

Marguerite McLean

From: Milstead, Natalie [NBMILSTE@SOUTHERNCO.COM]
Sent: Thursday, November 03, 2011 4:26 PM
To: Filings@psc.state.fl.us
Cc: 'Jeffrey Stone'; Badders, Russell A. (Beggs & Lane); Griffin, Steven R. (Beggs & Lane)
Subject: Gulf Power Company Preliminary List of Issues and Positions
Attachments: Gulf Power Company Preliminary List of Issues and Positions.pdf; Gulf Preliminary List of Issues and Positions final.docx

- A. s/Susan D. Ritenour
Gulf Power Company
One Energy Place
Pensacola FL 32520
850.444.6231
sdriteno@southernco.com
- B. Docket No. 110138-EI
- C. Gulf Power Company
- D. Document consists of 26 pages
- E. The attached document is Gulf Power Company's Preliminary List of Issues and Positions

11/3/2011

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



November 3, 2011

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 110138-EI

Dear Ms. Cole:

Attached is Gulf Power Company's Preliminary List of Issues and Positions, to be filed in the above referenced docket. Also attached is the Preliminary List of Issues in Microsoft Word as prepared on a Windows XP operating system.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

nm

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

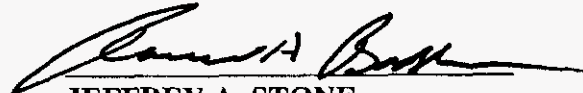
IN RE: Petition for increase in rates by)
Gulf Power Company)
_____)

Docket No.: 110138-EI
Date: November 3, 2011

GULF POWER COMPANY'S PRELIMINARY LIST OF ISSUES

GULF POWER COMPANY ["Gulf Power", "Gulf", or the "Company"], by and through its undersigned attorneys and pursuant to the Case Assignment and Scheduling Record (CASR) in this docket, files its Preliminary List of Issues. This list is preliminary in nature and Gulf reserves the right to identify additional issues.

At this time, Gulf has not identified any issues in addition to those identified by Staff on November 1, 2011, and including OPC's suggested changes to wording of issues on November 2, 2011.



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company

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FPSC-COMMISSION CLERK

**GULF POWER COMPANY
DOCKET NO. 110138-EI
PRELIMINARY ISSUES LIST**

Legal

Issue 1: Does Section 366.93, Florida Statutes, support Gulf's proposal to include the 4,000 acre Escambia Site and the costs of associated evaluations in Plant Held for Future Use as nuclear site selection costs?

GULF: Yes.

Test Period and Forecasting

Issue 2: Is Gulf's projected test period of the 12 months ending December 31, 2012 appropriate?

GULF: Yes.

Issue 3: Are Gulf's forecasts of Customers, KWH, and KW by Rate Class and Revenue Class, for the 2012 projected test year appropriate?

GULF: Yes.

Issue 4: Are Gulf's estimated revenues from sales of electricity by rate class at present rates for the projected 2012 test year appropriate?

GULF: Yes.

Issue 5: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the test year budget?

GULF:

- a. Inflation:
 - 2011 – 2.1%
 - 2012 – 2.8%
- b. Retail Customer Growth – 1.2%
- c. Retail Energy Growth – 3.0%
- d. Retail Peak Demand Growth – 1.9%
- e. Forecasted Composite Wage and Salary Increase Guidelines:
 - a. Exempt – 2.5%
 - b. Non-exempt – 2.5%
 - c. Covered – 2.25%

Issue 6: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

GULF: Yes.

Quality of Service

Issue 7: Is the quality and reliability of electric service provided by Gulf adequate?

GULF: Yes.

Rate Base

Issue 8: Should the capitalized items currently approved for recovery through the Environmental Cost Recovery Clause be included in rate base for Gulf?

GULF: No, except for the investment in the Crist Units 6 and 7 Turbine upgrades that have been removed from the Environmental Cost Recovery Clause and included for recovery in base rates in this proceeding consistent with the Stipulation entered into by all parties and approved by the Commission on November 1, 2011.

Issue 9: Should the Plant Crist Units 6 and 7 Turbine Upgrade Project be included in rate base and recovered through base rates, rather than through the Environmental Cost Recovery Clause? If so, what is the appropriate amount, if any, be included in rate base and recovered through base rates?

