Gulf Power

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October 12, 2016

VIA ELECTRONIC FILING

Ms. Carlotta Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Petition for an increase in rates by Gulf Power Company, Docket No. 160186-EI

Re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization by Gulf Power Company, Docket No. 160170-EI

Dear Ms. Stauffer:

Attached is the Direct Testimony and Exhibits of Gulf Power Company Witness Dane A. Watson.

(Document 20 of 29)

Sincerely,

Robert L. McGee, Jr.
Regulatory & Pricing Manager

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160186-EI

TESTIMONY AND EXHIBIT

OF

DANE A. WATSON

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
Dane A. Watson
Docket No. 160186-EI
In Support of Rate Relief
Date of Filing: October 12, 2016

I. POSITION, QUALIFICATIONS, AND PURPOSE

Q. Please state your name and business address.

A. My name is Dane Watson. My business address is 1410 Avenue K, Suite 1105B, Plano, TX 75074.

Q. What is your position?

A. I am the Managing Partner in Alliance Consulting Group (Alliance).

Q. What are your responsibilities as Managing Partner?

A. As the Managing Partner of Alliance, I am responsible for performing and defending depreciation studies for clients across the United States in a variety of regulatory proceedings. My duties include the assembly and analysis of historical and simulated data, conducting field reviews, determining service life and net salvage estimates, calculating annual depreciation, presenting recommended depreciation rates to utility management, and supporting such rates before regulatory bodies. I have performed more than 150 depreciation studies in my career, appeared in more than 125 cases, and testified before 30 regulatory bodies as an expert witness on the subject of depreciation.

Q. Please state your prior work experience and responsibilities.

A. Since graduating from college in 1985, I have worked in the areas of depreciation and valuation. I founded Alliance in 2004, and I am responsible for conducting depreciation, valuation, and certain other accounting-related studies for utilities in various regulated industries.

My prior employment from 1985 to 2004 was with Texas Utilities and successor companies (TXU). During my tenure with TXU, I was responsible for, among other things, conducting valuation and depreciation studies for the domestic TXU companies. During that time, in addition to my depreciation responsibilities, I also served as Manager of Property Accounting Services and Records Management.

Q. What is your educational background?

A. I hold a Bachelor of Science degree in Electrical Engineering from the University of Arkansas at Fayetteville and a Master's Degree in Business Administration from Amberton University. I am a registered Professional Engineer in the State of Texas.

Q. Do you hold any special certification as a depreciation expert?

A. Yes. The Society of Depreciation Professionals (the Society) has established national standards for depreciation professionals. The Society administers an examination and has certain required qualifications to become certified in this field. I met all requirements and have become a Certified Depreciation Professional (CDP).

Q. Please describe your other professional activities.

A. I have twice been Chair of the Edison Electric Institute (EEI) Property Accounting and Valuation Committee and have been Chairman of EEI's Depreciation and Economic Issues Subcommittee. I am a Senior Member of the Institute of Electrical and Electronics Engineers (IEEE) and have held numerous offices on the Executive Board of the Dallas Section of IEEE as well as National and Worldwide offices. I have served as President of the Society of Depreciation Professionals twice, most recently in 2015.

Q. Have you previously testified before state and/or federal regulatory commissions?

A. Yes. I have testified before numerous state and federal agencies in my 30 year career in performing depreciation studies. I have conducted depreciation studies, filed written testimony, and/or testified before the commissions identified in Exhibit DAW-3.

Q. What was your responsibility and participation in the conduct of the Depreciation Rate Study (the Study) filed on July 14, 2016, and corrected on September 20, 2016, for Gulf Power Company (Gulf or the Company)?

A. I was personally responsible for, participated in, and directed all aspects of the work performed by Alliance resulting in the recommendations contained in Exhibit DAW-1.

Q. What is the purpose of your direct testimony?

A. The purpose of my direct testimony is to: (1) discuss the recent depreciation study conducted for Gulf's electric depreciable assets based on plant and reserve balances as of December 31, 2016; and (2) support and justify the recommended depreciation rates for the Company's assets.

Q. Are you sponsoring any exhibits?

A. Yes. I sponsor Exhibits DAW-1, DAW-2, and DAW-3. To the best of my knowledge, the information contained in these exhibits is true and correct.

