

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 010949-EI

DATED: JANUARY 24, 2002

THE FEDERAL EXECUTIVE AGENCIES' PREHEARING STATEMENT

Pursuant to Order No. PSC-01-2035-PCO-EI, the Federal Executive Agencies (FEA) hereby file their Prehearing Statement.

a. All Known Witnesses

None.

b. All Known Exhibits

None.

c. FEA's Statement of Basic Position

FEA's basic position is preliminary and based on review of materials filed by the parties and on discovery filed to date. FEA believes several of the revenue requirement components that contribute to Gulf Power's (GP) requested \$69.9 million rate increase are unreasonable. The revenue requirement components that are unreasonable include return on equity, depreciation rates, distribution operation and maintenance expenses, and non-fuel production operation and maintenance expenses. FEA further believes the GP Cost of Service and Rate Design Schedules with Minimum Distribution System Methodology is appropriate and consistent with the National Association of Regulatory Utility Commissioners guide book, Electric Utility Cost Allocation Manual.

d. FEA's Position on the Issues

CASE BACKGROUND

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM 5
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC 1
- OTH \_\_\_\_\_

ISSUES AND POSITIONS

TEST PERIOD

ISSUE 1: Is Gulf's projected test period of the 12 months ending May 31, 2003 (May 2003 projected test year) appropriate? (L. Romig)

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POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 2: Are Gulf's forecasts of Customers, KWH, and KW by Rate Class, for the May 2003 projected test year appropriate? (Stallcup)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

QUALITY OF SERVICE

ISSUE 3: Should Gulf be required to establish a mechanism that would provide for a payment or credit to retail customers if frequent outages occur? (D. Lee, Matlock)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 4: Should adjustments be made to Gulf's projected test year due to customer complaints? (Lowery)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 5: Is the quality of electric service provided by Gulf adequate? (D. Lee, Matlock, Lowery)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

RATE BASE

ISSUE 6: Should an adjustment be made to production related additions included in Plant in Service? (Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 7: Should an adjustment be made to transmission and distribution related additions included in Plant in Service? (Haff, D. Lee)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 8: Should an adjustment be made to general plant related additions included in Plant in Service? (Meeks)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 9: Should the deferral of the return on the third floor of the corporate offices be allowed in rate base? (L. Romig) -

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 10: Should an adjustment be made to Smith Unit 3? (Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 11: Is Gulf's decision to include Smith Unit 3 in rate base consistent with Gulf's proposal in Docket No. 010827-EI to transfer ownership of Smith Unit 3 to Southern Company and purchase the plant's output? (Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 12: What are the appropriate adjustments, if any, that should be made to Gulf's test year rate base to account for the additional security measures implemented in response to the increased threat of terrorist attacks since September 11, 2001? (McNulty, Mills)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 13: Should the capitalized items currently approved for recovery through the Environmental Cost Recovery Clause be included in rate base for Gulf? (D. Lee, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 14: Should adjustments be made for the rate base effects of transactions with affiliated companies for Gulf? (L. Romig, Merta)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 15: Has the Company removed all non-utility activities from rate base? (Meeks, L. Romig)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Ms. Kimberly H. Dismukus.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 16: Is Gulf's requested level of Plant in Service in the amount of \$1,966,492,000 (\$2,015,013,000 system) for the May 2003 projected test year appropriate? (Meeks, Haff, Green, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 17: What adjustments should be made to Accumulated Depreciation to reflect the Commission's decision in Docket No. 010789-EI? (Meeks)

POSITIONS

FCTA:



EA: No position at this time.

IPUG:

ULF:

PC:

TAFF:

ISSUE 18: Is Gulf's requested level of Accumulated Depreciation in the amount of \$854,099,000 (\$876,236,000 system) for the May 2003 projected test year appropriate? (Meeks, Green, L. Romig)

POSITIONS

CTA:

EA: No position at this time.

