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COMMISSION
CLERK



October 4, 2012

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

RE: Docket No. 120007-EI

Dear Ms. Cole:

Attached for filing are an original and 15 copies of Gulf witness Richard Dodd's revised 2013 Projection Testimony and Schedules. Revisions to testimony pages 6 and 7 and schedules 1P, 3P, 4P page 1, and 7P of exhibit RWD-3 to Richard Dodd's 2013 Projection Testimony have been made to correct an error in the Accumulated Depreciation Balance for the Air Quality Assurance Testing project. The 12/31/12 accumulated depreciation balance was not correctly carried forward as the 1/1/13 accumulated depreciation balance presented on Schedule 4P, page 1, line 3. While the impact of this error is minor, it did affect amounts presented on Schedules 1P, 3P, and 7P which have all been revised along with schedule 4P in this filing. All other aspects of the testimony and exhibit remain the same. Please replace the originals filed on August 28, 2012 with the attached REVISED testimony and exhibit pages. The results of this revision will be reflected in Gulf's Prehearing Statement filed on October 5, 2012.

Sincerely,

Robert L. McGee, Jr.
Regulatory and Pricing Manager

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Enclosures

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

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FPSC-COMMISSION CLERK

1 Q. What is the total amount of projected recoverable costs related to the
2 period January 2013 through December 2013?

3 A. The total projected jurisdictional recoverable costs for the period January
4 2013 through December 2013 is \$141,059,079 as shown on line 1c of
5 Schedule 1P. This includes costs related to O&M activities of
6 \$23,951,253 and costs related to capital projects of \$117,107,826 as
7 shown on lines 1a and 1b of Schedule 1P.
8

9 Q. What is the total recoverable revenue requirement to be recovered in the
10 projection period January 2013 through December 2013 and how was it
11 allocated to each rate class?

12 A. The total recoverable revenue requirement including revenue taxes is
13 \$138,981,347 for the period January 2013 through December 2013 as
14 shown on line 5 of Schedule 1P. This amount includes the recoverable
15 costs related to the projection period and the total true-up cost of
16 \$2,177,727 to be refunded. Schedule 1P also summarizes the energy and
17 demand components of the requested revenue requirement. These
18 amounts are allocated by rate class using the appropriate energy and
19 demand allocators as shown on Schedules 6P and 7P.
20

21 Q. How were the allocation factors calculated for use in the Environmental
22 Cost Recovery Clause?

23 A. The demand allocation factors used in the ECRC were calculated using
24 the 2009 load data filed with the Commission in accordance with FPSC
25 Rule 25-6.0437. The energy allocation factors were calculated based on

1 projected KWH sales for the period adjusted for losses. The calculation of
2 the allocation factors for the period is shown in columns 1 through 9 on
3 Schedule 6P.

4

5 Q. How were these factors applied to allocate the requested recovery amount
6 properly to the rate classes?

7 A. As I described earlier in my testimony, Schedule 1P summarizes the
8 energy and demand portions of the total requested revenue requirement.
9 The energy-related recoverable revenue requirement of \$130,648,326 for
10 the period January 2013 through December 2013 was allocated using the
11 energy allocator, as shown in column 3 on Schedule 7P. The demand-
12 related recoverable revenue requirement of \$8,333,020 for the period
13 January 2013 through December 2013 was allocated using the demand
14 allocator, as shown in column 4 on Schedule 7P. The energy-related and
15 demand-related recoverable revenue requirements are added together to
16 derive the total amount assigned to each rate class, as shown in
17 column 5.

18

19 Q. What is the monthly amount related to environmental costs recovered
20 through this factor that will be included on a residential customer's bill for
21 1,000 kWh?

22 A. The environmental costs recovered through the clause from the residential
23 customer who uses 1,000 kWh will be \$12.53 monthly for the period
24 January 2013 through December 2013.

