

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-17-0178-S-EI  
ISSUED: May 16, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
JIMMY PATRONIS  
DONALD J. POLMANN

FINAL ORDER APPROVING STIPULATION AND SETTLEMENT AGREEMENT  
AND APPROVING TARIFFS AND RATE SCHEDULES OF GULF POWER COMPANY

BY THE COMMISSION:

BACKGROUND

On August 12, 2016, Gulf Power Company (Gulf) filed a test year letter, as required by Rule 25-6.140, Florida Administrative Code (F.A.C.), notifying this Commission of its intent to file a petition between October 11 and October 28, 2016, for an increase in rates effective 2017. Pursuant to the provisions of Chapter 366, Florida Statutes (F.S.), and Rules 25-6.0425 and 25-6.043, F.A.C., Gulf filed its Minimum Filing Requirements, Petition for Base Rate Relief and Motion to Consolidate Dockets (Petition), and direct testimony on October 12, 2016. On November 9, 2016, Docket Nos. 160170-EI (2016 Depreciation and Dismantlement Studies) and 160186-EI (Rate Case) were consolidated.<sup>1</sup> On November 22, 2016, we ordered that the issues identified in the Environmental Cost Recovery Clause (ECRC) docket related to Gulf's recovery of its identified environmental compliance investment and expenses associated with Gulf's ownership interest in Scherer Unit 3 would be deferred for resolution in the consolidated rate proceeding.<sup>2</sup>

<sup>1</sup> Order No. PSC-16-0511-PCO-EI, issued on November 9, 2016, in Docket No. 160186-EI, In re: Petition for rate increase by Gulf Power Company; and 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.

<sup>2</sup> Order No. PSC-16-0535-FOF-EI, issued on November 22, 2016, in Docket No. 160007-EI, In re: Environmental cost recovery clause, p. 10.

The Office of Public Counsel (OPC), Federal Executive Agencies (FEA), Southern Alliance for Clean Energy (SACE), Florida Industrial Power Users Group (FIPUG), League of Women Voters of Florida (LWVF), Wal-Mart Stores East, LP and Sam's East, Inc. (Walmart), and Sierra Club are parties to this consolidated proceeding.<sup>3</sup>

A Prehearing Conference was held on March 6, 2017, and a Prehearing Order was issued, on March 14, 2017, establishing 107 issues, which included several stipulated issues.<sup>4</sup> The technical hearing was scheduled for March 20 through March 24, 2017, and, on March 20, 2017, prior to the start of the hearing, Gulf and OPC filed a Stipulation and Settlement Agreement (Settlement) resolving all issues.<sup>5</sup> We convened the technical hearing to address several preliminary matters. After hearing from all the parties on the Settlement, approving 39 stipulations on individual issues, admitting into the record all of the prefiled testimony and exhibits of the parties and staff, and excusing all of the witnesses, we continued the technical hearing to April 4, 2017, in order to allow us and our staff to review and consider the terms of the Settlement.

On March 21, 2017, an informal meeting was held with our staff and all the parties to discuss the terms of the Settlement and to provide our staff and intervenors the opportunity to ask questions regarding the Settlement. On March 29, 2017, Gulf provided written responses to questions posed by our staff on the Settlement.<sup>6</sup>

To hear from the parties and take evidence on the Settlement, we reconvened the technical hearing on April 4, 2017. Subsequent to the March 20<sup>th</sup> hearing, FIPUG and SACE joined OPC and Gulf as signatories to the Settlement.<sup>7</sup> The remaining parties (FEA, LWVF, Walmart, and Sierra Club) stated on the record at hearing that, although they did not join the Settlement, they did not oppose it.<sup>8</sup> After hearing from all the parties on the Settlement and admitting additional exhibits into the record, we approved the Settlement for the reasons discussed below, and adjourned the hearing.<sup>9</sup>

The Settlement required that Gulf file proposed rate schedules and tariffs implementing the terms of Settlement for our review and approval, within 20 days following the approval of the Settlement. Accordingly, on April 18, 2017, Gulf filed its proposed tariffs and rate

---

<sup>3</sup> "Order Acknowledging Intervention," Order No. PSC-16-0466-PCO-EI, issued on October 14, 2016; and "Orders Granting Intervention," Order No. PSC-16-0546-PCO-EI, issued on December 2, 2016; Order No. PSC-16-0550-PCO-EI, issued on December 8, 2016; Order No. PSC-16-0568-EI, issued on December 19, 2016; Order No. PSC-16-0585-PCO-EI, issued on December 30, 2016; Order No. PSC-17-0013-PCO-EI, issued on January 4, 2017, and Order No. PSC-17-0035-PCO-EI, issued on January 26, 2017, in Docket Nos. 160186-EI and 160170-EI.

<sup>4</sup> Order No. PSC-17-0099-PHO-EI.

<sup>5</sup> Document Nos. 03681-17 and 03713-17 (Stipulation and Settlement Agreement).

<sup>6</sup> Document Nos. 03903-17 and 04225-17.

<sup>7</sup> Document Nos. 03712-17 (FIPUG) and 04013-17 (SACE).

<sup>8</sup> Document No. 04054-17 (Hearing Transcript, pgs. 001471-73).

<sup>9</sup> Id., at pg. 001499.

schedules.<sup>10</sup> On April 21, 2017, Gulf provided responses to our staff's clarifying follow-up questions regarding the proposed tariffs.<sup>11</sup> We held a special agenda conference on May 4, 2017, wherein we considered and approved Gulf's proposed revised tariffs and rate schedules.<sup>12</sup>

The Stipulation and Settlement Agreement, filed on March 20, 2017, is attached hereto as Attachment A,<sup>13</sup> and Gulf's proposed tariffs and rate schedules, filed on April 18, 2017, are summarized in Attachment B. We have jurisdiction over these matters pursuant to Chapter 366, F.S.

## DECISION

### Stipulation and Settlement Agreement

The Settlement resolves all matters and issues in this consolidated proceeding. The major elements of the Settlement are as follows:

- **Base Rate Increase:** Gulf shall receive an overall base rate increase of \$61.99 million, less an estimated revenue credit of approximately \$7.7 million to be provided to customers through the Purchased Power Capacity Clause, resulting in a net increase of approximately \$54.3 million.
- **Implementation Date of Rate Increase:** Gulf's new rates shall be effective July 1, 2017, and applied to meter readings beginning with billing cycle one for July 2017. Except as otherwise provided in the Settlement, Gulf's new rates shall continue until such time as this Commission approves new base rates for Gulf in a general base rate proceeding.
- **Residential Rate Structure:** Gulf's residential rate design structure shall remain as approved by Order No. PSC-13-0670-S-EI,<sup>14</sup> issued in Gulf's previous base rate proceeding.
- **Return on Equity (ROE):** Gulf's ROE shall remain within a range of 9.25% to 11.25%, with a mid-point of 10.25%, as previously established by Order No. PSC-12-0179-FOF-EI.<sup>15</sup> Gulf's equity ratio shall not be greater than 52.5% for all retail regulatory purposes.

