

**Florida Public Service Commission
Fact Sheet: Docket No. 110138-EI
Petition for Increase in Rates by Gulf Power Company
March 12, 2012**

Gulf Power Company (Gulf) serves more than 431,000 retail customers in 8 counties in Northwest Florida.

Background

- Gulf filed its rate increase petition with the PSC in July 2011.
- The PSC conducted two service hearings for Gulf’s customers in September 2011.

2012 Commission Vote

- On February 27, 2012, the PSC approved a revenue increase of \$64,101,662 effective April 11, 2012, and a step increase of \$4,021,905 effective January 1, 2013.
- Return on Equity was set at 10.25 percent.
- On March 12, 2012, the PSC approved rates for Gulf’s customers. The total monthly bill for a Gulf customer using 1,000 kWh will increase by \$3.86, from \$122.67 to \$126.53.

<u>Gulf Requested</u>	<u>PSC Approved</u>
A \$101.6 million operating revenue increase.	An increase in operating revenue of \$64.1 million.
A \$4.3 million step increase in operating revenue effective January 1, 2013.	A \$4.0 million step increase in operating revenue effective January 1, 2013.
\$26.8 million in acquisition and evaluation costs for its Escambia County site to be included in base rate.	Commissioners denied Gulf’s request that its Escambia County site costs be included in base rate charges, since a need for this site has not been determined or brought before the PSC.
Increase the Company’s storm damage annual accrual to \$6.5 million.	Gulf’s annual storm damage accrual request was reduced by nearly half, with the Commission approving the Company’s current \$3.5 million annual accrual.

Return on Equity of 11.7 percent.	Return on Equity of 10.25 percent.
\$12.6 million for incentive compensation plans.	Reduced executive compensation by \$3.9 million.
\$583,517,000 requested revenue requirement.	\$546,010,662 approved revenue requirement.

Gulf Power Company
Monthly 1,000 Kilowatt-Hour Residential Electric Bill

	Prior to interim	Interim effective September 22, 2011	Effective April 11, 2012	Increase/ (Decrease)*
Base Rates:				
Customer Charge	\$10.00	\$10.89	\$15.00	\$5.00
Energy Charge	\$39.30	\$42.79	\$42.65	\$3.35
Subtotal Base Rates	\$49.30	\$53.68	\$57.65	\$8.35
Adjustment Clauses:				
Fuel and Purchased Power	\$51.31	\$51.31	\$46.44	(\$4.87)
Energy Conservation Cost	\$0.80	\$0.80	\$2.56	\$1.76
Environmental Cost	\$13.43	\$13.43	\$12.94	(\$0.49)
Capacity Cost	\$4.76	\$4.76	\$3.78	(\$0.98)
Subtotal Adjustment Clauses	\$70.30	\$70.30	\$65.72	(\$4.58)
Gross Receipts Taxes	\$3.07	\$3.18	\$3.16	\$0.09
Total Monthly Bill	\$122.67	\$127.16	\$126.53	\$3.86

*compared to prior to interim

Total residential bill comparisons by kWh usage follows on the next page.

Gulf Power Company			
Total Residential Bill Comparisons by kWh Usage			
Usage	Prior to interim	Interim	Effective April 2012
1,000 kWh	\$122.67	\$127.16	\$126.53
1,200 kWh	\$145.15	\$150.36	\$148.77
1,500 kWh	\$178.88	\$185.17	\$182.11
2,000 kWh	\$235.08	\$243.15	\$237.67
3,000 kWh	\$347.49	\$359.14	\$348.83