25

Schedule 1P

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Total Jurisdictional Amount to be Recovered

For the Projected Period
January 2013 - December 2013

<u>Line No.</u>		<u>Energy</u> <u>(\$)</u>	<u>Demand</u> <u>(\$)</u>	<u>Total</u> <u>(\$)</u>
1	Total Jurisdictional Rev. Req. for the projected period			
a	Projected O & M Activities (Schedule 2P, Lines 7, 8 & 9)	20,069,669	3,881,584	23,951,253
b	Projected Capital Projects (Schedule 3P, Lines 7, 8 & 9)	<u>112,534,635</u>	<u>4,573,191</u>	<u>117,107,826</u>
c	Total Jurisdictional Rev. Req. for the projected period (Lines 1a + 1b)	132,604,304	8,454,775	141,059,079
2	True-Up for Estimated Over/(Under) Recovery for the period January 2012 - December 2012 (Schedule 1E, Line 3)	7,001,685	451,674	7,453,359
3	Final True-Up for the period January 2011 - December 2011 (Schedule 1A, Line 3)	<u>(4,951,708)</u>	<u>(323,924)</u>	<u>(5,275,632)</u>
4	Total Jurisdictional Amount to be Recovered/(Refunded) in the projection period January 2013 - December 2013 (Line 1c - Line 2 - Line 3)	<u>130,554,327</u>	<u>8,327,025</u>	<u>138,881,352</u>
5	Total Projected Jurisdictional Amount Adjusted for Taxes (Line 4 x Revenue Tax Multiplier)	<u>130,648,326</u>	<u>8,333,020</u>	<u>138,981,347</u>

Notes:

Allocation to energy and demand in each period are in proportion to the respective period split of costs indicated on Lines 7 & 8 of Schedules 5E & 7E and 5A & 7A.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)

January 2013 - December 2013
Calculation of the Current Period True-Up Amount
Capital Investment Projects - Recoverable Costs
(in Dollars)

Line	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	End of	Method of Classification	
	January	February	March	April	May	June	July	August	September	October	November	December	12-Month	Demand	Energy
1	Description of Investment Projects (A)														
.1	4,770	4,739	4,709	4,678	4,647	4,616	4,586	4,555	4,525	4,493	4,463	4,432	55,213	0	55,213
.2	416,012	415,254	414,498	413,742	412,986	412,230	411,473	410,717	409,961	409,205	408,448	407,692	4,942,218	0	4,942,218
.3	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	10,702	128,424	0	128,424
.4	130,464	130,270	130,074	129,880	129,684	129,490	129,294	129,100	128,905	128,710	128,515	128,320	1,552,706	0	1,552,706
.5	95,361	95,204	95,045	94,888	94,731	94,572	94,415	94,256	94,099	93,941	93,783	93,626	1,133,921	0	1,133,921
.6	9,834	10,846	11,858	12,943	13,845	14,284	15,641	15,616	15,590	15,564	15,538	15,513	167,072	154,222	12,850
.7	1,772	1,766	1,761	1,756	1,751	1,747	1,741	1,736	1,731	1,726	1,720	1,715	20,922	19,313	1,609
.8	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	3,660	43,920	40,536	3,384
.9	2,674	2,666	2,658	2,650	2,642	2,633	2,625	2,617	2,609	2,601	2,592	2,584	31,551	29,124	2,427
.10	442	440	439	438	435	434	432	431	430	428	427	426	5,202	4,802	400
.11	583	580	578	576	574	572	570	567	566	563	561	559	6,849	6,322	527
.12	339	338	337	335	335	334	333	331	330	329	327	326	3,994	3,687	307
.13	3,167	3,159	3,151	3,143	3,134	3,126	3,118	3,110	3,101	3,093	3,085	3,077	37,464	0	37,464
.14	17,131	17,074	17,019	16,962	16,906	16,850	16,794	16,737	16,682	16,625	16,569	16,512	201,861	186,334	15,527
.15	2,376	2,372	2,369	2,365	2,361	2,358	2,355	2,351	2,347	2,343	2,336	2,336	28,273	26,098	2,175
.16	128,717	128,460	128,204	127,947	127,692	127,436	127,179	126,923	126,667	126,411	126,155	125,898	1,527,689	1,410,175	117,514
.17	1,095	1,092	1,088	1,086	1,083	1,080	1,078	1,075	1,072	1,070	26,404	51,739	88,962	82,119	6,843
.18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.19	1,099,260	1,096,605	1,093,950	1,091,295	1,088,640	1,085,985	1,083,330	1,080,676	1,078,020	1,075,365	1,072,710	1,070,056	13,015,892	0	13,015,892
.20	8,223	8,203	8,183	8,163	8,143	8,123	8,103	8,083	8,062	8,042	8,023	8,003	97,354	89,865	7,489
.21	508	507	506	504	503	502	500	499	498	496	495	494	6,012	0	6,012
.22	264,135	263,515	262,894	262,273	261,653	261,033	260,413	259,792	259,172	258,552	257,930	257,310	3,128,672	0	3,128,672
.23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.24	191,629	191,201	190,771	190,341	189,912	189,482	189,053	188,623	188,193	187,765	187,335	186,905	2,271,210	2,096,501	174,709
.25	53,375	53,243	53,112	52,979	52,847	52,716	52,584	52,452	52,320	52,189	52,057	51,925	631,799	583,198	48,601
.26	7,678,897	7,661,791	7,644,686	7,627,581	7,610,475	7,593,371	7,576,266	7,559,160	7,542,055	7,524,950	7,508,457	7,492,576	91,020,265	0	91,020,265
.27	557	553	549	545	541	537	533	529	525	521	517	513	3,421	3,157	264
.28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.29	6,905	6,712	6,501	6,253	6,001	5,755	5,455	5,105	4,786	4,541	4,336	4,102	66,452	0	66,452
.30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
.31	53,548	53,313	53,018	52,628	52,267	51,929	51,454	50,866	50,370	50,041	49,777	49,445	618,656	0	618,656
2	10,186,136	10,164,265	10,142,320	10,120,313	10,098,150	10,075,557	10,053,293	10,029,740	10,006,453	9,983,405	9,960,409	9,937,933	120,835,974	4,735,453	116,100,521
3	9,796,223	9,774,272	9,752,240	9,730,088	9,707,940	9,685,792	9,663,491	9,640,938	9,618,522	9,596,344	9,574,831	9,552,840	116,100,521		
4	389,913	389,993	390,080	390,225	390,210	389,765	389,802	388,802	387,931	387,061	409,578	432,093	4,735,453		
5	0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016			
6	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346			
7	9,480,420	9,460,896	9,434,662	9,433,958	9,418,713	9,415,998	9,389,914	9,355,358	9,340,793	9,306,997	9,256,888	9,240,038	112,534,635		
8	376,552	376,630	376,714	376,854	376,839	376,410	376,445	375,480	374,638	373,798	395,544	417,287	4,573,191		
9	9,856,972	9,837,526	9,811,376	9,810,812	9,795,552	9,792,408	9,766,359	9,730,838	9,715,431	9,680,795	9,652,432	9,657,325	117,107,826		

