

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 110138-EI

SUPPLEMENTAL TESTIMONY AND EXHIBIT  
OF  
JAMES I. THOMPSON

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Supplemental Direct Testimony of  
4 James I. Thompson  
5 In Support of Interim Rate Relief  
6 Docket No. 110138-EI  
7 Date of Filing: July 8, 2011

8 Q. Please state your name, address, and occupation.

9 A. My name is Jim Thompson, and my business address is One Energy  
10 Place, Pensacola, Florida 32520. I am employed by Gulf Power Company  
11 (Gulf or the Company) as Supervisor of Pricing and Load Research.

12 Q. Are you the same Jim Thompson who has prefiled direct testimony in this  
13 docket in connection with Gulf Power's request for rate relief?

14 A. Yes.

15 Q. What is the purpose of this supplemental direct testimony?

16 A. The purpose of this supplemental direct testimony is to describe the rates  
17 Gulf proposes to use to achieve the requested interim revenue  
18 requirements, an increase of \$38,549,000.

19 Q. Are you sponsoring any Minimum Filing Requirements (MFRs) related to  
20 the request for interim rate relief?

21 A. Yes. These are listed in Schedule 1 of my Exhibit JIT-2. The information  
22 contained in these MFRs is true and correct to the best of my knowledge  
23 and belief.  
24  
25

1 Q. How do you propose to implement the interim rate request?

2 A. The increase amount of \$38,549,000 was provided to me by Gulf Witness  
3 McMillan. He has also provided me with the overall base rate percentage  
4 increase factor represented by this requested increase, which is 8.882  
5 percent. The interim revenue increase is achieved by adjusting all base  
6 rate components of all rates by this percentage, so that all customers  
7 would experience the same percentage increases in their base rate bills.  
8 This method is also consistent with FPSC Rule No. 25-6.0435.

9  
10 Q. Have you prepared the tariff sheets necessary to implement this interim  
11 increase?

12 A. Yes. The tariff sheets necessary to implement the interim increase are  
13 attached as Schedule 2 of Exhibit JIT-2.

14  
15 Q. Does this conclude your supplemental direct testimony?

16 A. Yes.

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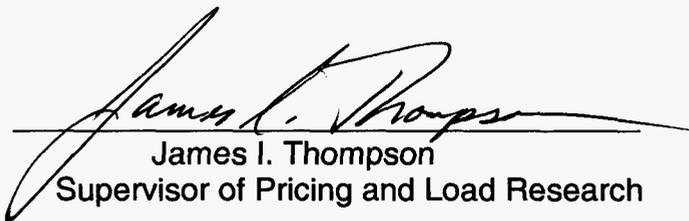
25

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 110138-EI

Before me the undersigned authority, personally appeared James I. Thompson, who being first duly sworn, deposes, and says that he is the Supervisor of Pricing and Load Research of Gulf Power Company, a Florida corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

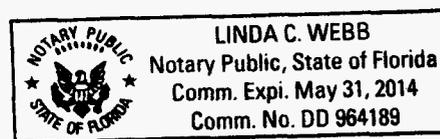
  
James I. Thompson  
Supervisor of Pricing and Load Research

Sworn to and subscribed before me this 16th day of July,  
2011.

  
Notary Public, State of Florida at Large

Commission No. DD 964189

My Commission Expires May 31, 2014



**Responsibility for Minimum Filing Requirements**

<u>Schedule</u>	<u>Title</u>
A – 5	Interim Revenue Requirements Bill Comparison – Typical Monthly Bills
G – 20	Interim – Revenue From Sale of Electricity By Rate Schedule
G – 21	Interim – Revenue From Service Charges
G – 22	Interim – Base Revenue By Rate Schedule Calculations
G – 23	Interim – Revenue By Lighting Schedule Calculations

Florida Public Service Commission  
Docket No. 110138-EI  
GULF POWER COMPANY  
Witness: James I. Thompson  
Exhibit No. \_\_\_\_ (JIT-2)  
Schedule 2  
Page 1 of 16

**Proposed Interim Tariff Sheets**

Proposed Interim Tariff Sheets consisting of ( 16 ) pages, including this cover sheet.