IPUG:

GULF:

OPC:

STAFF:

ISSUE 19: Is Gulf's requested level of Construction Work in Progress in the amount of \$15,850,000 (\$16,361,000 system) for the May 2003 projected test year appropriate? (Haff, Meeks, Green, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 20: Should an adjustment be made to Plant Held for Future Use for Gulf's inclusion of the Caryville site in rate base? (Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 21: Is Gulf's requested level of Property Held for Future Use in the amount of \$3,065,000 (\$3,164,000 system) for the May 2003 projected test year appropriate? (Haff, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 22: Should an adjustment be made to prepaid pension expense in its calculation of working capital? (Kaproth, Kyle)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 23: Should an adjustment be made to rate base for unfunded Other Post-retirement Employee Benefit (OPEB) liability? (Kaproth, Kyle)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 24: Should any adjustments be made to Gulf's fuel inventories? (Bohrmann, Matlock)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 25: Is Gulf's requested level of Working Capital in the amount of \$67,194,000 (\$69,342,000 system) for the May 2003 projected test year appropriate? Kaproth, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: Fallout Issue.

ISSUE 26: What is the appropriate regulatory treatment for the balance sheet impacts from FAS 133 for Gulf? (Brinkley)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 27: Is Gulf's requested rate base in the amount of \$1,198,502,000 (\$1,227,644,000 system) for the May 2003 projected test year appropriate? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

COST OF CAPITAL

ISSUE 28: Has Gulf appropriately reflected Internal Revenue Service Notice 2001-82 in its projected May 2003 test year? (C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 29: What is the appropriate amount of accumulated deferred taxes to include in the capital structure? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 30: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 31: Have rate base and capital structure been reconciled appropriately? (D. Draper, Lester, C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 32: What is the appropriate cost rate for short-term debt for the May 2003 projected test year? (Lester)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 33: What is the appropriate cost rate for long-term debt for the may 2003 projected test year? (Lester)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 34: In setting Gulf's ROE for use in establishing Gulf's revenue requirements and Gulf's authorized range, should the Commission make an adjustment to reject Gulf's performance?

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 35: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement?  
(Lester)

POSITIONS

FCTA:

FEA: In light of recent actual and projected inflation experience, returns currently paid on long term debt instruments, the relatively risk-free regulatory environment in which GP operates, as well as rates of return authorized by other state regulatory commissions in recent months, GP's requested return on equity request is unreasonably high.

We support the position of the Public Counsel's witness, Mr. James A. Rothschild.



FIPUG:

GULF:

OPC:

STAFF:

ISSUE 36:           What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure? (Lester)

POSITIONS

FCTA:

FEA:               We support the position of the Public Counsel's witness, Mr. James A. Rothschild.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 37:           What is the appropriate authorized range on ROE to be used by Gulf for regulatory purposes on a prospective basis? (D. Draper, Lester, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA:               No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

NET OPERATING INCOME

ISSUE 38: Is Gulf's projected level of Total Operating Revenues in the amount of \$372,714,000 (\$379,009,000 system) for the May 2003 projected test year appropriate? (Wheeler, Stallcup, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 39: What are the appropriate inflation factors for use in forecasting the test year budget? (Stallcup, Lester, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 40: Should the Commission accept Gulf Power's modified zero based budget as support for the requested increase? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 41: Is Gulf's requested level of O&M Expense in the amount of \$182,419,000 (\$186,354,000 system) for the May 2003 projected test year appropriate? (L. Romig)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 42: Should wholesale energy costs to Gulf Power be adjusted? (Wheeler)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Ms. Kimberly H. Dismukus.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 43: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause? (Bohrmann, L. Romig, C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 44: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause? (Haff, L. Romig, C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 45: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause? (D. Lee, L. Romig, C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 46: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause? (D. Lee L. Romig, C. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 47: What are the appropriate adjustments, if any, to Gulf's test year operating expenses to account for the additional security measures implemented in response to the increased threat of terrorist attacks since September 11, 2001? (McNulty, Mills)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 48: Should an adjustment be made to advertising expenses for the May 2003 projected test year? (Kaproth, L. Romig)

POSITIONS

FCTA:

FEA: Yes, we support the position of the Public Counsel's witness Ms. Kimberly H. Dismukus.

FIPUG:

GULF:

OPC:

STAFF: Yes. Advertising expense should be reduced by \$550,000.

