

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company.

DOCKET NO. 160186-EI

In re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization, by Gulf Power Company.

DOCKET NO. 160170-EI

ORDER NO. PSC-16-0511-PCO-EI  
ISSUED: November 9, 2016

ORDER GRANTING GULF POWER COMPANY'S  
MOTION TO CONSOLIDATE DOCKET NOS. 160186-EI AND 160170-EI

On October 12, 2016, Gulf Power Company (Gulf) filed a Petition for Base Rate Relief and Motion to Consolidate Dockets. Gulf's motion requests that its Petition for approval of its (1) 2016 depreciation and dismantlement studies, (2) approval of proposed depreciation rates and annual dismantlement accruals, and (3) Plant Smith Units 1 and 2 regulatory asset amortization (Docket No. 160170-EI), be consolidated with its Petition for approval for base rate relief (Docket No. 160186-EI).

Docket No. 160170-EI (Depreciation Study Petition)<sup>1</sup>

Gulf's current depreciation rates and annual dismantlement accruals were approved by the Commission in Order No. PSC-10-0458-PAA-EI, issued July 19, 2010 in Docket No. 090319-EI, based on Gulf's 2009 studies. As part of the Stipulation and Settlement Agreement approved by the Commission in Gulf's 2013 rate case, in Order No. PSC-13-0670-S-EI, issued December 19, 2013, in Docket No. 130140-EI (2013 Settlement Agreement),<sup>2</sup> Gulf's proceeding addressing its 2013 depreciation and dismantlement studies were closed,<sup>3</sup> without any change to the depreciation rates or annual dismantlement accrual established for Gulf, pursuant to its 2009 studies. Under the terms of the 2013 Settlement Agreement, the depreciation and amortization accrual rates in effect at the time of the 2013 Settlement Agreement were to remain in effect

<sup>1</sup> Document No. 04963-16.

<sup>2</sup> Document No. 07112-13, Stipulation and Settlement Agreement, filed November 22, 2013, in Docket No. 130140-EI, In Re: Petition for rate increase by Gulf Power Company.

<sup>3</sup> Docket No. 130151-EI, In Re: 2013 Depreciation and Dismantlement Study by Gulf Power Company, and Docket No. 130092-EI, In Re: Petition of Gulf Power Company to include the Plant Daniel Bromine and ACI Project, the Plant Crist Transmission Upgrades Project, and the Plant Smith Transmission Upgrades Project in the Company's program, and approve the costs associated with these compliance strategies for recovery through the ECRC. Docket Nos. 130151-EI and 130092-EI were consolidated with Docket No. 130140-EI, by Order No. PSC-13-0454A-PCO-EI, issued October 24, 2013.

throughout the term of the 2013 Settlement Agreement. In addition, the 2013 Settlement Agreement required Gulf to file depreciation and dismantlement studies on or before December 31, 2018, or within a period defined as not more than one year nor less than 60 days, prior to Gulf filing its next general rate proceeding, whichever is sooner.<sup>4</sup>

On July 14, 2016, pursuant to the terms of the 2013 Settlement Agreement, Gulf filed a Petition for approval of its 2016 Depreciation Study, 2016 Dismantlement Study, proposed depreciation rates and annual dismantlement accrual amounts, and the Plant Smith Units 1 and 2 regulatory asset amortization, pursuant to Rules 25-6.0436 and 25-6.04364, Florida Administrative Code (F.A.C). Gulf filed a corrected 2016 Depreciation Study on September 20, 2016.<sup>5</sup>

Docket No. 160186-EI (Rate Relief Petition)<sup>6</sup>

On October 12, 2016, Gulf filed its Petition for permanent increase in its base rates and miscellaneous service charges, along with its Minimum Filing Requirements (MFRs), pursuant to Section 366.06, Florida Statutes (F.S.), and Rules 25-6.0425 and 25-6.043, F.A.C. An administrative hearing is scheduled in this docket for March 20-24, 2017, pursuant to Section 366.06(2), F.S., to take evidence in the rate case.

