FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

May 18, 2010

Docket No. 090319-EI – Depreciation and dismantlement study at December 31, 2009, by Gulf Power Company.

Issue 1: Should Gulf's current depreciation rates, amortization and capital recovery schedules, and provision for dismantlement be changed?
Recommendation: Yes. A review of the Company's planning and activity indicates the need for revising its depreciation rates, amortization and capital recovery schedules, and provision for dismantlement.

DEFERRED

Issue 2: What should be the implementation date for the recommended depreciation rates, amortization and capital recovery schedules, and dismantlement provision?
Recommendation: Staff recommends approval of the Company's proposed January 1, 2010 date of implementation for the new depreciation rates, amortization and capital recovery schedules, and dismantlement provision.

DEFERRED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING

REMARKS/DISSENTING COMMENTS: Deferred to the June 29, 2010 Commission Conference.

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Issue 3: What, if any, capital recovery schedules should be approved?
Recommendation: Staff recommends the capital recovery schedules shown on Attachment A, page 21, of staff's memorandum dated May 6, 2010. These schedules address the recovery of near-term unrecovered retiring investments. The designated recovery periods closely match the remaining period the related assets will provide service to the public. The investments and associated reserves, including any reserve allocations addressed in Issue 4, should be withdrawn from their parent accounts and placed in separate subaccounts or categories. Monthly expenses for each schedule should be determined by dividing the net plant for each month by the planned remaining months in service. This mechanism will adjust for any shifts in plans or unexpected salvage. The annual expense impact over the four-year period covered by the recovery schedules would be zero dollars due to the recommended reserve allocations discussed in Issue 4.

DEFERRED

Issue 4: What, if any, corrective reserve allocations should be made?
Recommendation: Staff recommends the corrective reserve allocations shown on Attachment B, page 22, of staff's memorandum dated May 6, 2010, to correct the quantified reserve imbalances.

DEFERRED

Issue 5: What are the appropriate depreciation rates and amortization schedules?
Recommendation: Staff's recommended lives, net salvage values, reserves, and resultant depreciation rates are shown on Attachment C, pages 23-24, of staff's memorandum dated May 6, 2010. The rates, based on actual January 1, 2010 investments, would result in annual expenses of approximately $110.9 million as summarized on Attachment D, pages 25-26, of staff's memorandum dated May 6, 2010. This represents an increase of approximately $1.7 million compared to the effect from rates currently ordered. Excluding Plant Scherer, recommended depreciation rates result in annual expenses of approximately $105.6 million, or an increase of approximately $0.7 million compared to current approved depreciation rates.

DEFERRED

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Issue 6: What is the appropriate annual accrual for dismantlement?
Recommendation: Staff recommends an annual provision for dismantlement of $9,591,938, beginning January 1, 2010, as shown on Attachment E, page 27, of staff's memorandum dated May 6, 2010. This represents an increase of $4,352,695 over the current approved annual accrual. The recommended accrual related to Scherer Unit 3 includes $98,878 associated with unit power sale (UPS) contracts.

DEFERRED

Issue 7: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates, amortizations, and capital recovery schedules?
Recommendation: Yes. The current amortization of ITCs and the flowback of EDITs 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 EDITs at the same time it files its surveillance report covering the period ending December 31, 2010.

DEFERRED

Issue 8: 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.

DEFERRED