FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

FEBRUARY 19, 2002

RE: Docket No. 010789-EI - 2001 Depreciation and Dismantling Study by Gulf Power Company.

ISSUE 1: Should Gulf's current depreciation rates, amortization schedules, and provision for dismantlement be revised?
RECOMMENDATION: Yes. A review of the company's plans and activity indicates the need for revising its depreciation rates and provision for dismantlement.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
Rudy Bradley	
[illegible]	
[illegible]	
J. Terry Deason	
Michael A Palecki	

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE
01939 FEB 19 02
FPSC-COMMISSION CLERK

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ISSUE 2: What should be the implementation date for the recommended depreciation rates and dismantlement provision?
RECOMMENDATION: Staff recommends approval of the company's proposed January 1, 2002, date of implementation for the new depreciation rates and dismantlement accruals. Additionally, staff recommends an effective date for the depreciation rate and dismantlement provision for Smith Unit 3 that is concurrent with the in-service date of the unit.

APPROVED

ISSUE 3: What is the appropriate annual provision for dismantlement?
RECOMMENDATION: Staff recommends an annual provision for dismantlement of $6.2 million beginning January 1, 2002, as shown on Attachment A of staff's February 7, 2002 memorandum. This represents an increase of approximately $560,000 over the current approved annual accrual. Additionally, an annual dismantlement provision of about $310,000 is recommended for Smith Unit 3, effective with its in-service date, currently estimated to be June 1, 2002. At that time the total annual dismantlement provision will be $6.5 million. Further, staff recommends that Gulf provide site-specific dismantlement studies for both Pea Ridge and Smith Unit 3 at the next review cycle.

APPROVED

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ISSUE 4: Should the current amortization of investment tax credits (ITCs) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?
RECOMMENDATION: Yes. The current amortization of ITCs and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report for the month its revised rates become effective.

APPROVED

ISSUE 5: What are the appropriate depreciation rates?
RECOMMENDATION: The staff recommended lives, net salvages, reserves, and resultant depreciation rates are shown on Attachment B of staff's memorandum. These rates result in an increase in annual depreciation expense of approximately $1 million, based on January 1, 2002 investments as shown on Attachment C. Including the impact of Smith Unit 3, the increase in annual expense is approximately $12.4 million.

APPROVED

ISSUE 6: Should this docket be closed?
RECOMMENDATION: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

APPROVED

Further, the Commissioners clarified that the hearing will rely on testimony as filed.