GULF: Yes. \$58,747,000 should be included in rate base and recovered in base rates. This should be accompanied with a one-time credit made to the ECRC in 2012.

Issue 10: Has Gulf made the appropriate adjustments to remove all non-utility activities from plant in service, accumulated depreciation and working capital?

GULF: Yes.

Issue 11: Should the capital cost of the Perdido renewable landfill gas facility 1 and 2 be permitted in Gulf's rate base?

GULF: Yes.

Issue 12: How much, if any, of Gulf's Incentive Compensation expenses should be included as a capitalized item in rate base?

GULF: No adjustment to Gulf's requested amount of \$3,245,884 is appropriate.

Issue 13: Should Smart Grid Investment Grant Program Projects be included in Plant in Service?

GULF: Yes.

Issue 14: What amount of Transmission Infrastructure Replacement Projects should be included in Transmission Plant in Service?

GULF: For the period 2006 through projected year-end 2012, \$71,686,000 will have been placed in Transmission Plant in service for Transmission Capital Infrastructure Replacement projects.

Issue 15: What amount of Distribution Plant in Service should be included in rate base?

GULF: \$1,029,829,000 (MFR B-6). In the course of responding to discovery, Gulf identified some errors in the ECCR adjustments. Once these errors are quantified this amount will need to be adjusted.

Issue 16: Should the wireless systems that are the subject of Southern Company Services (SCS) work orders be included in rate base?

GULF: Yes.

Issue 17: Should the SouthernLINC Charges that are the subjects of SCS work orders be included in rate base?

GULF: Yes, the portion of the SouthernLINC charges that are booked to capital accounts are appropriately included in rate base.

Issue 18: Is Gulf's requested level of Plant in Service in the amount of \$2,612,073,000 (\$2,668,525,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No, in the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Additionally, the amount of plant in service the Commission approves related to the Crist Turbine Upgrades will need to be included in this amount. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 19: What are the appropriate depreciation parameters and resulting depreciation rate for AMI Meters (Account 370)?

GULF: Gulf has proposed a life of 15 years with no net salvage. The resulting rate is 6.67%.

Issue 20: Should a capital recovery schedule be established for non-AMI meters (Account 370)? If yes, what is the appropriate capital recovery schedule?

GULF: Yes, 4 years.

Issue 21: Is Gulf's requested level of Accumulated Depreciation in the amount of \$1,179,823,000 (\$1,207,513,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No, in the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Additionally, the amount of accumulated depreciation the Commission approves related to the Crist Turbine Upgrades will need to be included in this amount. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 22: Is Gulf's requested Construction Work in Progress in the amount of \$60,912,000 (\$62,617,000 system) for the 2012 projected test year appropriate?

GULF: Yes.

Issue 23: Should an adjustment be made to Plant Held for Future Use for the Caryville plant site?

GULF: No.

Issue 24: Should the North Escambia Nuclear County plant site and associated costs identified by Gulf be included in Plant Held for Future Use? If not, should Gulf be permitted to continue to accrue AFUDC on the site?

GULF: Yes.

Issue 25: Is Gulf's requested level of Property Held for Future Use in the amount of \$32,233,000 (\$33,352,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: Yes.

Issue 26: Should any adjustments be made to Gulf's fuel inventories?

GULF: No.

Issue 27: Should any adjustment be made to Gulf's requested storm damage reserve, annual accrual of \$6,539,091 (\$6,800,000 system), and target level range of \$52,000,000 to \$98,000,000?

GULF: No.

Issue 28: Should unamortized rate case expense be included in Working Capital?

GULF: Yes.

Issue 29: Should the net over-recovery/under-recovery of fuel, capacity, conservation, and environmental cost recovery clause expenses be included in the calculation of the working capital allowance?

GULF: No, Gulf has not included any over-recovery/under-recovery of fuel, capacity, conservation or environmental cost recovery clause expenses in the test year amount of working capital allowance.

Issue 30: Is Gulf's requested level of Working Capital in the amount of \$150,609,000 (\$155,044,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: Yes.

Issue 31: Is Gulf's requested rate base in the amount of \$1,676,004,000 (\$1,712,025,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No. In the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Additionally, the amount of investment the Commission approves related to the Crist Turbine Upgrades will need to be included in this amount. Once these errors/adjustments are quantified this amount will need to be adjusted.

