

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE 2/6/90  
Continued to 2/8/90

RE: DOCKET NO. 891345-EI - Application of GULF POWER COMPANY for a rate increase. (MFRs filed 12/15/89)

Issue: 1. Recommendation that the \$26,295,000 permanent rate increase requested by Gulf Power Company (Gulf) be suspended pending final decision in this docket.

APPROVED

Issue: 2. Recommendation that a 13-month average rate base ending September 30, 1989 be used in determining the need for interim relief.

APPROVED

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' VOTES

APPROVED

APPROVED WITH MODIFICATIONS

DISAPPROVED

DEFER

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REMARKS/DISSENTING COMMENTS:

TO:

DOCUMENT NUMBER-DATE

01368 FEB 13 1990

FPSC-RECORDS/REPORTING

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Issue: 3. Recommendation that Gulf Power Company inappropriately capitalized \$1,964,394 in excess of the original cost capitalized by Georgia Power Company for its 25% share of Plant Sherer Unit No. 3. Plant in service should be reduced by \$1,964,394 (\$6,937,131 System). Accumulated Depreciation should be reduced by \$190,153 (\$671,515 System) and Depreciation Expense should be reduced by \$78,453 (\$277,485 System).

APPROVED

Issue: 4. Recommendation that the acquisition adjustment recorded by Gulf Power Company as a result of its purchase of a portion of the common facilities at plant Scherer is not appropriate. Plant should be reduced by \$2,458,067 (\$8,680,507 System), Accumulated Depreciation and Amortization should be reduced by \$108,402 (\$382,817 System) and amortization expenses should be reduced by \$72,155 (\$255,211 System).

APPROVED

Issue: 5. Recommendation that average rate base be reduced \$208,161 (\$213,198 System) to remove the costs associated with the cancelled Southern Company Services building.

APPROVED

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Issue: 6. Recommendation that rate base be reduced by \$38,000 (\$41,000 System) for a portion of the construction costs of the office buildings in Bonifay and Graceville.

APPROVED

Issue: 7. Recommendation that Accumulated Depreciation be increased by \$26,072 (\$26,682 System) to correct errors in depreciation prior to 1988.

APPROVED

Issue: 8. Recommendation that Plant in Service be reduced by \$21,635 (\$22,158 System) to reverse AFUDC improperly capitalized beyond the in-service date of the Crist Warehouse and Naval Air Station substation upgrade.

APPROVED

Issue: 9. Recommendation that the fuel component of working capital be reduced by ~~\$7,857,712~~ on a jurisdictional basis (~~\$8,111,863~~ System).  
\$1,148,159

APPROVED with the noted correction and with the modification that 50% of the heavy oil inventory not be removed from working capital, and excluding the fuel inventory associated with Plant Scherer consistent with the decision on issue 10. The revised amount of the reduction was approved as \$2,757,000.

Commissioner Gunter dissented, voting to make no adjustment to working capital for fuel inventory, other than that related to plant Scherer, to provide consistency with the decision in the last rate case.

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Issue: 10. Recommendation that the appropriate amount of rate base to use in determining the revenue requirements for the interim test year after adjustments is \$826,678,000.

APPROVED with the modification that the amount included in rate base applicable to Plant Scherer was disallowed. A recalculated rate base amount of \$785,912,000 was approved. Commissioners Gunter and Beard dissented as to the adoption of Staff's recommendation to include approximately 100mw of Plant Daniel in excess of that included in the last rate case.

Issue: 11. Recommendation that, as shown on Schedule 2 of staff's memorandum dated January 29, 1990, 13.0% is the appropriate Return on Equity and an 8.26% overall Rate of Return should be used for purposes of determining the interim increase.

APPROVED

Issue: 12. Recommendation that the appropriate O & M Expense is \$105,980,000 (\$108,159,000 System).

APPROVED with the adjustments required by the removal of Plant Scherer from rate base.

Revised O&M Expense of \$106,004,000 was approved. Taxes other than Income (not included in o&m + not previously at issue) were also reduced \$224,000 (\$861,000 system) (\$7)

Issue: 13. Recommendation that the appropriate amount of Depreciation Expense is \$3,963,000, which includes an adjustment reducing expenses \$150,000 related to the acquisition of Plant Scherer.

\$43,063,000

APPROVED with the adjustment required by the removal of Plant Scherer from rate base.

Revised Depreciation Expense of \$41,476,000 was approved.

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Issue: 14. Recommendation that the appropriate amount of current income tax expense for the interim test year is ~~\$17,660,000.~~ \$18,334,000.

APPROVED as adjusted by decisions on other issues.

Revised income tax expense of \$16,446,000 was approved.

Issue: 15. Recommendation that the appropriate amount of Net Operating Income for the determination of interim revenue requirements after adjustments is ~~\$64,019,000.~~ \$63,345,000.

APPROVED as adjusted by decisions on other issues.

Revised NOI of \$61,392,000 was approved.

Issue: 16. Recommendation that the Company's petition, under Section 366.071, F.S., for \$22,847,000 in interim increase in rates and charges be denied, and an interim increase of ~~\$6,959,000~~ be granted.  
\$8,058,000

APPROVED with the modification that an interim increase of \$5,751,000 was approved based on adjustments made under other issues.

Issue: 17. Recommendation that because of Rule 25-6.0435(2)(a), any interim increase be should be spread among the rate classes on a uniform percentage of base rate revenues. The increase should be collected within each class by increasing all base rate charges and credits (customer, demand, non-fuel KWH charges, etc.) by the uniform percentage.

APPROVED with the clarification that the revised increase amount results in a uniform percentage increase of 2.43%.