

Timolyn Henry

From: Mike Twomey [miketwomey@talstar.com]
Sent: Tuesday, April 25, 2006 3:21 PM
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JAS@beggslane.com; jmcwhirter@mac-law.com; miketwomey@talstar.com;
sdriteno@southernco.com; swright@yvlaw.net; tperry@mac-law.com
Subject: Re: Filing - Docket No. 060154

> a. Person responsible for this electronic filing:

>
>
Mike Twomey
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b, This filing is to be made in Docket No. 060154-EI, In re: Petition
for a financing order pursuant to Section 366.8260 of the
Florida Statutes (2005) relating to storm-recovery financing

c. Document being filed on behalf of AARP.

d. There are a total of 5 pages.

e. The document attached for electronic filing is AARP Petition to
Intervene

Thank you for your attention and assistance in this matter.

Mike Twomey

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Gulf Power Company's Petition for)
A financing order pursuant to Section) DOCKET NO. 060154-EI
366.8260 of the Florida Statutes (2005)) FILED: April 25, 2006
Relating to storm-recovery financing)

AARP PETITION TO INTERVENE

Pursuant to Sections 120.569 and 120.57(1), Florida Statutes and Rules 25-22.039, and 28-106.205, Florida Administrative Code, AARP, through its undersigned attorney, files its Petition to Intervene and in support thereof, states as follows:

1. The name and address of the affected agency is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. The name and address of the petitioner is:

AARP
200 West College Street
Tallahassee, Florida 32301

3. All pleadings, motions, orders and other documents directed to the petitioner

should be served on:

Michael B. Twomey
Post Office Box 5256
Tallahassee, Florida 32314-5256
Phone: (850) 421-9530
FAX: (850) 421-9530
Email: miketwomey@talstar.com

4. Gulf Power Company ("Gulf") is a regulated electric utility serving approximately 400,000 retail customers in the Northwest portion of the State of Florida.

DOCUMENT NUMBER-DATE

03665 APR 25 06

FPSC-COMMISSION CLERK

5. AARP is a nonprofit membership organization dedicated to addressing the needs and interests of persons 50 and older. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. AARP represents more than 35 million members in total, approximately 2.7 million of whom reside in the State of Florida. AARP's Florida members reside throughout the state and a significant number of them are retail residential customers of Gulf.

AARP Florida Members' Substantial Interests Affected

6. As stated above, AARP has approximately 2.7 million members in the State of Florida, a significant number of whom reside in Gulf's service territory and take their electric service from the utility. Therefore, many of AARP's members will be substantially affected by any action the Commission takes in this docket, which will necessarily include retail rate increases in the form of new storm-recovery surcharges if the utility's requested relief is granted.

7. Statement of Affected Interests

The Commission will decide in this docket whether it should approve Gulf's petition for issuance of a storm recovery financing order in the amount of approximately \$137.8 million; or in the alternative, whether it should approve Gulf's request for the recovery of approximately \$126.1 million via a surcharge or assessment. The amount of the costs approved for recovery, as well as the mechanism used to recover such costs, will affect the substantial interests of AARP's members served by Gulf by increasing their electric bills, thus reducing the monies they have to spend on their other needs.

8. AARP's members taking retail electric service from Gulf have interests of the type this proceeding is designed to protect. See *Agrico Chemical Company v. Department of*

Environmental Regulation, 406 So.2d 478 (Fla. 2nd DCA 1981). The purpose of the proceeding is to evaluate Gulf's request, to review the nature of its costs and expenditures to determine if any such costs are appropriate for recovery, to review the manner in which Gulf requests to recover such costs, and to review the appropriateness of Gulf's requested storm reserve fund and the period of years over which Gulf proposes to collect the storm recovery surcharges.

9. Disputed Issues of Material Fact.

AARP believes there will be numerous disputed issues of material fact which the Commission will be required to resolve through an evidentiary hearing pursuant to Chapter 120, Florida Statutes. Such disputed issues of material fact include, but are not limited to, the following:

- a. What is the appropriate amount of Gulf's reasonably and prudently incurred storm related costs?
- b. What is the appropriate recovery period for Gulf to recover its storm related costs?
- c. What is the appropriate method for Gulf to recover its storm related costs?
- d. What is the appropriate method for allocating the recovery of Gulf's storm related costs to the rate classes?
- e. What is the appropriate level of Gulf's storm reserve?
- f. What is the appropriate period of time for Gulf to replenish its storm reserve?
- g. What is the appropriate method for Gulf to replenish its storm reserve?
- h. What is the appropriate method for allocating the replenishment of Gulf's storm reserve to the rate classes?
- i. What is the appropriate treatment for income tax attributable to a storm surcharge?

10. Statement of Ultimate Facts Alleged.

Gulf must prove that all costs charged to the storm reserve are appropriate for recovery from its ratepayers, that the recovery period for its storm related costs is appropriate, that the methodology for recovering those costs is appropriate, and that its request for replenishment of the storm reserve is appropriate. In addition, with respect to its request for a financing order, Gulf must prove that the proposed structuring, expected pricing, and financing costs of storm-recovery bonds, if any are used, are reasonably expected to result in lower overall costs or would avoid or significantly mitigate rate impacts to customers as compared with alternative methods of financing or recovering storm-recovery costs.

11. Statutes and Rules that Require the Relief Requested by AARP.

Statutes and rules that require the relief requested by AARP include, but are not limited to, Sections 120.569, 120.57(1), 366.04(1), 366.041, 366.05(1), 366.06(1) and (2), 366.07, and 366.8260, Florida Statutes, and Rule 25-22.039 and Chapter 28-106, Florida Administrative Code.

WHEREFORE, AARP requests that this Commission grant it intervenor status in this docket as a full party on behalf of the significant number of its approximately 2.7 million Florida members taking retail electric service from Gulf Power Company.

Respectfully submitted,

/s/ Michael B. Twomey

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of this petition has been served by

U.S. Mail and electronic mail this 25th day of April, 2006 on the following:

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Jennifer Brubaker, Esquire
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/s/ Michael B. Twomey
Attorney