tax efficiency can result if a trust is located in a state or country that has tax laws that make the proposed financing transaction more tax efficient relative to the company's existing taxing jurisdiction. Decreasing tax exposure, however, is usually not the primary goal when establishing a trust. Use of a trust can provide potentially significant benefits to a company, even without a net improvement in its tax position. Trusts can increase a company's ability to access new sources of capital by enabling it to undertake financing transactions with features and terms attractive to a wider investor base. Trusts can be established in jurisdictions or on terms favorable to the sponsoring company and, at the same time, give targeted investors attractive incentives to invest and so provide financing. Many of these investors would not be participants in the company's bank group and, typically, would not hold company bonds or commercial paper. Consequently, they represent potential new sources of capital.

² Gulf notes that it reclassified \$115,000,000 of outstanding mandatorily redeemable Preferred Securities as liabilities, effective July 1, 2003, pursuant to Financial Accounting Standards Board

Gulf currently is authorized to issue Preferred Securities in an aggregate amount of up to \$30,000,000 through December 31, 2005, pursuant to Commission orders dated January 16, 1998 and June 8, 2001 (HCAR No. 26817 and HCAR No. 27417, respectively). Gulf proposes that this Application's authorization of \$150,000,000 supersede and replace the amounts remaining in these previous authorizations.

Gulf states that it will acquire all of the common stock of any Trust for an amount not less than the minimum required by any applicable law and not exceeding 21% of the total equity capitalization from time to time of the Trust (*i.e.*, the aggregate of the equity accounts of such Trust).³ The aggregate of such investment by Gulf hereafter is referred to as the "Equity Contribution." Gulf may issue and sell to any Trust, at any time or from time to time in one or more series, subordinated debentures, promissory notes or other debt instruments (individually a "Note" and collectively the "Notes") governed by an indenture or other document. The Trust will apply both the Equity Contribution made to it and the proceeds from the sale of Preferred Securities by it, from time to time, to purchase Notes. Alternatively, Gulf may enter into a loan agreement or agreements with any Trust under which the Trust will lend Gulf (individually a "Loan" and collectively the "Loans") both the Equity Contribution to the Trust and the proceeds from the sale of the Preferred Securities by the Trust, from time to

("FASB") Statement No. 150 "Accounting for Certain Financial Instruments with the Characteristics of both Liabilities and Equity." In May 2003, FASB issued Statement 150, which requires reclassification of certain financial instruments within its scope, including shares that are mandatorily redeemable as liabilities, and Statement No. 150 is currently effective. Gulf states that the reclassification as a result of implementation of Statement No. 150 did not have a material effect on its Statements of Income and Cash Flows.

³ The constituent instruments of each Trust, including its Trust Agreement, will provide, among other things, that the Trust's activities will be limited to the issuance and sale of Preferred Securities, from time to time, and the lending to Gulf of (i) the resulting proceeds, (ii) the Equity Contribution to the Trust, and (iii) certain other related activities. Consequently, Gulf proposes that a Trust's constituent instruments will not include any interest or dividend coverage nor will a Trust have capitalization ratio restrictions on its ability to issue and sell Preferred Securities. Because each issuance will be supported by a Note and Guaranty, capitalization ratio restrictions would not be relevant or necessary to enable a Trust to maintain an appropriate capital structure. Furthermore, each Trust's constituent instruments will state that its common stock is not transferable (except to certain permitted successors), that its business and affairs will be managed and controlled by Gulf (or permitted successor), and that Gulf (or permitted successor) will pay all expenses of the Trust.