Cost of Capital

Issue 32: What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

GULF: \$257,098,000 (jurisdictional) (MFR D-1a). In the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Additionally, the amount of investment the Commission approves related to the Crist Turbine Upgrades will impact all capital structure amounts. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 33: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure?

GULF: \$2,929,000 (jurisdictional) (MFR D-1a). In the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Additionally, the amount of investment the Commission approves related to the Crist Turbine Upgrades will impact all capital structure amounts. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 34: What is the appropriate cost rate for preferred stock for the 2012 projected test year?

GULF: 6.65% (MFR D-1a).

Issue 35: What is the appropriate cost rate for short-term debt for the 2012 projected test year?

GULF: 2.12% (MFR D-1a).

Issue 36: What is the appropriate cost rate for long-term debt for the 2012 projected test year?

GULF: 5.48% (MFR D-1a).

Issue 37: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement?

GULF: 11.7%

Issue 38: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure?

GULF: 7.05%

Net Operating Income

Issue 39: Is Gulf compensated adequately by the non-regulated affiliates for the benefits they derive from their association with Gulf Power? If not, what measures should the Commission implement?

Gulf Proposed wording for Issue 39: Is Gulf compensated adequately by the non-regulated affiliates for the benefits, **if any**, they derive from their association with Gulf Power? If not, what measures should the Commission implement?

GULF: Yes.

Issue 40: Should an adjustment be made to increase operating revenues by \$1,500,000 for a 2 percent compensation payment from non-regulated companies?

GULF: No.

Issue 41: Should an adjustment be made to increase test year revenue for Gulf's non-utility activities?

GULF: No.

Issue 42: Is Gulf's projected level of Total Operating Revenues in the amount of \$481,909,000 (\$499,311,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: Yes.

Issue 43: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause?

GULF: Yes.

Issue 44: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause?

GULF: No. In the course of responding to discovery, Gulf identified some errors in the ECCR adjustments. Once these errors are quantified this amount will need to be adjusted.

Issue 45: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

GULF: Yes.

Issue 46: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

GULF: No. Gulf's adjustments included expenses associated with Crist Units 6 and 7 Turbine upgrades. These turbine upgrade investments and expenses were agreed to be moved from the Environmental Cost Recovery Clause and included for recovery in base rates in this proceeding consistent with the Stipulation entered into by all parties and approved by the Commission on November 1, 2011.

Issue 47: Has Gulf made the appropriate adjustments to remove all non-utility activities from net operating income?

GULF: Yes.

Issue 48: Should adjustments be made to the expenses allocated or charged to Gulf as a result of transactions with affiliates?

GULF: No.

Issue 49: Should adjustments be made to expenses to allocate SCS costs to Southern Renewable Energy?

GULF: No.

Issue 50: Should adjustments be made to expenses to allocate SCS costs to Southern Power Company?

GULF: No.

Issue 51: Should adjustments be made to the allocation factors used to allocate SCS costs to Gulf?

GULF: No.

Issue 52: Should the Commission remove costs from the 2012 test year for costs associated with SouthernLINC?

GULF: No.

Issue 53: Should the costs related to Work Order 466909, associated with a system-wide asset management system, be removed from operating expenses?

GULF: Yes.

Issue 54: Should the costs related to Work Order 46C805, associated with Wireless Systems, be removed from operating expenses?

GULF: No.

Issue 55: Did Gulf adequately document and justify the costs associated with Work Orders 46EZBL, 46IDMU, 46LRBL, 47VSES, 47VSTB, 47VSTH, 47VSZ1, and 47VSZ5? If not, should the costs related to these work orders be removed from operating expenses?

GULF: Yes.

Issue 56: Should the costs related to Work Order 471701, associated with a Securities and Exchange Commission inquiry, be removed from operating expenses?

GULF: No.

Issue 57: Should the Commission adjust operating expenses for the costs related to Work Order 473401, related to a benefit's review that does not appear to occur annually?

GULF: No.

Issue 58: Should the costs related to Work Order 49SWCS, related to a customer summit that is only held every other year, be removed from operating expenses?

GULF: Yes.