---

<sup>10</sup> Document No. 04264-17.

<sup>11</sup> Document No. 04386-17.

<sup>12</sup> Document No. 04650-17 (Vote Sheet – May 4, 2017, Commission Special Agenda).

<sup>13</sup> Attachment A includes: Stipulation and Settlement Agreement filed by Gulf and OPC on March 20, 2017, Corrected Page 11 of Settlement, filed by Gulf on March 21, 2017, and all signature pages of the parties to the Settlement.

<sup>14</sup> "Order Approving Stipulation and Settlement Agreement," issued December 19, 2013, in Docket No. 130140-EI, In Re: Petition for rate increase by Gulf Power Company.

<sup>15</sup> "Final Order Granting in Part and Denying In Part Petition for Rate Increase and Approving Stipulations," issued April 3, 2012, in Docket No. 110138-EI, In Re: Petition for increase in rates by Gulf Power Company.

- Federal Corporate Income Tax Reform Mechanism: The Settlement creates a mechanism for addressing any federal corporate income tax reforms that may occur between the date we approved the Settlement and Gulf's next general base rate proceeding. Within 60 days of any federal tax reforms, Gulf shall identify and file with this Commission the revenue requirement impacts of such change and identify the resulting regulatory asset or liability. Such asset or liability may be addressed in either a limited proceeding before this Commission or in Gulf's next general base rate proceeding.
- Scherer Unit 3: 100% of Gulf's ownership in plant Scherer Unit 3 shall be included in retail rate base, which will be offset by a one time write down of \$32.5 million to the depreciable production plant balance. The revenue credits provided to customers through the Purchased Power Capacity Clause associated with the existing wholesale contract with Flint EMC, which expires in December 2019, shall offset the impact to costs recovered through the Environmental Cost Recovery Clause associated with the incremental Scherer Unit 3 addition through December 2019.
- Storm Damage Cost Recovery: Gulf's current surcharge methodology, capped at \$4.00/1,000 kWh, shall remain in place and shall be expanded to include other catastrophic events such as ice storms and tornadoes. For these additional catastrophic event storms, the use of a surcharge shall not be permitted until the aggregate amount exceeds 75% of Gulf's property damage reserve balance as of April 1, 2017. Gulf may suspend its current annual accrual of \$3.5 million/year at its discretion. The approved storm damage cost recovery methodology shall continue until such time as this Commission approves new base rates for Gulf in a general base rate proceeding.
- Depreciation and Dismantlement: Gulf's new depreciation rates shall become effective January 1, 2018. The approved depreciation rate for electric vehicle charging stations shall be based on a 15 year life and 0% salvage value. Depreciation of electric vehicle charging facilities shall be effective at such time Gulf first places such facilities into service pursuant to the terms of approved-pilot program. Gulf shall file a new depreciation and dismantlement study no later than June 30, 2021, with new depreciation rate and dismantlement accruals proposed to be effective January 1, 2022. To the extent that Gulf's future study contains estimates, the data submitted will either be stated as of the end of the period immediately prior to the proposed effective date of new depreciation rates, or Gulf will seek a ruling that any such requirement be waived. Gulf's proposed dismantlement accruals are approved effective July 1, 2017.

- Amortization of Regulatory Assets: Beginning January 1, 2018, the amortization of the regulatory asset provided for in the 2013 Settlement Agreement<sup>16</sup> shall be spread over 40 years, and the amortization of the Smith Units 1 and 2 Regulatory Asset shall be spread over 15 years.
- Rate Case Expenses: Gulf shall be permitted to establish a regulatory asset for the deferral of rate case expenses incurred with this proceeding. Gulf may amortize additional amounts from time to time at its discretion; however, the entire amount shall either be fully amortized or deemed recovered for purposes of prospective changes to Gulf base rates by December 31, 2021. Should Gulf initiate a proceeding to increase base rates effective January 1, 2019, or sooner, Gulf shall not be permitted to recover any remaining unamortized rate case expenses. No unamortized rate case expense shall be considered in determining interim rates in conjunction with a future general base rate case. Gulf shall provide this Commission with the final amount of rate case expenses it incurred during this proceeding no later than September 29, 2017.
- Electric Vehicle Charging Stations: Gulf shall be permitted to provide electric vehicle charging stations on a revenue neutral basis as a pilot program for a period of the lesser of five years, or such time as Gulf initiates a separate proceeding with this Commission for approval of a permanent electric vehicle charging station offering. No presumption of correctness regarding this Commission's regulatory jurisdiction or appropriate regulatory treatment of electric vehicle charging stations is created by the Commission approving the Settlement and pilot program, or this Commission's treatment of the subject-matter in this proceeding. This Commission retains the ability to review and make a determination regarding the appropriate regulatory jurisdiction and regulatory treatment of electric vehicle charging stations in Gulf's next general base rate proceeding, or at such time as Gulf seeks permanent approval of an electric vehicle charging station program. During the duration of the pilot program, Gulf shall report annually to this Commission regarding the status of Gulf's implementation and administration of the pilot program, including, but not limited to, financial and unit sales information and dollar amounts expended and generated. Gulf shall include the pilot program data as an addendum to its Annual Depreciation Status Report (ADSR).
- Plant Held for Future Use: Gulf's request to include its North Escambia site in rate base as "property held for future use" is withdrawn without prejudice.
- Hedging: Gulf's moratorium for natural gas financial hedging shall continue until January 1, 2021.

---

<sup>16</sup> Order No. PSC-13-0670-S-EI.

- Plant Crist – Future Environmental Regulation Mechanism: The Settlement includes a mechanism for addressing any future environmental laws or regulations that impose incremental compliance requirements that affect the continued operation of Gulf’s four generating units at Plant Crist.<sup>17</sup>
- Additional Rate Schedules: Gulf shall be permitted to implement its proposed modifications to the Critical Peak Option for Large Power Time of Use (LPT) rate schedule and shall be entitled to recover the credits through the Energy Conservation Cost Recovery Clause. Within 6 months of this Commission’s approval of the Settlement, Gulf shall develop and file a new interruptible rate offering for customers eligible to take service under Gulf’s rate schedules LP/LPT or PX/PXT. Gulf shall be entitled to recover interruptible demand credits associated with this new rate offering through the Energy Conservation Cost Recovery Clause.
- Restriction on Future Rate Base Filing: Gulf is not prohibited from initiating another general rate base proceeding for a specific period of time. Should Gulf initiate a proceeding to increase base rates effective January 1, 2019, or sooner, however, any remaining unamortized rate case expenses shall be booked “below the line” and no unamortized rate case expense shall be considered for future interim rate relief.

