Dorothy Menasco

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Sent: Monday, November 14, 2011 2:18 PM
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Subject: Electronic Filing - Docket No. 110138-EI
Attachments: 110138.FRF.PHS.11-14-11.pdf

a. Person responsible for this electronic filing:
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b. 110138-E1
In Re: Petition for Increase in rates by Gulf Power Company.

c. Document being filed on behalf of the Florida Retail Federation.

d. There are a total of 19 pages.

e. The document attached for electronic filing is The Florida Retail Federation's Preliminary List of Issues and Positions.
(see attached file: 110138.FRF.PHS.11-14-11.pdf)

Thank you for your attention and assistance in this matter.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for increase in rates by Gulf Power Company.	DOCKET NO. 110138-EI DATED: NOVEMBER 14, 2011

THE FLORIDA RETAIL FEDERATION'S PREHEARING STATEMENT

The Florida Retail Federation, pursuant to the Order Establishing Procedure in this docket, Order No. PSC-11-0307-PCO-EI, issued on July 21, 2011, hereby submits the Federation's Prehearing Statement.

APPEARANCES:

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On behalf of the Florida Retail Federation.

1. WITNESSES:

The Florida Retail Federation is sponsoring the testimony of Steve W. Chriss, whose testimony addresses the Commission's purpose of scrutinizing Gulf's request in order to ensure that any rate increase that might be awarded to Gulf Power would be only an amount sufficient to ensure that Gulf provides safe, adequate, and reliable service at the lowest possible cost. Mr. Chriss's testimony also addresses the fact that Gulf's rates are already among the highest in the southeastern United States and that any further increases will have adverse impacts on Gulf's customers, exacerbated by the difficult economic conditions currently facing Florida. Mr. Chriss's testimony also addresses Gulf's request for an ROE of 11.7 percent, which is not justified in light of the high degree of revenue certainty that Gulf enjoys through the use of numerous cost recovery clauses. Mr. Chriss also testifies that Gulf should not be allowed to include either its proposed nuclear plant site or $60.9 million of Construction Work in Progress in rate base.

2. EXHIBITS:

The Florida Retail Federation is sponsoring the following exhibits through the testimony of Mr. Chriss.

Exhibit SWC-1: Witness Qualifications Statement

Exhibit SWC-2: "Addressing the Level of Florida's Electricity Prices" by

Theodore Kury.

Exhibit SWC-3: Calculation of Gulf Power Commercial Rates, 2006-2010

Exhibit SWC-4: Calculation of Jurisdictional Revenues Collected through Base Rates

The Federation has not yet identified exhibits that it intends to use in cross-examination, but the Federation reserves its rights to introduce exhibits through cross-examination.

3. STATEMENT OF BASIC POSITION

The core question to be addressed by the Commission in this proceeding is whether Gulf Power Company ("Gulf") needs any additional revenues in order to provide safe, adequate, reliable service, to recover its legitimate costs of providing such service, and to have an opportunity to earn a fair and reasonable return on its legitimate investment in assets used and useful in providing such service. The evidence shows that the answer to this question is that Gulf needs, at most, a rate increase of $16.2 million per year in order to fulfill its duty to provide safe, adequate, reliable service at the lowest possible cost, and that with an increase of this amount, Gulf will in fact recover all of its legitimate costs of providing service and the opportunity to earn a fair and reasonable return on its legitimate investment in assets used and useful in providing such service.

Gulf's requested after-tax return on equity of 11.7 percent equates to a before-tax return greater than 19percent. This is excessive and unjustified relative to current capital market conditions and relative to the minimal risks that Gulf faces as the monopoly provider of a necessity – electric service – pursuant to regulation by the Florida Public Service Commission under applicable Florida Statutes. In particular, the fact that Gulf recovers approximately 66 percent of its total revenues through "cost recovery clauses" greatly reduces the risks that Gulf faces, thus rendering its requested 11.7 percent ROE unreasonable and overreaching.

Gulf has overstated its expenses in many areas, including labor costs, incentive compensation, and an unwarranted increase in its storm reserve accrual. Gulf has also sought to inappropriately include the costs of a potential future nuclear power plant site in its rate base, even though that site is not used and useful in providing service, and even though, according to its own ten-year site plan, Gulf would not use the site for any purpose for more than a decade, if ever. Gulf has also sought to inappropriately include $60.9 million of Construction Work in

Progress ("CWIP") in its rate base, even though this amount is not for any asset that will be used and useful in providing service during the 2012 test year.

In summary, the combined evidence submitted by witnesses for the consumer parties in this case shows that Gulf can provide safe, adequate, and reliable service with a base rate increase of no more than $16, 221,000 per year. The Commission should award Gulf increases totaling no more than this amount and require Gulf to refund the corresponding amount from the interim rate increase that Gulf was awarded earlier in these proceedings.

4. STATEMENT OF FACTUAL ISSUES AND POSITIONS

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?

FRF Position: No.

Test Period and Forecasting

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

FRF Position: No position.

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

FRF Position: No position.

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

FRF Position: No position.

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

FRF Position: No position.

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

FRF Position: No position.