Q. Are you sponsoring any of the Minimum Filing Requirements (MFRs) submitted by Gulf?

A. No. However, the proposed depreciation rates will be incorporated in the MFR schedules submitted by Gulf.

II. TESTIMONY STRUCTURE, DEPRECIATION DEFINITION AND STUDY PURPOSE

Q. How is your direct testimony structured?

A. My direct testimony is structured as follows:

In Section III, I explain the property included in the Study; the four-phase approach I used to conduct the Study; and the depreciation system I used for the Study.

In Section IV, I explain how depreciation rates are determined, including identifying the formula for depreciation rates. This portion of my direct testimony also explains and fully discusses each portion of the depreciation rate formula that is supported by my Study. Section IV is broken into the following subparts, which align with the components of the depreciation rate formula that the Study supports: (A) Depreciation Rate Formula; (B) Theoretical Reserve; (C) Net Salvage Amounts and Percentages; (D) Remaining Life Analysis; and (E) Depreciation Rates and Depreciation Accrual Rates.

In Section V, I discuss the change in depreciation expense as a result of the proposed depreciation rates. Specifically, I explain why Gulf's depreciation expense is increasing.

Q. What definition of depreciation have you used for the purposes of conducting a depreciation study and preparing your direct testimony?

A. The term "depreciation," as used herein, is considered in the accounting sense–that is, a system of accounting that distributes the cost of assets, less net salvage (if any), over the estimated useful life of the assets in a systematic and rational manner. Depreciation is a process of allocation, not valuation. In other words, depreciation expense allocates the cost of the asset, including any estimated net salvage (the negative of this is also known as net removal) necessary to remove the asset, as an ongoing cost of operations over the economic life of the asset. However, the amount allocated to any one accounting period does not necessarily represent an actual loss or decrease in

value that will occur during that particular period. The Company accrues depreciation on the basis of the original cost of all depreciable property included in each functional property group. On retirement, the full cost of depreciable property, less the net salvage value, is charged to the depreciation reserve.

Q. Please generally describe the purpose of the Study.

A. The key functions of the Study are to: (1) determine the average service lives for Transmission, Distribution, and General Plant; (2) obtain terminal retirement dates and determine the interim retirement ratios for Production Plant; (3) determine the interim net salvage amounts for all Production Plant; (4) determine the net salvage percentages for Transmission, Distribution, and General Plant; (5) calculate the theoretical reserve of each property group based on the remaining life of the group, the total life of the group and the estimated net salvage; and (6) develop depreciation rates, including the annual depreciation accrual.

Q. Based on the Study, what conclusions do you reach?

A. I conclude that the depreciation rates developed for Gulf's electric utility accounts as set forth in the Study, which is sponsored by me and included as Exhibit DAW-1, encompass the best and most recent information for calculating Gulf's depreciation expense associated with these assets.

Based on life and net salvage parameters developed and applied to plant assets and depreciation reserve balances as of December 31, 2016, the

depreciation rates in the Study will result in an increase in the annual depreciation expense of approximately $20.4 million per year. This amount was determined by comparing the depreciation expense difference between the current depreciation rates and the proposed depreciation rates as of December 31, 2016. A functional summary comparison of depreciation expense is shown in Exhibit DAW-2, Schedule 1, and a more detailed comparison is shown in Appendix B of Exhibit DAW-1.

III. GULF'S ELECTRIC DEPRECIATION RATE STUDY

Q. What is the purpose of this section of your direct testimony?

A. In this section of my direct testimony, I testify to the property included in the Study; the four-phase approach I used to conduct the Study; and the depreciation system (straight-line method, average life group (ALG) procedure, remaining-life technique) used for the Study.

Q. Did the Company give you any specific information for conducting the Study?

A. Yes. The Company gave me the following information for the Study:

a. Terminal retirement dates for generating stations supplied by the Company;

b. Historical data used to determine the interim retirement ratio and interim net salvage analysis for generating stations as of December 31, 2014;

c. Dismantlement costs associated with dismantling each generating unit for the Steam and Other Production functions which will be excluded from the Study since those amounts are determined in a separate study;

d. Historical data to analyze for life and net salvage to assist in making recommendations for Transmission, Distribution, and General Plant assets based on data as of December 31, 2014; and

e. Plant and reserve balances to calculate the theoretical reserves and the recommended whole life and remaining life depreciation rates, including the annual depreciation expense accrual, on forecast plant and reserve balances as of December 31, 2016.

