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Gulf's response to Staff's Third Set of
Interrogatories Nos. 6-10

Gulf Power Company
Docket No: 20210007-EI
Staffs 3rd Set INTs
Interrogatory No: 6
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QUESTION:

Please refer to Gulf witness Hume's direct testimony filed April 1, 2021, Exhibit RLH-1, page 24 of 55, Project 11 - Crist Bulk Tanker Unloading Second Containment - Base. Please also refer to Gulf witness Hume's direct testimony filed July 30, 2021, Exhibit RLH-2, page 24 of 54, Project 11. Please explain why the 2020 Actual Plant-in Service/Depreciation Base of \$101,495 and Less: Accumulated Depreciation of (\$91,771) for December does not match the 2021 Beginning of Period Amount's Plant-in Service/Depreciation Base of \$50,748, and Less: Accumulated Depreciation of (\$41,024).

RESPONSE:

In October 2020, there were retirements made that were not itemized on the Excel schedules used for the 2020 Final True Up filing submitted on April 1, 2021 resulting in the mismatch between 2020 and 2021 balances. However, the net investment ending balance for 2020 from the Final True-up filed April 1, 2021, Exhibit RLH-1, page 24 of 55 line 5, matches the beginning balance for 2021 from the Actual/Estimated filed July 30, 2021, Exhibit RLH-2, page 24 of 54 line 6. The Company's ledger reflected the correct balances from October 2020 and the additional beginning balance detail was added for the Actual/Estimated filing submitted on July 30, 2021.

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QUESTION:

Please refer to Gulf witness Hume's direct testimony filed April 1, 2021, Exhibit RLH-1, page 26 of 55, Project 13 - Sodium Injection System-Base. Please also refer to Gulf witness Hume's direct testimony filed July 30, 2021, Exhibit RLH-2, page 26 of 54, Project 13. Please explain why the 2020 Actual Plant-in Service/Depreciation Base of \$284,622 and Less: Accumulated Depreciation of (\$149,884) for December does not match the 2021 Beginning of Period Amount's Plant-in Service/Depreciation Base of \$0, and Less: Accumulated Depreciation of \$134,738.

RESPONSE:

In October 2020, there were retirements made that were not itemized on the Excel schedules used for the 2020 Final True Up filing submitted on April 1, 2021 resulting in the mismatch between 2020 and 2021 balances. However, the net investment ending balance for 2020 from the Final True-up filed April 1, 2021, Exhibit RLH-1, page 26 of 55 line 5, matches the beginning balance for 2021 from the Actual/Estimated filed July 30, 2021, Exhibit RLH-2, page 26 of 54 line 6. The Company's ledger reflected the correct balances from October 2020 and the additional beginning balance detail was added for the Actual/Estimated filing submitted on July 30, 2021.

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QUESTION:

Please refer to Gulf witness Hume's direct testimony filed July 30, 2021, Exhibit RLH-2, page 41 of 54, Project 26 - Air Quality Compliance Program - General. Please also refer to Gulf witness Hume's direct testimony filed April 1, 2021, Exhibit RLH-1, Project 26. Please explain why Gulf added the "General" portion of the program.

RESPONSE:

A review of Gulf Property records revealed that there were Fiber Optic assets in Project 26 that needed to be reclassified under General Plant because these assets serve a general use in connection with utility operations. In accordance with Rule 25-6.0142 Uniform Retirements for Electric Utilities, Gulf transferred the Fiber Optic Communication Assets to Account 397-Communication Equipment in April 2021. Identifying the assets as General provides a more accurate separation of costs between retail and wholesale.

