**GULF POWER COMPANY**

**DOCKET NO. 110138-EI**

**PRELIMINARY ISSUES LIST**

**Legal**

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

**GULF**: Yes.

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

**GULF:**

1. Inflation:

2011 – 2.1%

2012 – 2.8%

1. Retail Customer Growth – 1.2%
2. Retail Energy Growth – 3.0%
3. Retail Peak Demand Growth – 1.9%
4. Forecasted Composite Wage and Salary Increase Guidelines:
   1. Exempt – 2.5%
   2. Non-exempt – 2.5%
   3. Covered – 2.25%

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

**GULF**: Yes.

**Quality of Service**

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

**GULF**: Yes.

**Rate Base**

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

**GULF**: Yes.

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

**GULF**: Yes.

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

**GULF**: Yes.

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

**GULF**: Yes.

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

**GULF**: No.

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

**GULF**: No.

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

**GULF**: Yes.

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

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

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

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

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

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

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

**GULF**: 11.7%

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

**GULF:** No.

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

**GULF:** Yes.

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

**GULF:** Yes.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** Yes.

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

**GULF:** No.

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

**GULF:** No.

**Issue** : 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** : 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** : Should the costs related to Work Order 4Q51RC and a formerly CWIP classified Work Order 4QPA01, be removed from operating expenses? (OPC’s Issue 28l)

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** Yes.

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

**GULF:** Yes.

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

**GULF:** Yes.

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

**GULF:** Yes.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** $110,880,000

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** No.

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

**GULF:** Yes.

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

**GULF:** Yes.

**Issue** : 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** : 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** : 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** : 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** : 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** : 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** : 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  GS  GSD, GSDT, GSTOU  LP, LPT  PX, PXT | $15.00  $18.00  $45.00  $225.00  $683.68 |

**Issue** : 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  LP  PX  GSDT  LPT  PXT | $ 6.17  $10.60  $ 9.90  $ 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)  $ 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)  $ 9.19 (On-Peak)  $ 0.82 (Maximum) |

**Issue** : 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  GS  GSD  LP  PX  RSVP  GSTOU  GSDT  LPT  PXT | 4.615 ¢/kWh  5.121 ¢/kWh  1.579 ¢/kWh  0.790 ¢/kWh  0.366 ¢/kWh  4.615 ¢/kWh – P1  4.615 ¢/kWh – P2  4.615 ¢/kWh – P3  4.615 ¢/kWh – P4  16.571 ¢/kWh (Summer On-Peak)  6.268 ¢/kWh (Summer Intermediate)  2.684 ¢/kWh (Summer Off-Peak)  3.704 ¢/kWh (Winter All-Hours)  1.579 ¢/kWh  0.790 ¢/kWh  0.362 ¢/kWh |

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

**GULF:** Yes.

**Issue** : 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  On-Peak  Reservation Charge  Daily Demand Charge  Energy Charge (per kWh) | $2.73  $3.29  $1.00  $0.47  2.249¢ | $2.51  $8.53  $1.00  $0.47  1.370¢ | $0.95  $9.19  $1.00  $0.47  1.359¢ |

**Issue** : 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  LP/LPT  PX/PXT  SBS Contract Level  100 – 499 KW  500 – 7,499 KW    Above 7,499 KW | ($ 0.49) Primary Voltage Level  ($ 0.64) Primary Voltage Level  ($ 0.81) Transmission Voltage Level  ($ 0.22) Transmission Voltage Level  ($ 0.44) Primary Voltage Level  ($ 0.84) Primary Voltage Level  ($ 0.98) Transmission Voltage Level  ($ 0.13) Transmission Voltage Level |

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

**GULF:** Yes.