

VOTE SHEET

April 4, 2006

Docket No. 050381-EI – Depreciation and dismantlement study at December 31, 2005, by Gulf Power Company.

Issue 1: What should be the implementation date for the recommended depreciation rates, amortization schedules, and dismantlement provision?

Recommendation: Staff recommends the company’s proposal of January 1, 2006, as the implementation date for Gulf’s new depreciation rates, amortization schedules, and dismantlement provisions as shown on Attachments A, B, and C to staff’s March 23, 2006 memorandum.

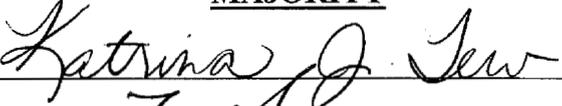
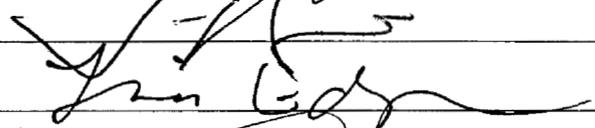
APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING



REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

03043 APR-4 06

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Issue 2: Should the Commission revise Gulf's currently approved annual accrual for dismantlement?

Recommendation: Yes. Staff recommends a total annual provision for dismantlement of \$5,886,660 beginning January 1, 2006, as shown on Attachment A. This represents an increase of \$54,547 over the current approved annual accrual. The recommended \$5,886,660 annual accrual includes \$107,319 related to Plant Scherer Unit 3 unit power sale (UPS) contracts. These accruals reflect current estimates of dismantlement cost on a site-specific basis using the latest inflation forecasts and a 10% contingency factor. The company concurs with staff's recommendation.

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Issue 3: What are the appropriate depreciation rates and amortization schedules?

Recommendation: The staff recommended lives, net salvages, reserves, and resulting depreciation rates are shown on Attachment C to staff's memorandum. These rates result in a decrease in annual depreciation expense by \$3,494,534 ~~\$3,185,349~~ based on January 1, 2006 investments, and the removal of Plant Scherer Unit 3 as shown on Attachment D. Gulf concurs with staff's recommendation.

APPROVED

with noted modification.

Issue 4: Should the current amortization of investment tax credits (ITC) and the flowback of excess deferred income taxes be revised to reflect the approved depreciation rates and recovery schedules?

Recommendation: Yes. The current amortization of investment tax credits (ITC) and the flowback of excess deferred income taxes (EDIT) should be revised to match the actual recovery periods for the related property. The utility should file detailed calculations of the revised ITC amortization and flowback of EDIT at the same time it files its surveillance report covering the period ending December 31, 2006.

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Issue 5: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

APPROVED

*on the Commission's own motion,
the vote was reconsidered.*

*Commissioners voted to approve
Staff's recommendation as
corrected at the conference.*