Issue 59: Should the costs related to Work Order 4Q51RC and a formerly CWIP classified Work Order 4QPA01, be removed from operating expenses? (OPC's Issue 281)

GULF: No.

Issue 60: Should operating expenses be adjusted to remove public relations expenses charged by SCS?

GULF: No.

Issue 61: Should operating expenses be adjusted to remove legal expenses in Work Orders 473ECO and 473ECS charged by SCS?

GULF: No.

Issue 62: Should operating expenses be adjusted to remove aircraft expenses in Work Order 486030 charged by SCS?

GULF: No.

Issue 63: Should any adjustments be made to expenses related to use of corporate leased aircraft?

GULF: No.

Issue 64: Should operating expenses be adjusted to remove investor relations expenses related to Work Order 471501 charged by SCS?

GULF: No.

Issue 65: Should an adjustment be made to advertising expenses for the 2012 projected test year?

GULF: No.

Issue 66: Should interest on deferred compensation be included in operating expenses?

GULF: Yes.

Issue 67: Should SCS Early Retirement Costs be included in operating expenses?

GULF: Yes.

Issue 68: Should Executive Financial Planning Expenses be included in operating expenses?

GULF: No. In the course of responding to discovery, Gulf identified \$48,000 of additional executive financial planning expenses which need to be reflected in the adjustments to NOI.

Issue 69: Are Gulf's proposed increases to average salaries for Gulf appropriate?

GULF: Yes.

Issue 70: Are Gulf's proposed increases in employee positions for Gulf appropriate?

GULF: Yes.

Issue 71: How much, if any, of Gulf's proposed Incentive Compensation expenses should be included in operating expenses?

GULF: No adjustment to Gulf's requested amount of \$12,623,632 is necessary.

Issue 72: Should Gulf's proposed allowance for employee benefit expense be adjusted?

GULF: No additional adjustment is necessary other than the adjustment to Executive Financial Planning Expenses addressed in Issue No. 68.

Issue 73: Should an adjustment be made to Other Post Employment Benefits Expense for the 2012 projected test year?

GULF: No.

Issue 74: Should an adjustment be made to Gulf's requested level of Salaries and Employee Benefits for the 2012 projected test year? (Fallout Issue)

GULF: No.

Issue 75: Should an adjustment be made to Pension Expense for the 2012 projected test year?

GULF: No.

Issue 76: Should an adjustment be made to the accrual for storm damage for the 2012 projected test year?

GULF: No.

Issue 77: Should an adjustment be made to remove Gulf's requested Director's & Officer's Liability Insurance expense?

GULF: No.

Issue 78: Should an adjustment be made to the accrual for the Injuries & Damages reserve for the 2012 projected test year?

GULF: No.

Issue 79: Should an adjustment be made to Gulf's tree trimming expense for the 2012 projected test year?

GULF: No.

Issue 80: Should an adjustment be made to Gulf's pole inspection expense for the 2012 projected test year?

GULF: No.

Issue 81: Should an adjustment be made to Gulf's transmission inspection expense for the 2012 projected test year?

GULF: No.

Issue 82: Should an adjustment be made to O&M expenses to normalize the number of scheduled outages Gulf has included in the 2012 projected test year?

GULF: No.

Issue 83: Should an adjustment be made to Gulf's proposed allowance for O&M expense to reflect productivity improvements, if any?

GULF: No.

Issue 84: What is the appropriate amount of production plant O&M expense?

GULF: \$110,880,000

Issue 85: Should an adjustment be made to Gulf's transmission O&M expense?

GULF: No.

Issue 86: Should an adjustment be made to Gulf's distribution O&M expense?

GULF: No.

Issue 87: Should an adjustment be made to Gulf's office supplies and expenses for the 2012 projected test year?

GULF: No.

Issue 88: Should an adjustment be made to Rate Case Expense for the 2012 projected test year?

GULF: No.

Issue 89: Should an adjustment be made to uncollectible expense for the 2012 projected test year?

GULF: No.

Issue 90: Is Gulf's requested level of O&M Expense in the amount of \$282,731,000 (\$288,474,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No. In the course of responding to discovery, Gulf identified \$48,000 of additional executive financial planning expenses which need to be reflected in the adjustments to NOI.