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Exhibit No. \_\_\_\_ (JIT-2)  
Schedule 2  
Page 2 of 16

Section No. VI  
Nineteenth Revised Sheet No. 6.4  
Canceling Eighteenth Revised Sheet No. 6.4

PAGE	EFFECTIVE DATE
2 of 2	

(Continued from Rate Schedule RS, Sheet No. 6.3)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Mark Crosswhite



Section No. VI  
Twenty-Second Revised Sheet No. 6.6  
Canceling Twenty-First Revised Sheet No. 6.6

Docket No. 110138-EI  
Exhibit No. \_\_\_\_ (JIT-2)  
Schedule 2  
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2 of 2	

(Continued from Rate Schedule GS, Sheet No. 6.5)

**DEPOSIT:**

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**ISSUED BY:** Mark Crosswhite



Section No. VI  
Nineteenth Revised Sheet No. 6.9  
Canceling Eighteenth Revised Sheet No. 6.9

PAGE	EFFECTIVE DATE
3 of 3	

(Continued from Rate Schedule GSD, Sheet No. 6.8)

**TAX ADJUSTMENT:**  
See Sheet No. 6.37

**FRANCHISE FEE BILLING:**  
See Sheet No. 6.37

**FUEL CHARGE:**  
See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**  
See Sheet No. 6.35

**ENVIRONMENTAL COST:**  
See Sheet No. 6.36

**ENERGY CONSERVATION:**  
See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**  
See Sheet No. 6.37

**PAYMENT OF BILLS:**  
See Sheet No. 6.37

**RATE ADJUSTMENT:**  
See Sheet No. 6.37

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ISSUED BY: Mark Crosswhite



PAGE	EFFECTIVE DATE
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(Continued from Rate Schedule LP, Sheet No. 6.11)

**TERM OF CONTRACT:**

Service under this Rate Schedule shall be for a period of one or more years and thereafter from year to year until terminated by three (3) or more months' written notice by either party to the other.

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

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Section No. VI  
Forty-Sixth Revised Sheet No. 6.15  
Canceling Forty-Fifth Revised Sheet No. 6.15

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(Continued from Rate Schedule PX, Sheet No. 6.14)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**ISSUED BY:** Mark Crosswhite



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Section No. VI  
Twenty-Ninth Revised Sheet No. 6.24  
Canceling Twenty-Eighth Revised Sheet No. 6.24

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(Continued from Rate Schedule OS, Sheet No. 6.23)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Mark Crosswhite



<b>PAGE</b> 1 of 1	<b>EFFECTIVE DATE</b>
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**TAX ADJUSTMENT:**

Bills shall be increased to offset the applicable proportionate part of any taxes, assessments, license fees or rentals against the Company's property imposed by any Government Authority in excess of those in effect December 31, 1990, which are assessed on the basis of poles, meters or customers or the price of or revenues from electric energy or service sold or the volume of energy generated or purchased for sale or sold.

**FRANCHISE FEE BILLING:**

Franchise fees shall be billed in accordance with Order No. 6650, issued by the Florida Public Service Commission on May 7, 1975.

**GROSS RECEIPTS TAX ADJUSTMENT:**

In accordance with Section 203.01 of the Florida Statutes, effective July 1, 1990, an increase in the rate of the state gross receipts tax is applicable to electric sales charges.

**PAYMENT OF BILLS:**

Bills for service will be rendered monthly by the Company to the Customer. Payment is due when the bill is rendered, and becomes delinquent twenty (20) days after mailing or delivery to the Customer. At least five (5) days written notice separate from any billing will be given before discontinuing service. Payment may be made at offices or authorized collecting agencies of the Company. Care will be used to have bills properly presented to the Customer, but non-receipt of the bill does not constitute release from liability for payment.

**RATE ADJUSTMENT:**

As authorized by the Florida Public Service Commission in Docket No. 110138-EI and effective for all bills rendered for scheduled meter readings on and after the Effective Date shown above, an increase of 8.882% shall apply to the following base rate billings:

- i) Customer Charge, ii) Demand Charge, iii) Energy Charge, and iv) Rate Schedule OS charges.