Q. What property is included in the depreciation study?

A. There are five general classes, or functional groups, of depreciable property that are analyzed in the study: (1) Steam Production Plant, (2) Other Production Plant, (3) Transmission Plant, (4) Distribution Plant, and (5) General Plant property. Steam Production assets in accounts 310-316 consist of generating units that use fossil fuels to produce steam to generate electricity. Other Production assets in accounts 340-346 consist of generating units (such as combustion turbines) that use natural gas to directly turn rotors to produce electricity. The Transmission Plant functional group primarily consists of lines and associated facilities used to move power from power plants and outside areas into the distribution system. The Distribution Plant functional group primarily consists of lines and associated facilities used to distribute electricity to customers of Gulf. General Plant property is plant (such as office buildings) used to support Gulf's overall operations.

Q. Please describe your depreciation study approach.

A. With the assistance of my staff, I conducted the Gulf Study in four phases as described at pages 26-28 of Exhibit DAW-1. The four phases are: Data Collection, Analysis, Evaluation, and Calculation. During the initial phase of the Study, I collected historical data through December 31, 2014 to be used in the analysis. After the data was assembled, I performed analyses to determine the life and net salvage percentage for the different property groups being studied. As part of this process, I conferred with field personnel, engineers, and managers responsible for the installation, operation, and removal of the assets to gain their input into the operation, maintenance, and salvage of the assets. The information obtained from field personnel, engineers and managerial personnel, combined with the Study results, was then evaluated to determine how the results of the historical asset activity analysis, in conjunction with the Company's expected future plans, should be applied. The final phase is calculation of depreciation rates and the theoretical reserve.

The authoritative treatise, *Depreciation Systems*, documents the following stages of a depreciation study: "statistical analysis, evaluation of statistical analysis, discussions with management, forecast assumptions, and document recommendations".[1] My approach mirrors this process, and following this approach ensures that Alliance comprehensively and thoroughly projects the future expectations for the Company's assets. Exhibit DAW-1, page 28 shows Figure 1, which demonstrates the four phases of the Depreciation Rate Study conducted for Gulf.

[1] W.C. Fitch and F.K. Wolf, DEPRECIATION SYSTEMS, at page 289 (Iowa State Press, 1994).

Q. What depreciation system did you use for the study?

A. The straight-line method, the ALG procedure, remaining-life technique depreciation system was used for this Study. This is the same methodology used by Gulf and approved by this Commission for the existing depreciation rates established in Docket No. 090319-EI.

Q. What is a survivor curve?

A. A survivor curve represents the percentage of property remaining in service at various age intervals. The Iowa Curves, the predominantly used survivor curve method in the utility industry, are the result of an extensive investigation of life characteristics of physical property made at Iowa State College Engineering Experiment Station in the first half of the prior century. Through common usage, revalidation and regulatory acceptance, the Iowa Curves have become a descriptive standard for the life characteristics of industrial property. For more detail on survivor curves see pages 13-16 of Exhibit DAW-1.

Q. How is a survivor curve used in this study?

A. Most property groups can be closely fitted to one Iowa Curve with a unique average service life. The blending of judgment concerning current conditions and future trends along with the matching of historical data permits the depreciation analyst to make an informed selection of an account's average service life and survivor curve. When selecting an average service life, a survivor curve is also selected. When recommending depreciation rates, the depreciation analyst selects the average service life and survivor curve that are used to compute remaining life and theoretical reserve.

IV. DETERMINATION OF THE DEPRECIATION RATES

Q. What is the purpose of this section of your direct testimony?

A. In this section of my direct testimony, I explain how depreciation rates are determined, including identifying the formula for depreciation rates. This portion of my direct testimony also explains and fully discusses each portion of the depreciation rate formula that is supported by my Study. Section IV is broken into the following subparts, which aligns with the components of the depreciation rate formula that the Study supports: (A) The Depreciation Rate Formula; (B) Theoretical Reserve; (C) Net Salvage Amounts or Percentages; (D) Remaining Life Analysis; and (E) Depreciation Rates and Depreciation Accrual Rates.

A. THE DEPRECIATION RATE FORMULA

Q. How are the depreciation rates determined?

A. The formula used to derive depreciation rates calculates annual depreciation accrual amounts for each group by dividing the original cost of the asset (gross plant), less book depreciation reserve, less estimated net salvage, by the group's respective remaining life. The resulting annual accrual amounts for all depreciable property within an account are accumulated, and the total is divided by the original cost (gross plant) of all depreciable property within the account to determine the depreciation rate.