ACCOUNT 397 - COMMUNICATION EQUIPMENT

PROPERTY UNIT INCLUDES:

COST INSTALLED OF TELEPHONE, TELEGRAPH AND WIRELESS EQUIPMENT FOR GENERAL USE IN CONNECTION WITH UTILITY OPERATIONS, SUCH AS METALLIC LAND LINES FOR COMMUNICATION, MICROWAVE SYSTEMS, TWO-WAY COMMUNICATION SYSTEMS, SWITCHING EQUIPMENT AND SPECIAL TEST EQUIPMENT (NOT DUPLICATED IN ACCOUNT 395.) SUCH COST SHOULD BE AMORTIZED OVER A 5 YEAR PERIOD AND NO PROPERTY RECORDS MAINTAINED EXCEPT AS A VINTAGE GROUP.

FIBER-OPTIC EQUIPMENT FOR COMMUNICATION

PROPERTY UNIT INCLUDES:

COST INSTALLED OF COMMUNICATION EQUIPMENT ASSOCIATED WITH FIBER OPTIC TECHNOLOGY, INCLUDING FIBER CABLE, MULTIPLEXERS, PATCH PANELS, AND SPLICE BOXES.

RETIREMENT UNIT DESCRIPTIONRETIREMENT UNIT

FIBER TRANSMISSION CABLE OR CONDUCTOR	2 CONTINUOUS SPANS, WITH OR WITHOUT ASSOCIATED APPURTENANCES
OVERHEAD FIBER CABLE	EACH SPAN
PATCH PANEL	EACH
SPLICE BOX	EACH
CONDUIT - OVERHEAD	EACH SPAN
CONDUIT OTHER THAN OVERHEAD	2 CONTINUOUS SPANS
REFLECTOMETER	EACH
VIDEO CODER/DECODER	EACH
DIGITAL MULTIPLEXER	EACH
DIRECT BURIED DUCT BANK	2 CONTINUOUS SPANS
CONCRETE ENCASED DUCT BANK	2 CONTINUOUS SPANS
CHANNEL BANK EQUIPMENT	EACH
FIBER OPTIC TERMINAL/REGENERATOR	EACH

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QUESTION:

Please refer to Gulf witness Hume's MS Excel file of Exhibit RLH-2, "FINAL 2021 ECRC Actual Estimated True Up - Clean 8.4.21", tab "ECRC_42_8E" Project 28- Coal Combustion Residuals- Intermediate. Please explain why the formulas to calculate the Capital Recovery Unamortized Balance change from September to October. Specifically, the addition of other Investments to other Investment Expenses.

RESPONSE:

This is an error in the formula for October through December. As a result, Gulf under-stated its "Total Recoverable Costs" for October – December in the amount of \$24,915. This will be corrected in the 2021 final true up filing.

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QUESTION:

Please refer to Gulf witness Hume's direct testimony filed July 30, 2021, Exhibit RLH-2. Please explain where Gulf is accounting for the amortization of the regulatory assets approved by Order No. PSC-2021-0115-PAA-EI for all projects associated with the regulatory assets for the following:

- a. Page 13 of 54, Project 2 - Crist 5, 6, and 7 Precipitator Projects – Base
- b. Page 24 of 54, Project 11 - Crist Bulk Tanker Unloading Second Containment – Base
- c. Page 26 of 54, Project 13 - Sodium Injection System – Base
- d. Page 31 of 54, Project 19 - Crist FDEP Agreement for Ozone Attainment – Base
- e. Page 36 of 54, Project 22 - Precipitator Upgrades for CAM Compliance – Base
- f. Page 37 of 54, Project 24 - Crist Water Conservation – Base
- g. Page 40 of 54, Project 26 - Air Quality Compliance Program – Base

RESPONSE:

In accordance with the Petition for Approval of Regulatory Assets Related to the Retirements of the Coal Generation Assets at Plant Crist, filed with the Commission in Docket No. 2020007-EI on November 10, 2020. Gulf sought to defer recovery of the regulatory assets and determination of the associated amortization period until Gulf's base rates are next reset in a general base rate proceeding.

Pending the Commission's approval of the Settlement Agreement proposed in Docket No. 20210015 on August 10, 2021, amortization of the regulatory asset will begin in January 2022.