Issue 91: What is the appropriate amount of depreciation and fossil dismantlement expense for the 2012 projected test year?

GULF: \$95,180,000 (MFR C-4). In the course of responding to discovery, Gulf identified some errors in the ECCR adjustments. Additionally, the amount of depreciation the Commission approves related to the Crist Turbine Upgrades will impact this amount. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 92: Is Gulf's requested level of Depreciation and Amortization Expense in the amount of \$87,804,000 (\$89,613,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: Gulf's requested jurisdictional level of Depreciation and Amortization Expense in the amount of \$95,180,000 for the 2012 test year is appropriate. In the course of responding to discovery, Gulf identified some errors in the ECCR adjustments. Additionally, the amount of depreciation the Commission approves related to the Crist Turbine Upgrades will impact this amount. Once these errors/adjustments are quantified this amount will need to be adjusted.

Issue 93: What is the appropriate amount of Taxes Other Than Income Taxes for the 2012 projected test year? (Fallout Issue)

GULF: \$28,763,000 (MFR C-4). In the course of responding to discovery, Gulf has identified some errors in the ECCR adjustments. Once these errors are quantified this amount will need to be adjusted.

Issue 94: Is it appropriate to make a parent debt adjustment per Rule 25-14.004, Florida Administrative Code?

GULF: No.

Issue 95: What is the appropriate amount of Income Tax expense for the 2012 projected test year? (Fallout Issue)

GULF: \$15,232,000 (MFR C-4). This amount is subject to change based on any known adjustments that Gulf has identified in other issues.

Issue 96: Is Gulf's requested level of Total Operating Expenses in the amount of \$420,954,000 (\$432,449,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No. This amount will change based on any known adjustments that Gulf has identified in other issues.

Issue 97: Is Gulf's projected Net Operating Income in the amount of \$60,955,000 (\$66,862,000 system) for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No. This amount will change based on any known adjustments that Gulf has identified in other issues.

Revenue Requirements

Issue 98: What is the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf?

GULF: 1.634607

Issue 99: Is Gulf's requested annual operating revenue increase of \$93,504,000 for the 2012 projected test year appropriate? (Fallout Issue)

GULF: No. This amount will change based on any known adjustments that Gulf has identified in other issues.

Cost of Service and Rate Design

Issue 100: Should Gulf's proposal to eliminate the Interruptible Standby Service (ISS) rate schedule be approved?

GULF: Yes.

Issue 101: Should Gulf's proposal to modify the Residential Service Variable Pricing (RSVP) rate schedule to use the Energy Conservation Cost Recovery Clause to achieve the price differentials among the pricing tiers be approved?

GULF: Yes.

Issue 102: Should the minimum kW usage level to qualify for the GSD rate be increased from 20 kW to 25 kW?

GULF: Yes.

Issue 103: Should Gulf's new critical peak pricing option for customers taking service on the commercial time-of-use rates GSDT and LPT be approved?

GULF: Yes.

Issue 104: Should the minimum kW demand to qualify for the Real Time Pricing (RTP) rate schedule be reduced from 2,000 kW to 500 kW?

GULF: Yes.

Issue 105: Should the minimum kW demand for new load to qualify for the Commercial/Industrial Service Rider (CISR) be reduced from 1,000 kW to 500 kW?

GULF: Yes.

Issue 106: What is the appropriate cost of service methodology to be used in designing Gulf's rates?

GULF: The appropriate methodology to be used in designing rates is that filed by Gulf in this proceeding as Attachment A to MFR Schedule E-1 and in the Exhibit MTO-2. This cost of service methodology was the approved method of the Commission in Gulf's previous rate case with one exception. The Minimum Distribution System (MDS) was used in the cost of service study to determine customer and demand related cost. The MDS was used in order to adhere more closely to sound cost causative principles.

Issue 107: What is the appropriate treatment of distribution costs within the cost of service study?

