

**Eric Fryson**

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**From:** Darnes, Melissa Ann [MADARNES@SOUTHERNCO.COM]  
**Sent:** Wednesday, December 19, 2012 12:54 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** John Slemkewicz; Kathy Lewis; jas@beggslane.com  
**Subject:** Gulf Power Company's response to Industry Survey for legislative review of agency rules (Rules 25-6.0131, 25-6.043, 25-6.0423, F.A.C.)  
**Attachments:** Gulf's response to survey of rules 12-19-2012.pdf

A. s/Robert L. McGee

Gulf Power Company

One Energy Place

Pensacola FL 32520

850.444.6530

[rlmcgee@southernco.com](mailto:rlmcgee@southernco.com)

B. Docket No. 110303-OT

C. Gulf Power Company

D. Document consists of 27 pages.

E. The attached document is Gulf Power Company's response to Industry Survey for legislative review of agency rules (Rules 25-6.0131, 25-6.043, 25-6.0423, F.A.C.).

Melissa Darnes

Gulf Power Company • Admin Assistant I/Regulatory & Pricing  
One Energy Place • Pensacola, FL 32520-0601  
Phone: 850.444.6730 • Fax: 850.444.6026

Stay connected with Gulf Power



**Robert L. McGee, Jr.**  
Regulatory & Pricing Manager

One Energy Place  
Pensacola, Florida 32520-0780

Tel 850.444.6530  
Fax 850.444.6026  
RLMCGEE@southernco.com



December 19, 2012

Ann Cole, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0850

RE: Docket No. 110303-OT – Industry Survey for legislative review of agency rules

Dear Ms. Cole:

Attached is Gulf Power Company's response to Staff's survey questions for Rule 25-6.0131, F.A.C., Regulatory Assessment Fees; Rule 25-6.043, F.A.C., Investor-Owned Electric Utility Minimum Filing Requirements; Commission Designee; and Rule 25-6.0423, F.A.C., Nuclear or Integrated Gasification Combined Cycle Power Plant Cost Recovery in the above referenced docket.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

md

Enclosure

cc: Florida Public Service Commission  
John Slemkewicz  
Kathryn Dyal Lewis  
Beggs & Lane  
Jeffrey A. Stone

SEARCHED INDEXED DATE

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FPSC-COMMISSION CLERK

1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?
  - a. Please identify regulatory assessment fees separately from all other transactional costs required to comply with the rule.

**GULF'S RESPONSE:**

Gulf's annual transactional costs (excluding the FPSC Assessment Fees) to comply with Rule 25-6.0131 are approximately between \$2,500 and \$5,000.

The actual amounts Gulf submitted in FPSC Assessment Fees are as follows:

- \$451,449.99 - submitted July 22, 2011 for the Jan. - Jun. 2011 period
- \$465,932.89 - submitted January 23, 2012 for the Jul. - Dec. 2011 period
- \$406,925.90 - submitted July 19, 2012 for the Jan. - Jun. 2012 period.

Unless there is a change in the FPSC Assessment Fee rate, which is currently 0.00072, Gulf would anticipate that its semi-annual payments for the remainder of the five year period would be comparable to the amounts presented above.

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FPSC-COMMISSION CLERK

2. Of the costs provided in response to question 1 above, which, if any, would be incurred by the Company if Rule 25-6.0131, F.A.C., were not in effect?

**GULF'S RESPONSE:**

If Rule 25-6.0131 were not in effect, none of the costs provided in response to question no. 1 would be incurred.

3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on entities located in the Company's service territory other than those specifically identified in questions 3 and 4, resulting from the implementation of 25-6.0131, F.A.C., for the five year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

6. What does the Company believe is the expected impact of Rule 25-6.0131, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five year period beginning July 1, 2011 in the Company's service territory?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.



7. What does the Company believe is the expected impact of Rule 25-6.0131, F.A.C., on business competitiveness, productivity, and innovation, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets for the five year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

8. What does the Company believe are the benefits of Rule 25-6.0131, F.A.C.?

**GULF'S RESPONSE:**

The fees paid in compliance with this rule are designed to comply with the legislature's funding mechanism set forth in Section 350.113(3) of the Florida Statutes for the operations of the Florida Public Service Commission in the performance of the various functions and duties required of it by law.

1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-6.043, F.A.C., for the five-year period beginning July 1, 2011? Include, for example, the following items separated between internal costs and external costs:
- a. The costs of preparing the minimum filing requirements.
  - b. Witness preparation and appearance before the Commission.
  - c. Petition and testimony filings.
  - d. Legal costs.
  - e. Consultant costs.
  - f. Other costs associated with the required filings -please identify each.

**GULF'S RESPONSE:**

Costs to comply with FPSC Rule 25-6.043 are incurred when a utility petitions the Commission for an adjustment in base rates. Gulf's last base rate increase request was filed on July 8, 2011 and was considered by the Commission in Docket No. 110138-EI. Gulf does not track its costs in the categories identified above. However, below are the costs Gulf incurred in submitting and litigating its petition in this docket in a format consistent with the information provided in Late Filed Exhibit No. 2 for the deposition of Constance J. Erickson. At this time Gulf cannot predict its compliance costs for the remainder of the five year period.

	(\$000s)
Outside Consultants	<b>1,146</b>
Outside Legal Services	<b>2,853</b>
Meals and Travel	<b>121</b>
Other Expenses:	
SCS	289
Labor (overtime for hourly employees)	43
Printing	28
Postage	10
Office Supplies	7
Miscellaneous	5
<b>Total Other Expenses</b>	<b>382</b>
<b>Total Expenses</b>	<b>4,502</b>

2. Of the costs provided in response to question 1 above, which, if any, would be incurred by the Company if Rule 25-6.043, F.A.C., were not in effect?