The standard for approval of a settlement agreement is whether the agreement is in the public interest.<sup>18</sup> A determination of public interest requires a case-specific analysis based on consideration of the proposed settlement taken as a whole.<sup>19</sup>

The Settlement will allow Gulf to maintain the financial integrity necessary to make the capital investments required to sustain quality customer service over the next several years, while providing rate stability and predictability for Gulf’s customers. Moreover, the Settlement resolves all of the issues in the consolidated rate proceeding, including the most controversial issues involving the design of residential rate structures and the recovery of costs associated with Scherer Unit 3. In addition, the signatories to the Settlement are organizations that represent

<sup>17</sup> See also, Order No. PSC-07-0721-S-EI, “Order Approving Stipulation Regarding Gulf Power Company’s CAIR/CAMR/CAVR Compliance Plan,” issued September 5, 2007, in Docket No. 070007-EI, In re: Environmental cost recovery clause.

<sup>18</sup> Order No. PSC-13-0023-S-EI, issued on January 14, 2013, in Docket No. 120015-EI, In re: Petition for increase in rates by Florida Power & Light Company; Order No. PSC-11-0089-S-EI, issued February 1, 2011, in Docket Nos. 080677 and 090130, In re: Petition for increase in rates by Florida Power & Light Company and In re: 2009 depreciation and dismantlement study by Florida Power & Light Company; Order No. PSC-13-0023-S-EIPSC-10-0398-S-EI, issued June 18, 2010, in Docket Nos. 090079-EI, 090144-EI, 090145-EI, 100136-EI, In re: Petition for increase in rates by Progress Energy Florida, Inc., In re: Petition for limited proceeding to include Bartow repowering project in base rates, by Progress Energy Florida, Inc., In re: Petition for expedited approval of the deferral of pension expenses, authorization to charge storm hardening expenses to the storm damage reserve, and variance from or waiver of Rule 25-6.0143(1)(c), (d), and (f), F.A.C., by Progress Energy Florida, Inc., and In re: Petition for approval of an accounting order to record a depreciation expense credit, by Progress Energy Florida, Inc.; and Order No. PSC-05-0945-S-EI, issued September 28, 2005, in Docket No. 050078-EI, In re: Petition for rate increase by Progress Energy Florida, Inc.

<sup>19</sup> Order No. PSC-13-0023-S-EI, at p. 7.

major customer groups served by Gulf as well as the entity statutorily charged with representing people of the State of Florida in proceedings before us. All of the signatories to the Settlement have asserted that the Settlement is in the ratepayers' best interests, meets the need for reliable electric service and price stability in a cost-effective manner, and establishes fair, just and reasonable rates. Finally, all the parties to this proceeding, even those that did not join the Settlement, are satisfied that the Settlement equitably resolves all issues in the case and adequately protects their interests. We agree.

Having reviewed the Settlement and the evidence, and heard the arguments of counsel and our staff, we find that interests of Gulf's customers are fairly represented by the signatories to the Settlement, and that the Settlement establishes rates that are fair, just, and reasonable. Therefore, we find the Settlement to be in the public interest and hereby approve it.

#### Tariffs and Rate Schedules

On April 18, 2017, Gulf submitted its proposed revised tariffs and rate schedules pursuant to Paragraph 8(a) of the Settlement.<sup>20</sup> The proposed tariffs are shown in clean format in Attachment A and in legislative format in Attachment B to Gulf's filing.<sup>21</sup> Gulf also provided additional information supporting the tariff filing.<sup>22</sup> Attachment B to this Order summarizes the current and approved base rates for all of Gulf's rate classes, except the lighting rate schedules.

The Settlement provides for an overall base rate increase of \$61.99 million and a \$7.7 million revenue credit to the capacity clause from the existing wholesale contract with Flint EMC, resulting in a net increase of \$54.3 million. Gulf's new rates shall be effective July 1, 2017, and applied to meter readings beginning with billing cycle one for July 2017.

The impact of the Settlement rate increase on a 1,000 kilowatt-hour (kWh), residential bill is shown in the table below.

**1,000 kWh Gulf Residential Bill<sup>23</sup>**

	Current Charges	Approved Charges	Increase/(Decrease)
Base Charge	\$18.60	\$19.50	\$0.90
Energy Charge	\$45.85	\$51.81	\$5.96
Fuel Charge	\$31.63	\$31.63	\$0
Capacity Charge	\$8.88	\$8.07	(\$0.81)
Conservation Charge	\$1.60	\$1.60	\$0
Environmental Charge	\$21.58	\$21.58	\$0
Gross Receipts Tax	\$3.29	\$3.44	\$0.15
Total Bill	\$131.43	\$137.63	\$6.20

<sup>20</sup> Document No. 04264-17.

<sup>21</sup> Id. at pgs 2-129.

<sup>22</sup> Id. at pgs 130-169.

<sup>23</sup> Source: Document No. 04264-17.

We note that Gulf's Base Charge is stated as a "daily" charge in its tariff. Gulf's current Base Charge is \$0.62 per day, while the approved Base Charge is \$0.65 per day. The data included in the table above for the Base Charge assumes 30 days in the month. The reduction in the capacity charge is the result of the \$7.7 million credit in the capacity clause as provided in Paragraph 5 of the Settlement.

Bill impacts on commercial and industrial customers will vary depending on usage; however, on average, commercial/industrial bills will increase by approximately three to six percent. Gulf provided typical bill calculations for residential and the major commercial/industrial rate schedules with its responses to our staff's clarifying follow-up questions regarding the proposed tariffs.<sup>24</sup>

Having reviewed Gulf's proposed tariffs, rate schedules and supporting information, we find the tariffs and rate schedules are consistent with the approved Settlement and are, therefore, approved. The approved tariffs and rate schedules shall be effective July 1, 2017. Pursuant to Rule 25-22.0406(8), F.A.C., Gulf shall notify its customers of the approved rates with its customers' July 2017 bills. Gulf shall provide a copy of the customer notification for our staff's review and approval prior to its mailing.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Stipulation and Settlement Agreement, attached hereto as Attachment A, is incorporated herein by reference and approved. It is further,

ORDERED that the proposed tariffs and rate schedules filed by Gulf Power Company pursuant to the Stipulation and Settlement Agreement on April 18, 2017 (Document No. 04264-17), as summarized in Attachment B herein, are incorporated herein by reference and approved. It is further,

ORDERED that Gulf Power Company's tariffs and rate schedules shall be effective July 1, 2017. Pursuant to Rule 25-22.0406(8), F.A.C., Gulf Power Company shall notify its customers of the approved changes in rates with its customers' July 2017 billing statements. Gulf Power Company shall provide a copy of the customer notification to our staff for review and approval prior to mailing. It is further,

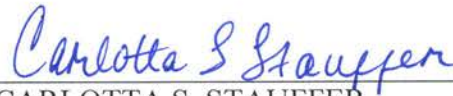
---

<sup>24</sup> Document No. 04386-17.