GULF: Distribution costs are either assigned, where possible, or allocated to Rate Class. Demand-related distribution costs at Level 3 are allocated on a Coincident Peak Demand (CP) Level 3 allocator. Demand-related distribution costs at Levels 4 and 5 are allocated on, their respective level, Non-Coincident Peak Demand (NCP) allocator. An example of a Level 3 Distribution Common Demand-related Investment is Account 362 – Station Equipment, which is allocated to Rate Class on a Level 3 CP demand allocator. An example of a Level 4 and Level 5 Common Distribution Demand-related Investment is Account 365 – Overhead Conductors. This Account has both Level 4 and Level 5 Common Investment. The Level 4 Common Investment is allocated to Rate Class on a Level 4 NCP demand allocator, and the Level 5 Common is allocated to Rate Class on a Level 5 NCP demand allocator. Customer-related Distribution costs

are at both Level 4 and Level 5. These customer-related costs are allocated on their respective Level average number of customers' allocator. An example of Level 5 Distribution Customer-related Investment is Account 365 – Overhead Conductors. This customer-related investment at Level 5 is allocated to Rate Class on the average number of customers at Level 5. Note: Where cost must be divided into demand and customer component, the Minimum Distribution System (MDS) is appropriate in order to adhere more closely with sound cost causative principles.

Issue 108: If a revenue increase is granted, how should it be allocated among the customer classes?

GULF: The increase should be spread among the rate classes as shown in MFR E-8 of Gulf's filing. This allocation gives consideration to cost-of-service, moving rate classes toward parity, fairness, and value. All of these are important and appropriate considerations.

Issue 109: What are the appropriate customer charges and should Gulf's proposal to rename the customer charge "Base Charge" be approved?

GULF: The appropriate customer charges based on Gulf's original filing are shown below. These are subject to revision to reflect impact, if any, of additional adjustments identified by Gulf in other issues. Yes, the customer charge should be renamed "Base Charge."

Rate Schedule	Monthly Customer Charge (Base Charge)
RS, RSVP	\$15.00
GS	\$18.00
GSD, GSDT, GSTOU	\$45.00
LP, LPT	\$225.00
PX, PXT	\$683.68

Issue 110: What are the appropriate demand charges?

GULF: The appropriate demand charges based on Gulf's original filing are listed below. These charges are subject to revision to reflect the impact, if any, of additional adjustments identified by Gulf in other issues.

Rate Schedule	Monthly Demand Charge
GSD	\$ 6.17
LP	\$10.60
PX	\$ 9.90
GSDT	\$ 3.29 (On-Peak) \$ 2.92 (Maximum) \$ 1.65 (Critical Peak Option On-Peak) \$ 2.92 (Critical Peak Option Maximum) \$ 4.94 (Critical Peak Option Critical Peak)
LPT	\$ 8.53 (On-Peak) \$ 2.12 (Maximum) \$ 4.27 (Critical Peak Option On-Peak) \$ 2.12 (Critical Peak Option Maximum) \$12.80 (Critical Peak Option Critical Peak)
PXT	\$ 9.19 (On-Peak) \$ 0.82 (Maximum)

Issue 111: What are the appropriate energy charges?

GULF: The appropriate energy charges based on Gulf's original filing are listed below. These charges are subject to revision to reflect the impact, if any, of additional adjustments identified by Gulf in other issues.

Rate Schedule	Energy Charge
RS	4.615 ¢/kWh
GS	5.121 ¢/kWh
GSD	1.579 ¢/kWh
LP	0.790 ¢/kWh
PX	0.366 ¢/kWh
RSVP	4.615 ¢/kWh – P ₁ 4.615 ¢/kWh – P ₂ 4.615 ¢/kWh – P ₃ 4.615 ¢/kWh – P ₄
GSTOU	16.571 ¢/kWh (Summer On-Peak) 6.268 ¢/kWh (Summer Intermediate) 2.684 ¢/kWh (Summer Off-Peak) 3.704 ¢/kWh (Winter All-Hours)
GSDT	1.579 ¢/kWh
LPT	0.790 ¢/kWh
PXT	0.362 ¢/kWh

Issue 112: What are the appropriate charges for the outdoor service (OS) lighting rate schedules?

GULF: The appropriate charges for the outdoor service (OS) are those shown in the Rate Schedule OS found in Schedule 3 of Exhibit JIT-1, attached to the testimony of Gulf Witness Thompson.

Issue 113: Should Gulf's proposal to adjust annually existing lighting fixtures prices be approved?

GULF: Yes.

Issue 114: What are the appropriate charges under the Standby and Supplementary Service (SBS) rate schedule?