Quality of Service

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

FRF Position: No position at this time.

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?

FRF Position: Yes.

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?

FRF Position: Yes. The reasonable and prudent costs of the Crist Turbine Upgrade Project should be included in rate base and recovered through base rates rather than through the Environmental Cost Recovery Clause. No position at this time as to the reasonable and prudent amounts of these costs to be recovered through base rates.

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

FRF Position: No.

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

FRF Position: No position.

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

FRF Position: Agree with OPC.

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

FRF Position: No. Agree with OPC.

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

FRF Position: No position at this time.

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

FRF Position: Agree with OPC.

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

FRF Position: No. Agree with OPC.

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

FRF Position: No. Agree with OPC.

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)

FRF Position: No. Agree with OPC that the appropriate level of Plant in Service is $________.

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

FRF Position: Agree with OPC.

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

FRF Position: Agree with OPC.

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)

FRF Position: No. Agree with OPC that the appropriate jurisdictional amount of Accumulated Depreciation is $1,180,970,000.

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?

FRF Position: No. This amount does not represent investment in any asset that is, or will be, used and useful in providing electric service to Gulf's customers during the 2012 test year, and Gulf has not shown that it needs any part of this amount to maintain its financial integrity. Accordingly, the full amount should be removed from Gulf's rate base in setting rates for the 2012 test year.

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

FRF Position: No position at this time.

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?

FRF Position: No. Gulf should not be allowed to include the site in rate base, nor should Gulf be allowed to accrue AFUDC on the site, as there is no construction being done on the site, because the site is not used and useful, and because the site is unlikely to become used and useful for well over a decade, if ever.

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)

FRF Position: No. Agree with OPC that the appropriate jurisdictional amount of Property Held for Future Use to be included in rate base for the 2012 test year is $5,482,000.

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

FRF Position: No position at this time.

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?

FRF Position: Yes. Gulf should not be allowed to include an accrual for its storm damage reserve in base rates of any more than $600,000 per year. Moreover, Gulf's existing reserve, together with its ability to obtain prompt storm cost relief from the Commission, with or without securitization, are adequate to address any reasonably foreseeable storm damages.

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

FRF Position: No. Agree with OPC that Working Capital should be reduced by $2,450,000.

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?

FRF Position: No.

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)

FRF Position: No. Agree with OPC as to the appropriate amount of Working Capital to be allowed for setting base rates for the 2012 test year.

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)

FRF Position: No. Agree with OPC that the appropriate level of jurisdictional rate base for the 2012 test year is $1,605,454,000.

Cost of Capital

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

FRF Position: Agree with OPC.

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

FRF Position: Agree with OPC.

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

FRF Position: 6.40%.

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

FRF Position: 0.35%.

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

FRF Position: 4.98%.

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

FRF Position: No greater than 9.25%.

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

FRF Position: 5.89% (Regulatory Capital Structure basis).

Net Operating Income

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?

FRF Position: No. Agree with OPC.

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?

FRF Position: Yes. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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)

FRF Position: No. Agree with OPC that the appropriate jurisdictional amount of operating revenues is $484,019,000.

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

FRF Position: No position.

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

FRF Position:. No position.

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

FRF Position: No position.

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

FRF Position: No position.

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

FRF Position: No. Agree with OPC.

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

FRF Position: Yes. Agree with OPC as to the appropriate adjustments.

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

FRF Position: Yes. Agree with OPC.

Issue 50: **DROPPED**

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

FRF Position: Yes. Agree with OPC that the allocation factors should be based on cost-causative relationships to the extent possible and should also recognize the benefits received from the services provided.

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

FRF Position: Yes. Agree with OPC that test year expenses should be reduced by $294,765.

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

FRF Position: Yes. Agree with OPC that test year expenses should be reduced by $343,807.

Issue 54: **DROPPED**

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?

FRF Position: No. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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?

FRF Position: Yes. Agree with OPC.

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?

FRF Position: Yes. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

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

FRF Position: Agree with OPC.

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

FRF Position: Yes. Agree with OPC.

Issue 65: What is the appropriate amount of advertising expenses for the 2012 projected test year?

FRF Position: Yes. Agree with OPC.

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

FRF Position: No. Agree with OPC.

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

FRF Position: No. Agree with OPC.

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

FRF Position: No. Agree with OPC.

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

FRF Position: No. Agree with OPC as to the appropriate adjustments.

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

FRF Position: No. Gulf has overstated the number of employees for the 2012 test year and accordingly has overstated labor expenses. Agree with OPC that Gulf's expenses should be reduced by $3,195,627 for the test year.

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

FRF Position: Agree with OPC that incentive compensation expense should be disallowed from rates for the 2012 test year, and if Gulf wishes to make such incentive compensation payments, they should be funded by shareholders because the compensation is so heavily dependent on

Gulf's and Southern Company's earnings. Gulf's test year expenses should be reduced by $12,623,632.

Issue 72: What is the appropriate amount of allowance for employee benefit expense?

FRF Position: Agree with OPC.