ORDERED that this docket shall be closed if no appeal is timely filed.

By ORDER of the Florida Public Service Commission this 16th day of May, 2017.



CARLOTTA S. STAUFFER  
Commission Clerk  
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.

KFC

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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

Filed: March 20, 2017

**STIPULATION AND SETTLEMENT AGREEMENT**

WHEREAS, Gulf Power Company (“Gulf” or the “Company”) and the Citizens of Florida through the Office of Public Counsel (“OPC”) have signed this Stipulation and Settlement Agreement (the “Agreement”; unless the context clearly requires otherwise, the term “Party” or “Parties” means a signatory to this Agreement whether or not specifically named above); and

WHEREAS, on December 19, 2013, in Docket No. 130140-EI, the Commission issued its order approving the 2013 Stipulation and Settlement Agreement between Gulf, OPC, the Florida Industrial Power Users Group (“FIPUG”), the Federal Executive Agencies (“FEA”), and Wal-Mart Stores East, LP and Sam's East, Inc. (“Walmart”) that resolved Gulf's then-pending general rate case proceeding and related depreciation rates filing; and

WHEREAS, 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), and subsequently Gulf filed a corrected 2016 Depreciation Study on September 20, 2016; and

WHEREAS, on August 12, 2016, Gulf Power filed a test year letter, as required by Rule 25-6.140, F.A.C., notifying the Commission of its intent to file a petition between October 11 and October 28, 2016, for an increase in rates effective 2017, and subsequently on October 12, 2016, pursuant to the provisions of Chapter 366, Florida Statutes (F.S.), and Rules 25-6.0425 and 25-6.043, F.A.C., Gulf filed its Minimum Filing Requirements (MFRs) and testimony formally initiating a retail base rate review proceeding; and

WHEREAS, on November 9, 2016, the Commission consolidated Dockets 160186-EI and 160170-EI (collectively, "the Consolidated Proceedings"); and

WHEREAS, on November 22, 2016, the Commission ordered that the threshold issue identified in the Environmental Cost Recovery Clause (ECRC) docket related to Gulf's recovery in retail rates of its identified environmental compliance investment and expenses associated with Gulf's ownership interest in Scherer Unit 3 would be deferred for resolution in the instant docket; and

WHEREAS, the petitioner and intervening parties in the Consolidated Proceedings filed voluminous prepared testimony with accompanying exhibits and conducted extensive discovery; and

WHEREAS, the Consolidated Proceedings are scheduled for a five-day technical hearing starting March 20, 2017, involving testimony of 19 Gulf direct witnesses, 11 intervenor witnesses, 3 staff witnesses and 15 Gulf rebuttal witnesses, numerous exhibits and other materials; and

WHEREAS, the Parties to this Agreement have undertaken to resolve the issues raised in the Consolidated Proceedings so as to maintain a degree of reasonableness, stability and predictability with respect to Gulf's base rates and charges; and

WHEREAS, the Parties have entered into this Agreement in compromise of positions taken in accord with their rights and interests under Chapters 350, 366 and 120, Florida Statutes, as applicable, and as a part of the negotiated exchange of consideration among the Parties to this Agreement, each has agreed to concessions to the others with the expectation that all provisions of the Agreement will be enforced by the Commission as to all matters addressed herein with respect to all Parties, upon acceptance of the Agreement as provided herein and upon approval in the public interest;

NOW THEREFORE, in consideration of the foregoing and the covenants contained herein, the Parties hereby stipulate and agree:

1. This Agreement will become effective after Commission approval, and the rate changes agreed to herein shall be effective July 1, 2017 (the "Implementation Date") and shall be applied to meter readings beginning with cycle one for July 2017, regardless of the actual date the cycle one meter readings occur, and continue until Gulf's base rates are next reset in a general base rate proceeding, except as otherwise provided in this agreement.
2. Except as set forth in this Agreement, the Parties agree that adjustments to rate base, net operating income and cost of capital set forth in Gulf's MFR Schedules B-2, C-1, C-3 and D1a, as revised by identified adjustments agreed to in the rebuttal testimony of Gulf's Witness Ritenour, shall be deemed approved solely for accounting and regulatory reporting purposes, and the accounting for those adjustments will not be challenged for purposes of Gulf's Earnings Surveillance Reports or clause filings during the period from the date of approval of this Agreement until the conclusion of Gulf's next base rate proceeding.

3. (a) Gulf's authorized rate of return on common equity ("ROE") shall continue to be a range of 9.25% to 11.25% with a mid-point of 10.25%, all as originally established by the Commission in Order No. PSC-12-0179-FOF-EI, and shall be used for all purposes. All rates, including those established in clause proceedings, shall be set using this mid-point ROE.  
  
(b) Until the conclusion of Gulf's next general base rate proceeding, Gulf will be deemed to have an equity ratio not greater than 52.5% for all retail regulatory purposes, including earnings surveillance reporting, any interim rate determinations and the calculation of revenue requirements for capital investment recovered through cost recovery clauses. The Parties recognize that Gulf's actual equity ratio may vary to some degree from the above target equity ratio from month to month and that such normal variations shall not be cause for a deviation from the deemed equity ratio for retail regulatory purposes set forth in this paragraph.
4. Gulf agrees to record a one-time write down of \$32.5 million related to the Scherer 3 plant balance, resulting in a permanent reduction in that amount to the depreciable production plant balance. This resolves the issue of the inclusion of all of Gulf's investment in Unit 3 of Plant Scherer in retail rates as provided in paragraph 5 below.
5. Beginning on the Implementation Date, Gulf's rates will be adjusted to provide an overall net customer impact of approximately \$54.29 million as provided in subparagraphs (a) and (b) below (\$61.99 million less an estimated revenue credit of approximately \$7.7 million to be provided to customers through the Purchased Power Capacity Clause ("PPCC")). The total base rate increase (\$56 million from subparagraph (a) plus \$5.99 million from subparagraph (b) below for a total of \$61.99 million) will be applied to rates

using the rate design filed in Gulf's rate case, except that residential rate design shall continue to be as provided in the 2013 Settlement.

