

Crystal Card

From: Ellen Plendl
Sent: Monday, January 05, 2015 1:15 PM
To: Consumer Correspondence
Subject: Docket 140001-EI
Attachments: FW PSC and Southern Company Rate Increase; Consumer Inquiry - Gulf Power Company

See attached customer correspondence and PSC reply for correspondence side of Docket 140001-EI.

Crystal Card

From: Governor Rick Scott <Rick.Scott@eog.myflorida.com>
Sent: Monday, January 05, 2015 11:10 AM
To: Ellen Plendl
Cc: Sunburst
Subject: FW: PSC and Southern Company Rate Increase

-----Original Message-----

From: Cary Schwencke [<mailto:cary667@yahoo.com>]
Sent: Saturday, January 03, 2015 8:20 PM
To: Governor Rick Scott
Subject: PSC and Southern Company Rate Increase

From: Cary Schwencke <cary667@yahoo.com>

County: Escambia

Zip Code: 32506

Phone Number: 850-418-9526

Message Body: The PSC has allowed a rate increase for Gulf Power owned by Southern Company outside of Atlanta beginning in January 2014, The reporter on the news stated it was due to an increase in the cost of fuel. This is false. The cost of fuel has dropped to the lowest in five years. The PSC is not protecting consumers, but protects the monopoly. Rates are not affordable. What can you do about this matter. We need a competing company in the Panhandle.

Cary Schwencke

Crystal Card

From: Randy Roland
Sent: Monday, January 05, 2015 11:57 AM
To: 'cary667@yahoo.com'
Subject: Consumer Inquiry - Gulf Power Company

Cary Schwencke
cary667@yahoo.com

Dear Mr. Schwencke,

The Governor's office forwarded a copy of your email regarding Gulf Power Company (Gulf Power) to the Florida Public Service Commission (PSC). The PSC regulates investor-owned electric, and natural gas utilities throughout the state, and investor-owned water and wastewater utilities in those counties which have opted to transfer jurisdiction to the PSC. The PSC has authority in the telephone industry which is limited to the Lifeline Assistance Program, Florida Relay Service, and pay telephone service. You expressed a concern about the fuel cost adjustment.

The fuel cost charge allows the utility to recover the actual expenses associated with securing and processing fuel necessary to run the power plants used to generate electricity. Fuel rates mirror rising and falling fuel costs as reflected in the international marketplace. The revenue generated by the fuel adjustment charge does not add to the profit of the utility companies, but goes to pay fuel suppliers and transporters. The cost of fuel is shown as a separate cents per kilowatt-hour charge, and fuel costs are not contained in any other charge on your bill.

Each year, utilities file their projected fuel expenses for the upcoming calendar year. The PSC, along with the Office of Public Counsel and other consumer representatives closely examine the fuel costs requested by the utilities. Public hearings are held annually to set the fuel factors for the next year. Since rates are set on projected costs, at the end of the year, the costs are "trued-up" or compared to the audited actual expenses incurred by the utility. If the utility recovered more than its actual costs, the amount of over-recovery is used to reduce the next year's costs. If the utility under-recovered (costs were higher than expected) that deficit is likewise rolled into the next year. The fuel cost adjustment is recognized by virtually all state commissions, by the Federal Energy Regulatory Commission, and is also used by most municipal electric utilities and rural electric cooperatives.

On October 22, 2014, the PSC set the 2014 fuel adjustment charges for Gulf Power customers. The fuel adjustment charges were decided at a hearing where the PSC considered each utility's projected costs of fuel and the purchased power for 2015 as well as 'trued up' costs for 2014. As a result of the October 22 hearing, a residential customer using 1000 kWh will see their bill increase from \$132.00 to \$139.29. The fuel portion of the bill will increase by \$7.29. Thank you for sharing your views. We will add your comments to the correspondence side of Docket 140001-EI regarding the fuel cost adjustment.

If you have any questions or concerns please contact me at 1-800-342-3552 or by fax at 1-800-511-0809.

Sincerely,

Randy Roland
Regulatory Program Administrator
Florida Public Service Commission