ISSUE 49: Has Gulf made the appropriate adjustments to remove lobbying expenses from the May 2003 projected test year? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: ..

ISSUE 50: Should an accrual for incentive compensation be allowed? (Kaproth, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 51: Should an adjustment be made to Gulf's requested level of Salaries and Employee Benefits for the May 2003 projected test year? (Kaproth, L. Romig)

POSITIONS

FCTA:

FEA: Yes.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 52: Should an adjustment be made to Other Post  
Employment Benefits Expense for the May 2003  
projected test year? (Kyle, Kaproth, L. Romig)

POSITIONS

FCTA: -

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 53: Should an adjustment be made to Pension Expense for  
the May 2003 projected test year? (Kyle, L. Romig)

POSITIONS

FCTA:

FEA: Yes.

FIPUG:

GULF:

OPC:



STAFF:

ISSUE 54: Should adjustments be made for the net operating income effects of transactions with affiliated companies for Gulf? (L. Romig, Merta)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 55: Should an adjustment be made to the accrual for storm damage for the May 2003 projected test year? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 56: Should an adjustment be made to the accrual for the Injuries & Damages reserve for the May 2003 projected test year? (L. Romig, Kaproth, Stern)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 57: Should interest on tax deficiencies for the May 2003 projected test year be included above-the-line? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 58: Should an adjustment be made to Rate Case Expense for the May 2003 projected test year? (Kaproth, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF: No position at this time pending further discovery.

ISSUE 59: Should an adjustment be made to marketing expenses for Gulf's marketing of high efficiency electric technologies for heating and water heating? (Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 60: What is the appropriate amount of expense to include for planned outages? (Haff, Merta)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 61: What is the appropriate amount of expense to include for special projects? (Haff, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 62: Should an adjustment be made to Production Expenses for the May 2003 projected test year? (Haff, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 63: Should an adjustment be made to Transmission Expenses for the May 2003 projected test year? (Haff, Merta)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 64: Should an adjustment be made to cable inspection expense? (Matlock, D. Lee, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 65: Should an adjustment be made to substation maintenance expense? (Matlock, D. Lee, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 66: Should adjustments be made to tree trimming expense? (Matlock, D. Lee, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 67: Should an adjustment be made to pole line inspection expense? (Matlock, D. Lee, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 68: Should an adjustment be made to street and outdoor light maintenance expense? (Matlock, D. Lee, Merta)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Helmuth W. Schultz, III.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 69: Should an adjustment be made to Distribution Expenses for the May 2003 projected test year? (Mattock, D. Lee, Marta)

POSITIONS

FATA:

FEA: Yes.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 70: Should an adjustment be made to Bad Debt Expense for the May 2003 projected test year? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 71:           Should an adjustment be made to Customer Accounts  
Expense for the May 2003 projected test year? (L.  
Romig, Kaproth)

POSITIONS

FCTA:

FEA:                Yes.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 72:           If the deferral of the return on the third floor of  
the corporate offices is allowed in rate base, what  
amortization period should be used? (L. Romig)

POSITIONS

FATA:

FEA:                No position at this time.

FIPUG:

GULF:

OPC:

STAFF:



ISSUE 73: What adjustments, if any, should be made to the depreciation expense and the fossil dismantlement accrual to reflect the Commission's decision in Docket No. 010789-EI? (Meeks)

POSITIONS

FATA:

FEA: We support the position of the Public Counsel's witness, Mr. Michael J. Majoros, Jr.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 74: What is the appropriate depreciation rate and dismantlement provision for Smith Unit 3? (Meeks)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Michael J. Majoros, Jr.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 75: Should an adjustment be made to Depreciation Expense for the May 2003 projected test year? (Meeks)

POSITIONS

FCTA:

FEA: We support the position of the Public Counsel's witness, Mr. Michael J. Majoros, Jr.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 76: What adjustments, if any, should be made to the projected test year expenses to recognize implementation of FAS 143? (Meeks)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 77: What adjustments, if any, should be made to the projected test year expenses to recognize implementation of the AcSEC Statement of Position regarding accounting for certain costs and activities related to property, plant, and equipment? (Meeks)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 78: Should the total amount of Gross Receipts tax be removed from base rates and shown as a separate line item on the bill? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 79: Should an adjustment be made to Taxes Other Than Income Taxes for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 80: Should an adjustment be made to the consolidating tax adjustments for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 81: Should an adjustment be made to Income Tax expense for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 82: Is Gulf's projected Net Operating Income in the amount of \$61,378,000 (\$61,658,000 system) for the May 2003 projected test year appropriate? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

REVENUE REQUIREMENTS

ISSUE 83: What is the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf? (C. Romig, L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 84: Is Gulf's requested annual operating revenue increase of \$69,867,000 for the May 2003 projected test year appropriate? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

COST OF SERVICE AND RATE DESIGN

ISSUE 85: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 86: Are Gulf's estimated revenues from sales of electricity by rate class at present rates for the projected 2003 test year appropriate? (E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 87: Is the method used by Gulf to develop its estimates by rate class of the 12 monthly coincident peak hour demands and the class non-coincident peak hour demands appropriate? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 88: What is the appropriate cost of service methodology to be used in designing Gulf's rates? (Wheeler)

POSITIONS

FCTA:

FEA: Minimum Distribution System Methodology (MDS) is the appropriate Cost of Service methodology for designing Gulf's rates. This is the only methodology sponsored by any witnesses on the record.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 89: What is the appropriate treatment of distribution costs within the cost of service study? (Wheeler)

POSITIONS

FCTA:

FEA: The recommended MDS methodology classifies distribution costs as demand related, customer related or a combination of as stated by the National Association of Regulatory Utility Commissioners advocate in its official guide book Electric Utility Cost Allocation Manual, January 1992, page 89.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 90: If a revenue increase is granted, how should it be allocated among the customer classes? (Wheeler)

POSITIONS

FCTA:

FEA: If a revenue increase is granted, it should be allocated based on the Company's MSD Methodology Cost of Service Study Results using the approach set forth by GP Rate Design witness James I. Thompson at Page 16, Lines 9-20.

FIPUG:

GULF:

OPC:



STAFF:

ISSUE 91:           What are the appropriate demand charges?   (E.  
                          Draper, Wheeler)

POSITIONS

FCTA:

FEA:                No position at this time.

FIPUG:

GULF:

OPC:                -

STAFF:

ISSUE 92:           What are the appropriate energy charges?   (Wheeler)

POSITIONS

FCTA:

FEA:                No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 93:           What are the appropriate customer charges?  
                          (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 94: What are the appropriate service charges? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 95: What are the appropriate Street (OS-I) and Outdoor (OS-II) lighting rate schedule charges? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 96: How should Gulf's time-of-use rates be designed?  
(E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 97: What are the appropriate charges under the  
Interruptible Standby Service (ISS) rate schedule?  
(E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 98: What are the appropriate charges under the Standby and  
Supplementary Service (SBS) rate schedule? (E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 99: What is the appropriate rate design for Gulf's Real Time Pricing (RTP) rate schedule? (E. Draper, Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 100: What is the appropriate monthly charge under Gulf's Goodcents Surge Protection (GCSP) rate schedule? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 101: What are the appropriate transformer ownership discounts? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 102: What is the appropriate minimum monthly bill demand charge under the PX rate schedule? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 103: What is the appropriate minimum monthly bill demand charge under the PXT rate schedule? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 104: If the Commission decides to recognize migrations between rate classes, how should the revenue shortfall, if any, be recovered? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 105: Should Gulf's GST and RST rate schedules be eliminated? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 106: Should Gulf's Supplemental Energy (SE) Rate Rider be eliminated? (E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 107: Gulf proposes to eliminate the Optional Method of Meter Payment provision in its GSDT rate schedule that allows customers to make an initial payment as a contribution-in-aid-of-construction to offset a portion of the additional cost of time-of-use metering. Is this appropriate? (Hudson)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 108: Should Gulf eliminate its OS-IV rate schedule and transfer the customers served under the rate to their otherwise applicable rate schedules, as required by order No. 23573 in Docket No. 891345-EI? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 109: Should the proposed changes to Gulf's Standby and Supplementary Service Rate (SBS) be approved? (E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 110: What is the appropriate monthly fixed charge carrying rate to be applied to the installed cost of OS-I and OS-II additional lighting facilities for which there is no tariffed monthly charge? (E. Draper)