Q. What portion of the formula used to derive depreciation rates is supported by the depreciation rate study?

A. The Depreciation Rate Study determines several pieces of the overall formula used to derive depreciation rates. The portions of the formula derived by the Study are:

- Depreciation Reserve Balance: The depreciation reserve was provided by the Company with the projected gross plant balance amounts and the projected depreciation reserve as of December 31, 2016. The Study depreciation reserve balance is subtracted from gross plant.
- Net Salvage Amounts or Percentages: The Study supports the overall net salvage percentages. The Study calculates and recommends the net salvage percentages for the Production functions (interim net salvage only), Transmission, Distribution, and General Plant accounts. For these plant accounts, salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal, as supported by the Study, by the original installed cost of the retired asset.
- Remaining Life: The Study supports the remaining life calculation by determining the appropriate average service lives and retirement survivor curve for each account within a functional group.
- Resulting Annual Depreciation Accrual and Depreciation Rates: As discussed above, the Study calculates the depreciation rates and the annual accrual amounts are then derived from these rates. The computation of the annual depreciation rates and annual accrual amounts is shown in Appendix A of Exhibit DAW-1.

I describe in more depth below how the Study determines each component of the formula, as well as the Study results for each component.

B. THEORETICAL RESERVE

Q. What purpose does the theoretical reserve serve in a depreciation study?

A. The theoretical reserve represents the portion of a property group's cost that would have been accrued as depreciation reserve if current life and net salvage expectations were used throughout the life of the property group for depreciation accruals. The theoretical reserve for the asset group serves as a point of comparison to the book reserve to determine if the unrecovered investment of the asset and its removal cost are over or under-accrued.

Q. How does the Study determine the theoretical reserve?

A. In the Study, theoretical reserves were computed based on projected plant balances as of December 31, 2016. The theoretical reserve is calculated using a reserve model that relies on a prospective concept relating future retirement and accrual patterns for property, given current life and salvage estimates. More specifically, the theoretical reserve of a property group is determined from the estimated remaining life of the group, the total life of the group, and estimated net salvage. This computation for the straight-line, remaining-life theoretical reserve ratio, which I describe in more detail on pages 23-25 of Exhibit DAW-1, involves multiplying the vintage balances within the property group by the theoretical reserve ratio for each vintage.

Q. Is it desirable for the depreciation reserve to conform to the theoretical reserve?

A. Yes. It is desirable for the depreciation reserve to conform as closely as possible to the theoretical reserve. When remaining life rates are used, the theoretical reserve provides the basis for any over or under-accrual in setting the depreciation rates at the appropriate level based on current parameters and expectations. Overall, the study found a deficit of $139.2 million at December 31, 2016 based on the recommended life and net salvage parameters. The depreciation rates are designed to eliminate that deficit over the remaining life of the assets.

C. NET SALVAGE AMOUNTS OR PERCENTAGES

Q. What is net salvage as determined for all the company's plant assets?

A. While discussed more fully in the Study itself, net salvage is the difference between the gross salvage (what the asset was sold for) and the cost of removal (COR) (cost to remove and dispose of the asset). If the COR exceeds gross salvage, net salvage is negative. Some plant assets can experience significant negative removal cost percentages due to the amount of removal cost and the timing of any capital additions versus the retirement.

Salvage and removal cost percentages are calculated by dividing the current cost of salvage or removal by the original installed cost of the assets retired.

Q. How is net salvage determined for Steam and Other Production Plant in the Study?

A. As discussed above, the Study uses the interim net salvage for each generating unit. An interim net salvage percentage is calculated and represents the estimated removal cost for interim retirements that will occur annually over the remaining life of each generating unit. The interim net salvage percentages proposed for Production plant accounts are shown in Exhibit DAW-2, Schedule 2 and in Appendix D-2 of Exhibit DAW-1. The dismantlement cost (terminal cost of removal) estimates for each generating unit are not included since those amounts are determined in a separate study. The Study separately calculates the net salvage percentages for the Transmission, Distribution, and General Plant accounts.

Q. How did you determine the net salvage percentages for each asset group in Transmission, Distribution, and General Plant?

A. To determine the appropriate net salvage percentages for each account, I start by using an industry-standard method that divides the current cost of salvage or removal by the original installed cost of the assets retired. However, judgment also is applied to select a net salvage percentage that represents the future expectations for each account. To apply this judgment, historical salvage and removal data by functional group is compiled to determine values and trends in gross salvage and removal cost. The functional data for retirements, gross salvage, and COR covered the period from 1981-2014 and is detailed in the Study. Moving averages are calculated with this data, with the intent to remove timing differences between retirement and salvage and

removal cost; those moving averages are analyzed over varying periods up to 34 years. These calculations are found in Appendix E of Exhibit DAW-1.