Motion to Consolidate

Rule 28-106.108, F.A.C., provides that “[i]f there are separate matters which involve similar issues of law or fact, or identical parties, the matters may be consolidated if it appears that consolidation would promote the just, speedy, and inexpensive resolution of the proceedings, and would not unduly prejudice the rights of a party.” Gulf asserts that Docket No. 160170-EI should be consolidated with Docket No. 160186-EI for administrative efficiency. Specifically, Gulf states that the “depreciation and dismantlement studies filed in Docket No. 160170-EI provide the details for the corresponding amounts included in the MFRs filed in Docket No. 160186-EI,” and that the “information in the studies is so embedded in the rate case MFR calculations that the requests to approve these studies are naturally and rationally included in the rate case.” Finally, Gulf asserts that “consolidation would place all of the studies and all of the testimony associated with the studies in the rate case docket resulting in a consolidated, coordinated, and unified final hearing record as was intended by the parties to the [2013] Settlement Agreement.”

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<sup>4</sup> Document No. 07112-13, Stipulation and Settlement Agreement, Paragraph 7, p. 13.

<sup>5</sup> Document No. 07693-16, Gulf Corrected 2016 Depreciation Study.

<sup>6</sup> Document No. 08135-16.

The Office of Public Counsel (OPC) intervened in both dockets.<sup>7</sup> No party has objected to the motion to consolidate.

### Ruling

Rule 28-106.211, F.A.C., provides that “[t]he presiding officer before whom a case is pending may issue any orders necessary to effectuate discovery, to prevent delay, and to promote the just, speedy, and inexpensive determination of all aspects of the case. . . .” Upon review, it appears that Docket Nos. 160170-EI and 160186-EI are interrelated and inextricably linked and thus, the standard for consolidation set out in Rule 28-106.108, F.A.C., has been met. Therefore, Docket Nos. 160170-EI and 160186-EI shall be consolidated for all purposes. All parties to Docket No. 160170-EI shall also be parties to Docket No. 160186-EI. Accordingly, all procedures established by the Order Establishing Procedure (Order No. PSC-16-0473-PCO-EI), issued in Docket No. 160186-EI, shall govern this proceeding unless modified by the Prehearing Officer or the Commission. All filings made in Docket No. 160170-EI shall be combined into Docket No. 160186-EI, and all future filings shall be filed in Docket No. 160186-EI. To the extent that parties have provided responses to discovery or staff data requests in Docket No. 160170-EI, those requests and responses shall be incorporated into Docket No. 160186-EI as if originally filed herein.

Based on the foregoing, it is

ORDERED by Commissioner Jimmy Patronis, as Prehearing Officer, that Gulf Power Company’s Motion to Consolidate Docket Nos. 160170-EI and 160186-EI is hereby granted, as set forth in the body of this Order. It is further

ORDERED that Docket Nos. 160186-EI and 160170-EI are hereby consolidated for all purposes, as set forth in the body of this Order. It is further

ORDERED that all parties to Docket No. 160170-EI shall also be parties to Docket No. 160186-EI. It is further

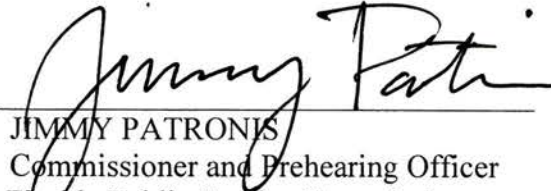
ORDERED that any procedures established by Order No. PSC-16-0473-PCO-EI issued in Docket No. 160186-EI shall govern these consolidated proceedings unless modified by the Prehearing Officer or Commission. It is further

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<sup>7</sup> See, Order No. PSC-16-0367-PCO-EI, issued on September 8, 2016, in Docket No. 160170-EI, In Re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization, by Gulf Power Company; and Order No. PSC-16-0466-PCO-EI, issued on October 14, 2016, in Docket No. 160186-EI, In Re: Petition for rate increase by Gulf Power Company.

ORDERED that all filings and discovery issued in Docket No. 160170-EI shall be combined in the file for Docket No. 160186-EI.

By ORDER of Commissioner Jimmy Patronis, as Prehearing Officer, this 9th day of November, 2016.



JIMMY PATRONIS  
Commissioner and Prehearing Officer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.