POSITIONS

FCTA:



FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 111: Are the proposed revisions to the estimated kilowatt hour consumption of Gulf's high pressure sodium and metal halide lighting fixtures appropriate? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 112: Gulf has proposed to add a provision to its OS-I and OS-II lighting schedules that allows customers to change to different fixtures prior to the expiration of the initial lighting contract term. Is this provision appropriate? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 113:           Should the Street Lighting (OS-I) and Outdoor Lighting (OS-II) subparts of Gulf's Outdoor Service rate schedule be merged? (Springer)

POSITIONS

FCTA:

FEA:                No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 114:           Should Gulf's proposed methodology for determining the price of new street and outdoor lighting offerings be approved? (Springer)

POSITIONS

FCTA:

FEA:                No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 115: Should Gulf's proposed new FlatBill pilot program be approved? (Springer)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 116: Should Gulf's proposed new Rate Schedule GSTOU be approved? (E. Draper)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 117: Is Gulf's proposed reduction in the contract term required under its Real Time Pricing (RTP) rate schedule from five years to one year appropriate? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 118: Is Gulf's GoodCents Select Program cost effective?  
(Haff)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 119: What is the appropriate design and level of charges  
for the Residential Service Variable Pricing (RSVP)  
rate schedule? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 120: Are Gulf's proposed changes to the P2 and P3 pricing periods under its RSVP rate schedule appropriate? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 121: Are Gulf's proposed changes to the Participation Charge and Reinstallation Fee charged under Rate RSVP appropriate? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 122: Should Gulf's proposed changes to the applicability section of its Budget Billing optional rider be approved? (Wheeler)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

OTHER ISSUES

ISSUE 123: How will this docket be affected if the provisions in the Stipulation approved in Order No. PSC-99-2131-S-EI are not achieved? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

ISSUE 124: Should Gulf be required to file, within 60 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case? (L. Romig)

POSITIONS

FCTA:

FEA: No position at this time.

FIPUG:

GULF:

OPC:

STAFF:

e. Pending Motions

None.

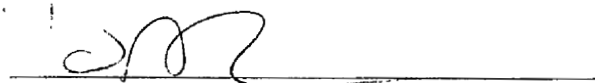
f. Pending Confidentiality Claims or Requests

None.

g. Compliance with Order No.

FEA has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 24th day of January, 2002.



Douglas A. Shropshire, Lt Col, USAFR  
Federal Executive Agencies  
c/o USAF Utility Litigation Team  
AFCESA/ULT  
139 Barnes Drive  
Tyndall AFB, Florida 32403  
(850)283-6348

Before the Florida Public Service Commission

In Re: Gulf Power  
Docket no. 010949-EI

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CERTIFICATE OF SERVICE

I do certify that copy of the foregoing Prehearing Statement has been furnished this  
24 day of January, 2002, by ~~US Mail~~  
Fed Ex, to the following:

Marlene Stern, Esq. Florida PSC 2540 Shumard Oak Blvd Tallahassee FL 32399-0863	Stephen Burgess Esq. Office of Public Counsel 111 W. Madison St., Room 812 Tallahassee FL 32399-1400
Vicki Kaufman Esq. McWhirter Reeves PA 117 S. Gadsden St. Tallahassee FL 32301	Michael A. Gross, VP Florida Cable Tele. Assn. 246 East 6 <sup>th</sup> Ave., Suite 100 Tallahassee FL 32303
Jeffrey Stone Beggs & Lane PO Box 12950 Pensacola FL 32576	John McWhirter Esq McWhirter Reeves PA 400 N. Tampa St., Suite 2450 Tampa FL 33601-3350



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Douglas Shropshire, LtCol USAFR  
AFCESA/ULT  
6608 War Admiral trail  
Tallahassee FL 32309  
Federal Executive Agencies