(a) With regard to the matters raised in Gulf's petition in Docket No. 160186-EI (based in part on recovery through rates of the 76% of Scherer Unit 3 that was formerly covered by revenues from two long-term off system power purchase and sale agreements that expired December 31, 2015 and May 31, 2016), Gulf's base rates will be adjusted to provide \$56 million in additional annual revenues to Gulf (before consideration of the incremental base rate increase of \$5.99 million and corresponding revenue credit through the PPCC as described in subparagraph 5(b)).

(b) In addition to the 76% of Scherer Unit 3 that was formerly covered by revenues from long-term off system power purchase and sales agreements addressed in the preceding subparagraph, in order to provide retail customers with the net revenue benefit stemming from the remaining 24% of Scherer Unit 3 that remains committed to a long-term off system power purchase and sale agreement with Flint EMC, Gulf shall also be entitled to recover from retail customers the full revenue requirements associated with the remaining 24% of Scherer Unit 3 through an incremental increase to its base rates and recovery through the ECRC of the non-base rate portion beginning on the Implementation Date. Recovery through the ECRC will be fully offset by that portion of the revenues from Flint EMC pursuant to such contract equivalent to the retail revenue requirement so recovered such that there will be no net revenue impact on retail customers through the ECRC for the 24% of Scherer Unit 3 committed to Flint EMC until the revenues from Flint EMC cease at the end of the current term of the contract with Flint EMC or any extension or successor thereto. Also on the Implementation Date, Gulf's base rates shall

be increased by an additional increment of \$5.99 million on an annual basis. The retail customers shall thereupon be entitled to full credit through the PPCC of all remaining Flint EMC revenues (for purposes of this agreement estimated to be approximately \$7.7 million on an annual basis for 2017 but differing amounts may result depending on the revenues remaining after covering the ECRC cost recovery for the 24% of Scherer Unit 3 as provided above). In no event will any portion of the revenue requirement associated with this 24% of Scherer Unit 3 be reflected simultaneously in both base rates and a clause.

6. Federal Corporate Income Tax Law Change Implications.

Federal corporate income tax changes (Tax Reform) can take many forms, including changes to tax rates, changes to deductibility of certain costs, and immediate expensing for certain other costs. Additionally, tax law requires that excess deferred income taxes that are created as a result of a tax rate change be returned to the customers utilizing a specific method over a specific period of time. If Tax Reform is enacted before Gulf's next general base rate proceeding, then within 60 days of the later of either the enactment of such modifications or the effective date of such modifications, Gulf will identify the revenue requirement impacts and, utilizing deferral accounting as permitted by the Commission, defer the identified revenue requirement impacts to a regulatory asset or regulatory liability to be considered for prospective application in a change to base rates through a limited scope proceeding before the Commission that is confined to consideration and adjustment of base rates to address the ongoing net operating income impact on Gulf's revenue requirements and any deferred regulatory asset or regulatory liability resulting from the tax reform in accordance with this paragraph. For purposes of

determining the prospective adjustment to base rates based on the net operating income effect of any change in the income tax rate, there will be an assumed impact of \$1.3 million per each percentage point of income tax rate included in the resulting rates that are based on the base rate revenue increase authorized in this Agreement. In any hearing conducted pursuant to this paragraph, any party may introduce evidence to overcome such assumption, and such evidence may include, without limitation, changes in the deduction eligibility (under the tax code and regulations) for certain categories of costs, etc. If the identified revenue requirement impacts are not material, rather than initiate a limited scope proceeding under this paragraph, the deferred regulatory asset or regulatory liability may instead be addressed in the Company's next general base rate proceeding. To the extent that such deferred regulatory asset or regulatory liability is addressed through a limited scope proceeding as provided for in this paragraph, such proceeding shall not be construed as a general base rate proceeding for purposes of any other provision in this Agreement.

7. Storm Damage.

(a) Nothing in this Agreement shall preclude Gulf Power from petitioning the Commission to seek recovery of costs associated with any (1) tropical systems named by the National Hurricane Center or its successor or (2) other catastrophic storm events causing damage to Gulf's generation, transmission or distribution system in the aggregate dollar amount of at least 75% of the property damage reserve balance on April 1, 2017, without the application of any form of earnings test or measure and irrespective of previous or current base rate earnings. Consistent with the rate design methods approved in this agreement, the Parties agree that recovery of storm costs from customers under



this paragraph 7 will begin, on an interim basis, sixty days following the filing of a cost recovery petition and tariff sheets with the Commission and will be based on a 12-month recovery period if the storm costs do not exceed \$4.00/1,000 kWh on monthly residential customer bills. In the event the storm costs exceed that level, any additional costs in excess of \$4.00/1,000 kWh may be recovered in a subsequent year or years as determined by the Commission. All storm related costs subject to recovery under this paragraph 7 shall be calculated and disposed of pursuant to Commission Rule 25-6.0143, F.A.C. and will be limited to: (i) costs resulting from a tropical system named by the National Hurricane Center or its successor or other catastrophic storms creating significant damage to Gulf's generation, transmission or distribution systems such as tornados or ice storms in the aggregate dollar amount of at least 75% of the property damage reserve balance on April 1, 2017; (ii) the estimate of incremental storm restoration costs above the level of storm reserve prior to the storm; and (iii) the replenishment of the storm reserve to the level as of December 31, 2016. The Parties to this Agreement are not precluded from participating in any such proceedings and opposing the amount of Gulf Power's claimed costs or whether the proposed recovery is consistent with this paragraph 7, but the Parties cannot oppose the mechanism agreed to herein.

(b) The Parties agree that the \$4.00/1,000 kWh cap in this paragraph 7 shall apply in aggregate for a calendar year for the purpose of the recovery set forth in 7(a) above; provided, however, that Gulf may petition the Commission to allow Gulf to increase the initial 12 month recovery at rates greater than \$4.00/1,000 kWh, or for a period longer than 12 months, in the event Gulf incurs in excess of \$100 million of storm recovery costs that qualify for recovery in a given calendar year, inclusive of the amount needed to

replenish the storm reserve to the level that existed as of December 31, 2016. All Parties reserve their right to oppose such a petition.

(c) Any proceeding to recover costs under this paragraph 7 shall not be a vehicle for a “rate case” type inquiry concerning the expenses, investment, or financial results of operations of the Company and shall not apply any form of earnings test or measure or consider previous or current base rate earnings.

