

VOTE SHEET

MARCH 16, 1999

RE: DOCKET NO. 990250-EI - Investigation into the earnings and authorized return on equity for Gulf Power Company.  
DOCKET NO. 990244-EI - Petition by Gulf Power Company for approval of proposed plan for an incentive revenue sharing mechanism that addresses certain regulatory issues including a reduction to the company's authorized return on equity.

Issue 1: Should the Commission approve GPC's petition for approval of proposed plan for an incentive revenue sharing mechanism that addresses certain regulatory issues including a reduction to the Company's authorized ROE (Attachment C of staff's March 4, 1999 memorandum)?

Recommendation: No. The Commission should not approve GPC's petition.

**DEFERRED**

*with the understanding that, with respect to the \$3 million, Gulf Power would accrue 1/2 of that money on a monthly basis starting in 1999, and it will not be later reversed absent it being part of the Commission's decision in these dockets.*

*(This language added 4/28/99 after review of audiotape of Item 10 on 3/16/99 conference - kf)*

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

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REMARKS/DISSENTING COMMENTS:

*Deferred to April 20, 1999*

DOCUMENT NUMBER-DATE

03362 MAR 17 99

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Issue 2: Should the Commission order GPC to place money subject to refund?

Recommendation: Yes. Pursuant to Section 366.071, Florida Statutes, the Commission should order GPC to place \$2,772,085 of annual revenue under corporate undertaking subject to refund, including interest, pending final disposition in this proceeding. Consistent with Section 366.071(2)(b), Florida Statutes, GPC is authorized to continue to collect the previously authorized rates, subject to the appropriate corporate undertaking.

Issue 3: Should the Commission approve the plan listed in Attachment B of staff's memorandum?

Recommendation: Yes. The Commission should approve the sharing of earnings plan in Attachment B for Gulf Power Company.

Issue 4: Should the Commission initiate a proceeding to investigate Gulf Power Company's earnings and authorized ROE?

Recommendation: Yes. If Issue 3 is not approved, staff believes that an investigation should be initiated and a limited proceeding hearing should be held to determine the appropriate ROE and range.

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Issue 5: Should the Commission order GPC to file Minimum Filing Requirements (MFRs)?

Recommendation: Yes. If Issue 3 is not approved, staff recommends that the Commission order the Company to file MFRs, by June 15, 1999, using 1998 as the base year, and 1999 as the projected test year.

Issue 6: Should the Commission initiate a review of GPC's executed Contract Service Agreements (CSA) under its Commercial/Industrial Service Rider tariff (CISR)?

Recommendation: Yes. For the twelve-month period ending December 31, 1998, GPC reported an achieved ROE of 12.99%. The top of GPC's currently authorized ROE range is 13.00%. The addition of the revenues that would have been produced by GPC's otherwise applicable tariff and the revenues that are produced under the CISR (revenue shortfall) cause GPC's ROE to exceed the top of its authorized range. Order No. PSC-96-1219-FOF-EI requires the Commission to review each CSA if the addition of the revenue shortfall causes GPC to exceed the authorized top of its range. In addition to the amount of revenue identified in Issue 2, the amount of the revenue shortfall over the top of the range should be held subject to refund pending the completion of the review.

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Issue 7: Should Docket No. 990244-EI be closed?

Recommendation: Yes. Docket No. 990244-EI should be closed if no person whose interests are substantially affected by the proposed action files a protest within the 21-day protest period.

Issue 8: Should Docket No. 990250-EI be closed?

Recommendation: No. Docket No. 990250-EI should not be closed.