GULF: The appropriate charges under Rate Schedule SBS are listed below. These charges are subject to revision to reflect the impact, if any, of additional adjustments identified by Gulf in other issues.

Contract Demand	100 to 499 kw	500 to 7,499 kw	7,500 kw and above
Demand Charge			
Local Facilities Charge	\$2.73	\$2.51	\$0.95
On-Peak	\$3.29	\$8.53	\$9.19
Reservation Charge	\$1.00	\$1.00	\$1.00
Daily Demand Charge	\$0.47	\$0.47	\$0.47
Energy Charge (per kWh)	2.249¢	1.370¢	1.359¢

Issue 115: What are the appropriate transformer ownership discounts?

GULF: The appropriate discounts are shown below. These discounts are subject to revision to reflect the impact, if any, of additional adjustments identified by Gulf in other issues.

Rate Schedule	Voltage Discount
GSD/GSDT	(\$ 0.49) Primary Voltage Level
LP/LPT	(\$ 0.64) Primary Voltage Level (\$ 0.81) Transmission Voltage Level
PX/PXT	(\$ 0.22) Transmission Voltage Level
SBS Contract Level	
100 – 499 KW	(\$ 0.44) Primary Voltage Level
500 – 7,499 KW	(\$ 0.84) Primary Voltage Level (\$ 0.98) Transmission Voltage Level
Above 7,499 KW	(\$ 0.13) Transmission Voltage Level

Issue 116: What is the appropriate minimum monthly bill demand charges under the PX and PXT rate schedules?

GULF: The appropriate minimum monthly bill demand charges under the PX and PXT rate schedules is \$11.90/KW/month for PX and \$11.99/KW/month for PXT. These charges are subject to revision to reflect the impact, if any, of additional adjustments identified by Gulf in other issues.

Other Issues

Issue 117: Should any of the \$38,549,000 interim rate increase granted by Order No. PSC-11-0382-PCO-EI be refunded to the ratepayers?

GULF: No.

Issue 118: Should Gulf be required to file, within 60 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

GULF: Although Gulf will file this information if required by the Commission, the Company requests that it be allowed 90 days after the date of the final order in this docket in order to comply with these post decision filing requirements. This length of time is consistent with the amount of time granted in Gulf's last base rate case in Docket No. 010949-EI, Order No. PSC-02-0787-FOF-EI, Issued June 10, 2002.

Issue 119: Should this docket be closed?

GULF: Yes.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for Increase in Rates)
by Gulf Power Company)
)
)
_____)

Docket No. 110138-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail the 3rd day of November, 2011, on the following:

Office of Public Counsel
J. R. Kelly/Joseph A. McGlothlin/Erik Saylor
c/o The Florida Legislature
111 W. Madison Street,
Room 812
Tallahassee, FL 32393-1400
mcglothlin.joseph@leg.state.fl.us
merchant.tricia@leg.state.fl.us
Kelly.ir@leg.state.fl.us
Saylor.erik@leg.state.fl.us

Caroline Klancke
Keino Young
Martha Barrera
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
mbarrera@psc.state.fl.us
cklancke@psc.state.fl.us
kyoung@psc.state.fl.us

Florida Retail Federation
227 South Adams Street
Tallahassee, FL 32301

Gunster Law Firm
Charles A. Guyton
215 S. Monroe St.,
Suite 618
Tallahassee, FL 32301
cguyton@gunster.com

Richard Melson
705 Piedmont Drive
Tallahassee, FL 32312
rick@rmelsonlaw.com

Federal Executive Agencies
c/o Major Christopher C.
Thompson
Ms. Karen White
AFLOA/JACL-ULFSC
139 Barnes Drive, Suite 1
Tyndall Air Force Base,
Florida 32403
chris.thompson.2@tyndall.af.mil
karen.white@tyndall.af.mil

Florida Industrial Power
Users Group
Vicki G. Kaufman/
Jon C. Moyle, Jr.
c/o Keefe Law Firm
118 North Gadsden Street
Tallahassee, FL 32301
vkaufman@kagmlaw.com

Gardner Law Firm
Robert Scheffel Wright
John T. La Via,
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com



JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 007455
STEVEN R. GRIFFIN
Florida Bar No. 0627569
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company