(d) Gulf further will be authorized, at its discretion, to suspend its current authorized property damage reserve accrual during any period from the approval of this Agreement until the conclusion of Gulf’s next general base rate proceeding or until the balance in Gulf’s property damage reserve falls below \$0, whichever shall first occur.

(e) The provisions of this paragraph 7 shall remain in effect and shall continue in effect at least until the Company’s base rates are next reset by the Commission in a general base rate proceeding.

8. (a) Effective with bills rendered based upon meter readings taken on and after cycle one for July 2017, Gulf shall be authorized to increase its base rates and service charges by an amount that is intended to generate the additional annual base rate revenues set forth in this Agreement, based on the projected 2017 test year billing determinants set forth in Schedules E-13c and E-13d of Gulf’s 2017 MFRs filed with the 2016 Rate Petition. The specific rate design shall be completed by Gulf and the resulting rate schedules submitted to the Commission within 20 days following the final approval of this Agreement. The Parties desire that such Commission review and approval take place at the earliest practical date; however, it is the intent of the Parties that the foregoing submission of conforming proposed rate schedules to the Commission for its review and approval shall

occur in time to allow the Commission to complete its review and approval not later than the Special Commission Conference – Rates currently scheduled for May 31, 2017, in order to allow the resulting new rates to take effect with bills rendered on meter readings for billing cycle one for July 2017.

(b) As part of the negotiated exchange of consideration among the parties to this Agreement, Gulf shall be entitled to recover an amount equal to the customer credits provided under the Critical Peak Option through the energy conservation cost recovery (“ECCR”) clause. It is agreed that the appropriate level of credits is an issue in Demand-Side Management (“DSM”) proceedings.

(c) The following proposed tariff sheet changes originally filed shall be implemented either as filed, as modified to implement the Category 1 and Category 2 stipulations previously reached in the case, or as modified to conform to the terms of this Agreement:

<b>Tariff Sheet Summary</b>	
<b>Sheet No.</b>	<b>Disposition</b>
ii	Keep XLBIR, remove Advanced Pricing Package (APP) [RSD, RSDT, CAP]
3.2	Keep original
3.3	Keep original
4.9	As filed
4.10	As filed
4.11	As filed
6.2	Keep XLBIR, remove Advanced Pricing Package (APP) [RSD, RSDT, CAP]
6.3	Adjust to revenue requirements
6.5	Adjust to revenue requirements
6.7	Adjust to revenue requirements
6.8	Adjust to revenue requirements
6.10	Adjust to revenue requirements
6.11	Adjust to revenue requirements
6.13	Adjust to revenue requirements
6.16	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.16.1	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.17	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.18	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.19	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.20	Adjust to revenue requirements

Sheet No.	Disposition
6.21	Adjust to revenue requirements and conform to Issue 100 (OS mods)
6.23	Adjust to revenue requirements
6.32	Keep original
6.35	Conform to stipulation
6.38	LPT CPO demand charge and credit will be moved to ECCR clause and held at current levels until addressed in the November 2017 ECCR clause hearings.
6.42	Adjust to revenue requirements
6.46	Adjust to revenue requirements and conform to Issue 92 (CPO GSDT)
6.47	As filed
6.48	Adjust to revenue requirements and conform to Issue 92 (CPO GSDT)
6.49	Adjust to revenue requirements
6.50	Adjust to revenue requirements and conform to Issue 105 (CPO LPT)
6.52	Adjust to revenue requirements and conform to Issue 105 (CPO LPT)
6.53	Adjust to revenue requirements
6.54	Adjust to revenue requirements
6.59	Adjust to revenue requirements
6.62	Adjust to revenue requirements
6.76	Adjust to revenue requirements
6.92	As filed
6.93	As filed
6.94	As filed
6.95	As filed
6.96	As filed
6.97	As filed
6.98	Adjust to revenue requirements
6.103	As filed
6.104	As filed
6.105	Delete
6.106	Delete
6.107	Delete
6.108	Delete
6.109	Delete
6.110	Delete
6.111	Delete
6.112	Delete
7.13	Adjust to revenue requirements and conform to Issue 100 (OS mods)
7.13.1	Adjust to revenue requirements and conform to Issue 100 (OS mods)
7.14	Conform to Issue 100 (OS mods)
7.15	Adjust to revenue requirements
7.23	As filed
7.23.1	As filed
7.45	Adjust to revenue requirements and conform to Issue 100 (OS mods)
7.47	As filed
7.55	Adjust to revenue requirements and conform to Issue 100 (OS mods)
9.6	As filed

9. Effective on the Implementation Date, the level of Gulf's annual dismantlement accrual shall be as proposed by Gulf in its petitions, testimony and exhibits in the Consolidated Proceedings.
10. Except as otherwise provided in this Agreement, Gulf's new depreciation rates resulting from the stipulations previously reached on Issues 9 through 12 in the Consolidated Proceedings shall become effective January 1, 2018, and the depreciation rates in effect as of January 1, 2017, shall remain in effect through December 31, 2017. Gulf shall be allowed to begin applying the new depreciation rate for electric vehicle charging facilities as proposed in Gulf's position on Issue 13 whenever it first places such facilities in service pursuant to the pilot program established pursuant to paragraph 12 of this Agreement. For purposes of Rules 25-6.0436 and 25-6.04364, F.A.C., pursuant to which depreciation and dismantlement studies are generally filed at least once every four years, Gulf shall not be required to file a new depreciation study or dismantlement study for new depreciation rates or dismantlement accrual rates to be effective prior to January 1, 2022.
11. The amortization of the regulatory asset that is comprised of the deferred return on the transmission projects as provided for in the 2013 Settlement Agreement shall be spread over a period of 40 years commencing January 1, 2018. The amortization for the Smith Unit 1 and Unit 2 Regulatory Asset shall be spread over a period of 15 years beginning January 1, 2018.
12. Gulf's proposal to provide electric vehicle charging stations allowed on a revenue neutral basis as filed shall be approved as a pilot program for the lesser of five years or the time when Gulf initiates a separate proceeding for approval of a permanent electric vehicle

charging station offering. The Commission shall reserve the ability to make a determination about the appropriate regulatory treatment for the offering at such time, and there would be no presumption of correctness about how it is being treated in Docket 160186-EI. Gulf would include EV costs and revenues in surveillance reports but exclude them for calculating interim rates.