Notes:
 (A) Pages 1-27 of Schedule 4P, Line 9, Pages 28-31 of Schedule 4P, Line 6
 (B) Line 3 x Line 5 x Line loss multiplier
 (C) Line 4 x Line 6

Docket No. 120007-El
 ECRC 2013 Projection Filing
 Exhibit RWD-3, Page 3 of 90
 Revised October 5, 2012

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Projected Period Amount
January 2013 - December 2013
Return on Capital Investments, Depreciation and Taxes
For Project: Air Quality Assurance Testing
P.E.s 1006 & 1244
(in Dollars)

Line	Description	Beginning of Period Amount	Projected January	Projected February	Projected March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	End of Period Amount
1	Investments														
a	Expenditures/Additions		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Clearings to Plant		0	0	0	0	0	0	0	0	0	0	0	0	0
c	Retirements		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Cost of Removal		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Salvage		0	0	0	0	0	0	0	0	0	0	0	0	0
2	Plant-in-Service/Depreciation Base (B)	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812	350,812
3	Less: Accumulated Depreciation (C)	(267,855)	(272,031)	(276,208)	(280,384)	(284,560)	(288,737)	(292,913)	(297,089)	(301,266)	(305,442)	(309,618)	(313,795)	(317,971)	
4	CWIP - Non Interest Bearing	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Net Investment (Lines 2 + 3 + 4) (A)	82,957	78,781	74,604	70,428	66,252	62,075	57,899	53,723	49,546	45,370	41,194	37,017	32,841	
6	Average Net Investment		80,869	76,693	72,516	68,340	64,164	59,987	55,811	51,635	47,458	43,282	39,106	34,929	
7	Return on Average Net Investment														
a	Equity Component (Line 6 x Equity Component x 1/12) (D)		449	426	403	380	356	333	310	287	264	240	217	194	3,859
b	Debt Component (Line 6 x Debt Component x 1/12)		145	137	130	122	115	107	100	92	85	77	70	62	1,242
8	Investment Expenses														
a	Depreciation (E)		0	0	0	0	0	0	0	0	0	0	0	0	0
b	Amortization (F)		4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	4,176	50,112
c	Dismantlement		0	0	0	0	0	0	0	0	0	0	0	0	0
d	Property Taxes		0	0	0	0	0	0	0	0	0	0	0	0	0
e	Other (G)		0	0	0	0	0	0	0	0	0	0	0	0	0
9	Total System Recoverable Expenses (Lines 7 + 8)		4,770	4,739	4,709	4,678	4,647	4,616	4,586	4,555	4,525	4,493	4,463	4,432	55,213
a	Recoverable Costs Allocated to Energy		4,770	4,739	4,709	4,678	4,647	4,616	4,586	4,555	4,525	4,493	4,463	4,432	55,213
b	Recoverable Costs Allocated to Demand		0	0	0	0	0	0	0	0	0	0	0	0	0
10	Energy Jurisdictional Factor		0.9663133	0.9664890	0.9659864	0.9681134	0.9687540	0.9706894	0.9702343	0.9689250	0.9696711	0.9683956	0.9651443	0.9653016	
11	Demand Jurisdictional Factor		0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	0.9657346	
12	Retail Energy-Related Recoverable Costs (H)		4,616	4,587	4,556	4,536	4,509	4,487	4,456	4,420	4,394	4,358	4,314	4,285	53,518
13	Retail Demand-Related Recoverable Costs (I)		0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Jurisdictional Recoverable Costs (Lines 12 + 13)		4,616	4,587	4,556	4,536	4,509	4,487	4,456	4,420	4,394	4,358	4,314	4,285	53,518