**GULF'S RESPONSE:**

The activities necessary to prepare, submit and litigate a petition for a base rate adjustment would not be significantly different absent Rule 25-6.043, thus the cost provided in question no. 1 would not materially decrease.

3. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on small businesses (as defined by Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of Rule 25-6.043, F.A.C., for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

4. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits, on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of 25-6.043, F.A.C., for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on entities located in the Company's service territory other than those specifically identified in questions 3 and 4, resulting from the implementation of Rule 25-6.043, F.A.C., for the five- year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

6. What does the Company believe is the expected impact of Rule 25-6.043, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.



7. What does the Company believe is the expected impact of Rule 25-6.043, F.A.C., on business competitiveness, productivity, and innovation, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

8. What does the Company believe are the benefits associated with Rule 25-6.043, F.A.C.?

**GULF'S RESPONSE:**

Gulf believes the benefits associated with Rule 25-6.043 include, but are not limited to:

- Providing a level of certainty of the requirements that a request must meet in order to be accepted.
- Promoting consistency across the IOU's by providing a standard format for which information and data are to be provided.
- Facilitating a more efficient review by the FPSC Staff and intervening parties of the IOU's filings.
- Reducing the amount of discovery that would otherwise be requested.

1. What are the Company's estimated transactional costs (as defined in Subparagraph 120.541(2)(d), F.S.) resulting from the Company's compliance with Rule 25-6.0423, F.A.C., Subparagraphs 1, 2, 3, 6, and 7 for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

For the period July 1, 2011 to date, Gulf has not incurred any cost to comply with Rule 25-6.0423. At this time, Gulf does not project to incur any cost to comply with Rule 25-6.0423 for the remainder of the five-year period beginning July 1, 2011.

2. What are the actual or estimated transactional costs for each of the 5 years beginning July 1, 2011, to comply with Rule 25-6.0423, F.A.C., Subparagraphs 4 and 5? Please specify which of these costs are recovered through base rates and/or which cost recovery clause. Include, for example, the following items:
- a. The costs of annual filings required to be submitted as part of the Company's capacity cost recovery clause filings.
  - b. Legal services and consultants.
  - c. Other costs associated with the required annual filings -please identify each.

**GULF'S RESPONSE:**

For the period July 1, 2011 to date, Gulf has not incurred any cost to comply with Rule 25-6.0423. At this time, Gulf does not project to incur any cost to comply with Rule 25-6.0423 for the remainder of the five-year period beginning July 1, 2011.

3. What are the actual or estimated transactional costs for each of the 5 years beginning July 1, 2011, to comply with Rule 25-6.0423, F.A.C., Subparagraph 8? Please specify which of these costs are recovered through base rates and/or which cost recovery clause. Include, for example, the following items:
- a. The costs of the Company's detailed statement of project costs required to be submitted as part of the Company's detailed statement of project cost filings as described in Rule 24-6.0423, subparagraphs 8(b) - 8(e).
  - b. The costs of including the additional information specified in Rule 25-6.0423, Subparagraph 8(f) in the Company's annual report filed pursuant to Rule 25-6.134, F.A.C.

**GULF'S RESPONSE:**

For the period July 1, 2011 to date, Gulf has not incurred any cost to comply with Rule 25-6.0423. At this time, Gulf does not project to incur any cost to comply with Rule 25-6.0423 for the remainder of the five-year period beginning July 1, 2011.

4. Of the costs provided in answer to questions 1 through 3 above, which, if any, would be incurred by the Company if Rule 25-6.0423, F.A.C., were not in effect?

**GULF'S RESPONSE:**

For the period July 1, 2011 to date, Gulf has not incurred any cost to comply with Rule 25-6.0423. At this time, Gulf does not project to incur any cost to comply with Rule 25-6.0423 for the remainder of the five-year period beginning July 1, 2011.

5. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on small businesses (as defined in Section 288.703, F.S.) located in the Company's service territory, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

6. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on small counties and small cities (as defined in Section 120.52, F.S.) located in the Company's service territory, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.



7. What is the Company's estimate of the likely impact, stated in terms of costs and/or benefits on entities located in the Company's service territory other than those specifically identified in questions 5 and 6, resulting from the implementation of Rule 25-6.0423, F.A.C., for the five- year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

8. What does the Company believe is the expected impact of Rule 25-6.0423, F.A.C., on economic growth, private sector job creation or employment, and private sector investment for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

9. What does the Company believe is the expected impact of Rule 25-6.0423, F.A.C., on business competitiveness, including the ability of persons doing business in the Company's service territory to compete with persons doing business in states other than Florida or other domestic markets, productivity, and innovation, for the five-year period beginning July 1, 2011?

**GULF'S RESPONSE:**

Gulf does not analyze or maintain data concerning the economic impacts of this rule on third parties. Determining such impacts can be a very complex process requiring multiple assumptions. Consequently, the Company is not in a position to provide the data which has been requested.

10. What does the Company believe are the benefits associated with Rule 25-6.0423, F.A.C.?

**GULF'S RESPONSE:**

Gulf believes the benefits associated with Rule 25-6.0423 are consistent with its intended purpose which is the establishment of an alternative cost recovery mechanism for the recovery of costs incurred in the siting, design, licensing, and construction of nuclear or integrated gasification combined cycle power plants in order to promote electric utility investment in nuclear or integrated gasification combined cycle power plants and allow for the recovery in rates of all such prudently incurred costs.