13. Gulf will be entitled to establish a regulatory asset for the deferral of all incurred costs associated with the actual filing, discovery and all other activities associated with the conduct of the Consolidated Proceedings. The annual amortization of the costs in this regulatory asset (1) shall not be less than the amortization of rate case expense provided for in Order No. PSC-12-0179-FOF-EI and (2) shall not be required to begin sooner than January 1, 2018. The Company shall be authorized to amortize additional amounts from time to time at its sole discretion. In any event the entire amount shall either be fully amortized or deemed recovered for purposes of prospective changes to Gulf's base rates by December 31, 2021. To the extent Gulf initiates a general base rate proceeding for an increase in base rates to be effective January 1, 2019, or sooner, and if such case results in an increase to Gulf's base rates, any remaining unamortized costs under this paragraph shall be recorded below the line. No part of the deferred or unamortized costs shall be considered in determining interim rates in conjunction with a general base rate case.
14. Gulf's request to include its North Escambia site in rate base as "property held for future use" shall be deemed withdrawn. Nothing about this withdrawal shall preclude Gulf from seeking recovery of the property in a future general base rate proceeding.
15. Gulf agrees to continue its existing moratorium against executing new financial hedges for natural gas until January 1, 2021. Gulf shall be prohibited from filing a petition and

proposed risk management plan with the Commission to address natural gas financial hedging to begin executing new financial hedges before January 1, 2021.

16. In Gulf's next general base rate proceeding, Gulf will submit a cost of service study that continues to apply the Minimum Distribution System ("MDS") methodology as used by Gulf in its Docket No. 110138-EI, Docket No. 130140-EI and proposed in Docket No. 160186-EI.
17. With regard to any new environmental law or regulation that imposes incremental compliance requirements potentially affecting the continued operation of Gulf's four generating units at Plant Crist, Gulf will follow the process outlined in the stipulation approved in Order No. PSC-07-0721-S-EI as set forth below. Before Gulf commits to add any significant capital investment in equipment or components designed to achieve compliance with the new law or regulation, Gulf agrees to make a supplementary filing in the ECRC docket that will identify the timing of the planned implementation and estimates regarding the costs for such new capital equipment or components prior to incorporating such equipment or components in the normal projection or true-up filings that will impact the cost recovery factors applied to customer bills under the ECRC. It is the intent of the Stipulating Parties that such supplementary filing initiate a period during which all parties to the ECRC may submit requests for discovery in connection with the supplementary filing in order to determine whether there is any objection to any such components with regard to the reasonableness or prudence of the proposed action and, subsequently, to file notice regarding any such resulting objections, all to occur under time limits similar to what has been afforded as a result of the stipulation approved by the

Commission as set forth at page 9 of Order No. PSC-06-0972-FOF-EI subsequently reaffirmed and approved by Order No. PSC-07-0721-S-EI.

18. Gulf shall be permitted to implement its proposed modifications to the Critical Peak Option for the Large Power Time of Use (LPT) rate schedule as outlined in Issue 105 and the testimony of Gulf Witnesses Floyd and Evans. Gulf shall be entitled to recover the credits provided to customers electing the Critical Peak Option through the ECCR clause. The appropriate level of such credits is an issue in DSM proceedings.
19. Gulf agrees that within 6 months of the final approval of this Agreement, the Company will develop and file for Commission review and approval an additional rate schedule designed to offer an interruptible rate option for customers otherwise eligible to take service under rate schedules LP/LPT or PX/PXT. Gulf shall be entitled to recover the interruptible demand credits provided to customers on the new optional interruptible rate schedule through the ECCR clause. The appropriate level of such credits is an issue in DSM proceedings. This new optional interruptible rate schedule is intended as an alternative to any other applicable rate schedule including, without limitation, the LPT with Critical Peak Option (i.e. a customer cannot be on both rates at the same time).
20. No Party to this Agreement will request, support, or seek to impose a change in the application of any provision hereof.
21. The provisions of this Agreement are contingent on approval of this Agreement in its entirety by the Commission without modification. The Parties agree that approval of this Agreement is in the public interest. The Parties further agree that they will support this Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Agreement in any administrative or judicial proceeding relating to,

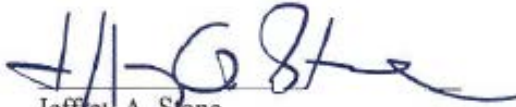


reviewing, or challenging the establishment, approval, adoption, or implementation of this Agreement or the subject matter hereof. No party will assert in any proceeding before the Commission or any court that this Agreement or any of the terms in the Agreement shall have any precedential value, except to enforce the provisions of this Agreement. Approval of this Agreement in its entirety will resolve all matters and issues in Docket Nos. 160186-EI, 160170-EI, and any Gulf specific issues deferred to the Consolidated Proceeding from Docket No. 160007-EI pursuant to and in accordance with Section 120.57(4), Florida Statutes. This docket will be closed effective on the date the Commission Order approving this Agreement is final, and no Party shall seek appellate review of any order issued in these Dockets.

22. This Agreement is dated as of March 20, 2017. It may be executed in counterpart originals, and a scanned .pdf copy of an original signature shall be deemed an original. Any person or entity that executes a signature page to this Agreement shall become and be deemed a Party with the full range of rights and responsibilities provided hereunder, notwithstanding that such person or entity is not listed in the first recital above and executes the signature page subsequent to the date of this Agreement, it being expressly understood that the addition of any such additional Party (or Parties) shall not disturb or diminish the benefits of this Agreement to any current Party.

In Witness Whereof, the Parties evidence their acceptance and agreement with the provisions of this Agreement by their signature on one of the following pages.

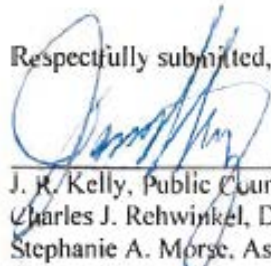
Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Stone", written over a horizontal line.

Jeffrey A. Stone  
Florida Bar No. 325953  
Beggs & Lane, RLLP  
501 Commendencia Street  
Pensacola, Florida 32502  
(850) 432-2451

*General Counsel for Gulf Power Company*

Respectfully submitted,



---

J. R. Kelly, Public Counsel  
Charles J. Rehwinkel, Deputy Public Counsel  
Stephanie A. Morse, Associate Public Counsel  
Office of Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, FL 32399-1400  
Office of Public Counsel

*Attorneys for the Citizens of Florida*

Respectfully submitted,

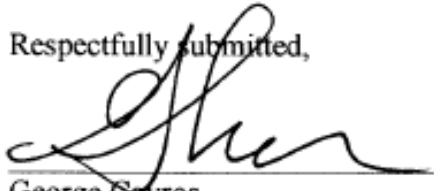


Jon C. Moyle, Jr., Esquire  
Karen A. Putnal, Esquire  
Moyle Law Firm, P.A.  
The Perkins House  
118 North Gadsden Street  
Tallahassee, FL 32301

*Attorneys for the Florida Industrial Power Users Group (FIPUG)*

The undersigned party hereby joins all aspects of the Stipulation and Settlement Agreement dated March 20, 2017 (with corrected page 11) (see FPSC DN 03681-17 and DN 03713-17).