Notes:

- (A) Description and reason for "Other" adjustments to net investment for this project, if applicable.
- (B) Applicable beginning of period and end of period depreciable base by production plant name(s), unit(s), or plant account(s).
- (C) Description of Adjustments to Reserve for Gross Salvage and Other Recoveries and Cost of Removal.
- (D) The equity component has been grossed up for taxes. The approved ROE is 10.25%.
- (E) Applicable depreciation rate or rates.
- (F) PE 1006 is fully amortized; PE 1244 has a 7-year amortization period.
- (G) Description and reason for "Other" adjustments to investment expenses for this project.
- (H) Line 9a x Line 10 x 1.0015 line loss multiplier.
- (I) Line 9b x Line 11.

Gulf Power Company
Environmental Cost Recovery Clause (ECRC)
Calculation of the Energy & Demand Allocation % By Rate Class
January 2013 - December 2013

<u>Rate Class</u>	(1) Percentage of KWH Sales at Generation (%)	(2) Percentage of 12 CP Demand at Generation (%)	(3) Energy- Related Costs	(4) Demand- Related Costs	(5) Total Environmental Costs	(6) Projected Sales at Meter (KWH)	(7) Environmental Cost Recovery Factors (\$/KWH)
RS, RSVP	48.55616%	57.25855%	63,437,809	4,771,365	68,209,175	5,445,580,000	1.253
GS	2.51996%	2.69411%	3,292,286	224,501	3,516,787	282,614,000	1.244
GSD, GSDT, GSTOU	23.69672%	21.66942%	30,959,368	1,805,717	32,765,085	2,657,985,000	1.233
LP, LPT	10.10202%	8.03822%	13,198,120	669,827	13,867,947	1,160,741,000	1.195
PX, PXT, RTP, SBS	13.74907%	9.70138%	17,962,930	808,418	18,771,348	1,607,910,000	1.167
OS-I, OS-II	0.96811%	0.36650%	1,264,820	30,541	1,295,361	108,574,000	1.193
OS-III	0.40796%	0.27182%	532,993	22,651	555,644	45,752,000	1.214
TOTAL	<u>100.00000%</u>	<u>100.00000%</u>	<u>\$130,648,326</u>	<u>\$8,333,020</u>	<u>138,981,347</u>	<u>11,309,156,000</u>	<u>1.229</u>

Notes:

- (1) From Schedule 6P, Col 8
- (2) From Schedule 6P, Col 9
- (3) Col 1 x Total Energy \$ from Schedule 1P, line 5
- (4) Col 2 x Total Demand \$ from Schedule 1P, line 5
- (5) Col 3 + Col 4
- (6) Projected KWH sales for the period January 2013 - December 2013
- (7) Col 5 x 100 / Col 6

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost**)
Recovery Clause)

Docket No.: 120007-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U.S. mail this 4th day of October, 2012 on the following:

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