Issue 73: What is the appropriate amount of Other Post Employment Benefits Expense for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 74: What is the appropriate amount of Gulf's requested level of Salaries and Employee Benefits for the 2012 projected test year? (Fallout Issue)

FRF Position: Agree with OPC.

Issue 75: What is the appropriate amount of Pension Expense for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 76: What is the appropriate amount of the accrual for storm damage for the 2012 projected test year?

FRF Position: No more than $600,000 per year. Given Gulf's existing reserve and the ready availability of rate relief to address unusually high storm restoration costs, and recognizing current economic conditions, the Commission should consider reducing the accrual to zero.

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

FRF Position: Agree with OPC.

Issue 78: What is the appropriate amount of the accrual for the Injuries & Damages reserve for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 79: What is the appropriate amount of Gulf's tree trimming expense for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 80: What is the appropriate amount of Gulf's pole inspection expense for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 81: What is the appropriate amount of Gulf's transmission inspection expense for the 2012 projected test year?

FRF Position: Agree with OPC.

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?

FRF Position: No position at this time.

Issue 83: Are there any productivity improvements that should be reflected as an adjustment to Gulf's proposed O&M expenses? If so, what is the appropriate amount of such adjustment?

FRF Position: No position at this time.

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

FRF Position: Agree with OPC.

Issue 85: What is the appropriate amount of Gulf's transmission O&M expense?

FRF Position: Agree with OPC.

Issue 86: What is the appropriate amount of Gulf's distribution O&M expense?

FRF Position: Agree with OPC.

Issue 87: What is the appropriate amount of Gulf's office supplies and expenses for the 2012 projected test year?

FRF Position: No position at this time.

Issue 88: What is the appropriate amount of Rate Case Expense for the 2012 projected test year?

FRF Position: Agree with OPC.

Issue 89: What is the appropriate amount of uncollectible expense for the 2012 projected test year?

FRF Position: Agree with OPC that the appropriate amount of uncollectible expense for the 2012 test year is $3,997,000.

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)

FRF Position: No. The appropriate allowable level of O&M Expense for the 2012 test year is no more than $246,132,000.

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

FRF Position: Agree with OPC.

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)

FRF Position: No. Agree with OPC.

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

FRF Position: Agree with OPC that the appropriate amount of Taxes Other Than Income Taxes is $27,977,000.

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

FRF Position: Agree with OPC.

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

FRF Position: Agree with OPC.

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)

FRF Position: No. Agree with OPC as to the maximum appropriate level of allowable jurisdictional Total Operating Expense for the 2012 test year, $399,448,000.

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)

FRF Position: No. Agree with OPC as to the appropriate level of NOI for the 2012 test year.

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?

FRF Position: Agree with OPC that the appropriate NOI multiplies is 1.634173.

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

FRF Position: No. Agree with OPC that Gulf should not be allowed to increase its base rates for the 2012 test year by more than $16.221 million per year.

Cost of Service and Rate Design

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

FRF Position: No.

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?

FRF Position: No position at this time.

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

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?

FRF Position: No position at this time.

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?

FRF Position: No position at this time.

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

FRF Position: No position at this time.

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

FRF Position: No position at this time.

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

FRF Position: No position at this time.

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

FRF Position: Any revenue increase or decrease should be allocated to customer classes on the basis of an equal percentage increase or decrease to all base rates.

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

FRF Position: No position at this time.

Issue 110: What are the appropriate demand charges?

FRF Position: No position at this time.

Issue 111: What are the appropriate energy charges?

FRF Position: No position at this time.

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

FRF Position: No position at this time.

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

FRF Position: No.

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

FRF Position: No position at this time.

Issue 115: What are the appropriate transformer ownership discounts?

FRF Position: No position at this time.

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

FRF Position: No position at this time.

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?

FRF Position: Yes. The amount to be refunded is the difference between the amount collected by Gulf by virtue of the interim rate increase granted and the amount that Gulf would have collected if it had implemented new rates to recover an annual increase in operating revenues of $16.221 million,

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?

FRF Position: Yes.

Issue 119: Should this docket be closed?

FRF Position: Yes, after Gulf has filed and received approval for any new rates approved by the Commission in this docket, and after all appeals have been completed or the time for filing an appeal has expired, this docket should be closed.

5. STIPULATED ISSUES:

The Florida Retail Federation is not aware of any stipulated issues at this time.

6. PENDING MOTIONS:

The Florida Retail Federation has no motions pending before the Commission in this proceeding.

7. STATEMENT OF PARTY'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:

The FRF has no pending requests or claims for confidentiality.

8. OBJECTIONS TO QUALIFICATIONS OF WITNESSES AS EXPERTS:

The FRF does not expect to challenge the qualifications of any witness to testify, although the FRF reserves all rights to question witnesses as their qualifications as related to the credibility and weight to be accorded their testimony.

9. STATEMENT OF COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE:

There are no requirements of the Order Establishing Procedure with which the Florida Retail Federation cannot comply.

Respectfully submitted this 14th day of November, 2011.

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Attorneys for the Florida Retail Federation

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Florida Retail Federation's Preliminary List of Issues and Positions has been furnished by electronic Mail this 14th day of November, 2011 to the following:

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