**ISSUED BY:** Mark Crosswhite



Section No. VI  
Third Revised Sheet No. 6.44  
Canceling Second Revised Sheet No. 6.44

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(Continued from Rate Schedule GSTOU, Sheet No. 6.43)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Mark Crosswhite



Section No. VI  
Second Revised Sheet No. 6.48  
Canceling First Sheet No. 6.48

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Exhibit No. \_\_\_ (JIT-2)  
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(Continued from Rate Schedule GSDT, Sheet No. 6.47)

**DEPOSIT:**

A deposit amounting to twice the estimated average monthly bill may be required before service is connected at designated premises. The deposit may be applied to any final bills against the Customer for service.

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

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Section No. VI  
First Revised Sheet No. 6.52  
Canceling Original Sheet No. 6.52

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(Continued from Rate Schedule LPT, Sheet No. 6.51)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

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Section No. VI  
Second Revised Sheet No. 6.56  
Canceling First Sheet No. 6.56

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(Continued from Rate Schedule PXT, Sheet No. 6.55)

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

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Section No. VI  
Second Revised Sheet No. 6.63  
Canceling First Sheet No. 6.63

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(Continued from Rate Schedule SBS, Sheet No. 6.62)

**TAX ADJUSTMENT:**  
See Sheet No. 6.37

**FRANCHISE FEE BILLING:**  
See Sheet No. 6.37

**FUEL CHARGE:**  
See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**  
See Sheet No. 6.35

**ENERGY CONSERVATION:**  
See Sheet No. 6.36

**ENVIRONMENTAL COST:**  
See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**  
See Sheet No. 6.37

**PAYMENT OF BILLS:**  
See Sheet No. 6.37

**RATE ADJUSTMENT:**  
See Sheet No. 6.37

**ISSUED BY:** Mark Crosswhite



Section No. VI  
First Revised Sheet No. 6.74  
Canceling Original Sheet No. 6.74

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(Continued from Rate Schedule ISS, Sheet No. 6.73)

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENTS:**

See Sheet No. 6.37

**DEFINITIONS:**

"Standby electric service" refers to backup or maintenance service or both.

"Backup service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during an unscheduled outage of the Customer's generation. An unscheduled outage is defined as the loss or reduction of generation output due to equipment failure(s) or other condition(s) beyond the control of the Customer.

"Maintenance service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during a scheduled outage of the Customer's generation. A scheduled outage is defined as the loss or reduction due to maintenance activities of any portion of a Customer's generation system.

"Supplementary service" means electric energy or capacity supplied by the Company in addition to that which is normally provided by the Customer's own generation equipment.

"Outage" means that period in which a forced or unforced reduction in the totalized output of the Customer's generator(s) occurs.

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**ISSUED BY:** Mark Crosswhite



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Section No. VI  
Second Revised Sheet No. 6.78  
Canceling First Revised Sheet No. 6.78

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(Continued from Rate Schedule RSVP, Sheet No. 6.77)

**TERM OF CONTRACT:**

The term of service under this rate shall be continued thereafter unless terminated by the customer with thirty days written notice.

**TAX ADJUSTMENT:**

See Sheet No. 6.37

**FRANCHISE FEE BILLING:**

See Sheet No. 6.37

**FUEL CHARGE:**

See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**

See Sheet No. 6.35

**ENVIRONMENTAL COST:**

See Sheet No. 6.36

**ENERGY CONSERVATION:**

See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**

See Sheet No. 6.37

**PAYMENT OF BILLS:**

See Sheet No. 6.37

**RATE ADJUSTMENT:**

See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**ISSUED BY:** Mark Crosswhite



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Section No. VI  
First Revised Sheet No. 6.83  
Canceling Original Sheet No. 6.83

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(Continued from Rate Schedule RTP Sheet No. 6.82)

**FUEL CHARGE:**  
See Sheet No. 6.34

**PURCHASED POWER CAPACITY COST:**  
See Sheet No. 6.35

**ENVIRONMENTAL COST:**  
See Sheet No. 6.36

**ENERGY CONSERVATION:**  
See Sheet No. 6.38

**GROSS RECEIPTS TAX ADJUSTMENT:**  
See Sheet No. 6.37

**PAYMENT OF BILLS:**  
See Sheet No. 6.37

**RATE ADJUSTMENT:**  
See Sheet No. 6.37

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

**ISSUED BY:** Mark Crosswhite