Respectfully submitted,



Date:

April 3, 2017

George Cavros  
Southern Alliance for Clean Energy  
120 E. Oakland Park Blvd., Suite 105  
Fort Lauderdale, FL 33334  
(954) 295-5714 (tel)  
(866) 924-2824 (fax)

*On Behalf of Southern Alliance for Clean Energy (SACE)*

**GULF POWER COMPANY  
RATE CHANGES  
JULY 2017**

<b>Rate Schedule</b>	<b>Type of Charge</b>	<b>Current Rate</b>	<b>Commission Approved Rate</b>
<b>RS</b>	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY (¢/kWh)	4.585	5.181
<b>GS</b>	BASE (\$/Customer)	\$21.62	\$27.00
	ENERGY (¢/kWh)	5.012	5.256
<b>GSD</b>	BASE (\$/Customer)	\$45.43	\$48.10
	DEMAND (\$/KW)	\$6.60	\$7.38
	ENERGY (¢/kWh)	1.698	1.894
	PRIMARY DISCOUNT (\$/KW)	(\$0.34)	(\$0.30)
<b>LP</b>	BASE (\$/Customer)	\$262.80	\$262.80
	DEMAND (\$/KW)	\$11.63	\$12.87
	ENERGY (¢/kWh)	0.880	0.972
	PRIMARY DISCOUNT (\$/KW)	(\$0.48)	(\$0.40)
	TRANSMISSION DISCOUNT (\$/KW)	(\$0.69)	(\$0.61)
<b>PX</b>	BASE (\$/Customer)	\$718.28	\$838.43
	DEMAND (\$/KW)	\$10.48	\$12.23
	ENERGY (¢/kWh)	0.385	0.449
	MINIMUM MONTHLY BILL		
	DEMAND CHARGE (\$/KW)	\$12.59	\$14.69
<b>RSVP</b>	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY Critical (¢/kWh)	4.585	5.181
	ENERGY High (¢/kWh)	4.585	5.181
	ENERGY Medium (¢/kWh)	4.585	5.181
	ENERGY Low (¢/kWh)	4.585	5.181
<b>RSTOU</b>	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY On-Peak (¢/kWh)	4.585	5.181
	ENERGY Off-Peak (¢/kWh)	4.585	5.181

Rate Schedule	Type of Charge	Current Rate	Commission Approved Rate	
<b>GSTOU</b>	BASE (\$/Customer)	\$45.43	\$48.10	
	ENERGY Summer On (¢/kWh)	18.244	20.342	
	ENERGY Summer Int. (¢/kWh)	6.811	7.594	
	ENERGY Summer Off (¢/kWh)	2.832	3.158	
	ENERGY Winter (¢/kWh)	3.964	4.420	
<b>GSDT</b>	BASE (\$/Customer)	\$45.43	\$48.10	
	DEMAND Maximum (\$/KW)	\$3.14	\$3.51	
	DEMAND On-Peak (\$/KW)	\$3.53	\$3.95	
	ENERGY On-Peak (¢/kWh)	1.698	1.894	
	ENERGY Off-Peak (¢/kWh)	1.698	1.894	
	PRIMARY DISCOUNT (\$/KW)	(\$0.34)	(\$0.30)	
	CRITICAL PEAK OPTION:			
	DEMAND Maximum (\$/KW)	\$3.14	----	
	DEMAND On-Peak (\$/KW)	\$1.77	----	
	DEMAND Critical Peak (\$/KW)	\$5.30	----	
<b>LPT</b>	BASE (\$/Customer)	\$262.80	\$262.80	
	DEMAND Maximum (\$/KW)	\$2.38	\$2.63	
	DEMAND On-Peak (\$/KW)	\$9.34	\$10.34	
	ENERGY On-Peak (¢/kWh)	0.880	0.972	
	ENERGY Off-Peak (¢/kWh)	0.880	0.972	
	PRIMARY DISCOUNT (\$/KW)	(\$0.48)	(\$0.40)	
	TRANSMISSION DISCOUNT (\$/KW)	(\$0.69)	(\$0.61)	
	CRITICAL PEAK OPTION:			
	DEMAND Maximum (\$/KW)	\$2.38	\$2.63	
	DEMAND On-Peak (\$/KW)	\$1.87	\$10.34	
DEMAND Critical Peak (\$/KW)	\$16.81	----		

Rate Schedule	Type of Charge	Current Rate	Commission Approved Rate
<b>PXT</b>	BASE (\$/Customer)	\$718.28	\$838.43
	DEMAND Maximum (\$/KW)	\$0.86	\$1.00
	DEMAND On-Peak (\$/KW)	\$9.72	\$11.35
	ENERGY On-Peak (¢/kWh)	0.385	0.449
	ENERGY Off-Peak (¢/kWh)	0.385	0.449
	MINIMUM MONTHLY BILL DEMAND CHARGE (\$/KW)	\$12.69	\$14.81
	<b>SBS</b>	100 TO 499 KW BASE (\$/Customer)	\$261.68
DEMAND CHARGE:			
LOCAL FACILITIES (\$/KW)		\$2.80	\$3.06
ON-PEAK DEMAND (\$/KW)		\$3.61	\$3.95
RESERVATION CHARGE (\$/KW)		\$1.10	\$1.44
SUM DAILY ON-PK STANDBY (\$/KW)		\$0.53	\$0.68
ENERGY (¢/kWh)		2.783	3.225
500 TO 7,499 KW BASE (\$/Customer)		\$261.68	\$261.68
DEMAND CHARGE:			
LOCAL FACILITIES (\$/KW)		\$2.48	\$2.79
ON-PEAK DEMAND (\$/KW)		\$9.37	\$10.34
RESERVATION CHARGE (\$/KW)		\$1.10	\$1.44
SUM DAILY ON-PK STANDBY (\$/KW)		\$0.53	\$0.68
ENERGY (¢/kWh)		2.783	3.225
ABOVE 7,499 KW BASE (\$/Customer)		\$623.10	\$623.10
DEMAND CHARGE:			
LOCAL FACILITIES (\$/KW)		\$0.89	\$0.96
ON-PEAK DEMAND (\$/KW)	\$9.88	\$11.35	
RESERVATION CHARGE (\$/KW)	\$1.13	\$1.47	
SUM DAILY ON-PK STANDBY (\$/KW)	\$0.54	\$0.69	
ENERGY (¢/kWh)	2.783	3.225	