### VOTE SHEET

### December 19, 2006

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

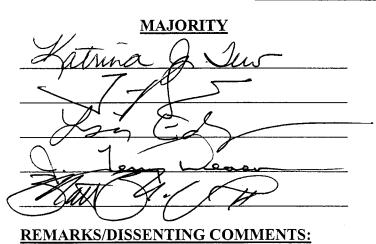
**Issue 1**: Should the Commission permit Gulf Power Company to implement its proposed change in depreciation rates and provision for dismantlement for the coal fired generating Plant Crist Units 4, 5, 6, and 7; Plant Smith Units 1 and 2, and Plant Smith Unit 3 combined cycle?

**<u>Recommendation</u>**: Yes. The Commission should approve the Company's revised lives, net salvages, reserves, resulting depreciation rates, and provision for dismantlement as shown on Attachments A, B, and C of staff's December 7, 2006 memorandum.

## APPROVED

#### COMMISSIONERS ASSIGNED: All Commissioners

### **COMMISSIONERS' SIGNATURES**



DOCUMENT NUMBER-DATE

DISSENTING

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FPSC-COMMISSION CLERK

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<u>Issue 2</u>: What should be the implementation date for the new depreciation rates and provision for dismantlement accruals?

**<u>Recommendation</u>**: January 1, 2007, should be the implementation date for Gulf Power's revised depreciation rates and provision for fossil dismantlement as shown on Attachments A, B, and C of staff's memorandum.

## APPROVED

Issue 3: Should the Commission change the depreciation rates?

**Recommendation:** Yes. The Commission should approve the change in the lives, net salvages, reserves, and resulting depreciation rates as shown on Attachment B of staff's memorandum. These rates result in a decrease in annual depreciation expense by \$7,526,991 based on January 1, 2007, investments. Gulf Power concurs with staff's recommendation.

## APPROVED

<u>Issue 4</u>: Should the Commission permit the change in the currently approved annual provision for fossil dismantlement?

**<u>Recommendation</u>**: Yes. The Commission should approve a total annual provision for fossil fuel dismantlement of \$5,239,243, as shown on Attachment A of staff's memorandum. This represents a decrease in the annual provision for fossil fuel dismantlement accruals of \$647,417 for Plant Crist, Plant Smith, and Plant Smith Unit 3 combined cycle. 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 5**: Should the current amortization of investment tax credits and flow back of excess deferred income taxes be revised to reflect the approved depreciation rates?

**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.

## APPROVED

**Issue 6**: Should this docket be closed?

**Recommendation:** Yes. 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 issuance of a consummating order.

### APPROVED