Q. Is it not sufficient to analyze historical data to form your life and net salvage estimates?

A. No. Historic life and salvage data is one factor to consider in making life and net salvage recommendations, but it is crucial to incorporate future trends, changes in equipment and Company-specific operational information before finally making life and net salvage recommendations. Once all the calculations and data are prepared, I take into account my judgment, Company expectations and trends to determine the appropriate net salvage percentages. A comparison of the approved and proposed net salvage percentages are shown in Exhibit DAW-2, Schedule 3 and in Appendix C of Exhibit DAW-1.

Q. Please describe some of the changes in the net salvage percentages for the various accounts.

A. The detailed analysis of each account is described fully in Exhibit DAW-1, pages 55-110. Net salvage is trending toward higher negative net salvage due to the increased cost of labor, safety, and environmental compliance related to retiring utility assets and the longer lives experienced for many assets. For Gulf, net salvage for 12 accounts decreased (became more negative) while the remaining 16 accounts remained unchanged. Examples of some of the changes in net salvage are:

- The most significant decreases of 30 percent or more (more negative) in net salvage percentages were in: Transmission Account 355, Poles & Fixtures, which decreased from negative 40 percent to negative 75 percent; Distribution Account 365, Overhead Conductors & Devices, which decreased from negative 20 percent to negative 50 percent; and Distribution Account 369.1, Overhead Services, which decreased from negative 45 percent to negative 75 percent.
- Two other Distribution Accounts 369.2, Underground Services and 373, Street Lighting had a decrease from negative 10 percent to negative 20 percent net salvage. Factors impacting removal costs are discussed in the Study. See pages 53-54 of Exhibit DAW-1.

D. REMAINING LIFE ANALYSIS

Q. Does the study conduct life analysis for Production units?

A. Yes. The terminal retirement dates are inputs used in the Study to derive the average remaining life depreciation rate for generation. These terminal retirement dates were provided by the Company to me. These dates are consistent with current operating expectations, environmental legislation, and resource plans. Interim retirement ratios are also inputs used in the Study to derive the average remaining life depreciation rate for generation assets.

Q. Can you explain interim retirement ratios and what purpose they serve in the Study?

A. Yes. As detailed in the Study, interim retirement ratios were used to model the retirement of individual assets within primary plant accounts for each

generating unit prior to the terminal retirement of the facility. The life span procedure assumes all assets are depreciated (straight-line) for the same number of periods and will retire at the same time (the terminal retirement date). Adding interim retirement ratios to this procedure reflects the fact that some of the assets at a power plant will not survive to the end of the life of the facility and should be depreciated (straight-line) more quickly and retired earlier than the terminal life of the overall facility. By applying interim retirements, recognition is given to the obvious fact that generating units will have retirements of depreciable property before the end of their lives. The interim retirement methodology reflected in the Study was used in the development of the depreciation rates approved in Docket No. 090319-EI and in the calculation of the Company's proposed Production depreciation rates. The interim retirement ratios proposed for Production accounts are shown in Exhibit DAW-2, Schedule 4 and Exhibit DAW-1 on Appendix D-2.

Q. What method does the study use to analyze historical data for Transmission, Distribution, and General Plant to determine life characteristics?

A. All Transmission, Distribution, and General Plant accounts were analyzed using either the actuarial analysis (retirement rate method) or the simulated plant record balances (SPR) method to estimate the life of the property in each account. In much the same manner as human mortality is analyzed by actuaries, depreciation analysts use models of property mortality characteristics that have been validated in research and empirical applications.

Q. How did you determine the average service lives for Transmission, Distribution, and General Plant?

A. As noted above, actuarial or SPR analysis was used to determine the appropriate average service lives for each account in Transmission, Distribution, and General. Graphs and tables supporting the analysis and the chosen Iowa Curves used to determine the average service lives for analyzed accounts are found in the Determination of the Lives section of Exhibit DAW-1, pages 55-110. A summary comparison of the approved and proposed depreciable lives is shown in Exhibit DAW-2, Schedule 5 and in Appendix C of Exhibit DAW-1.

Q. Please describe some of the changes in the average service lives for the various Transmission, Distribution, and General accounts.

A. For Transmission, Distribution, and General Accounts, there are 20 accounts with increasing lives; four accounts with decreasing lives; and four accounts where there is no change. Examples of some of the changes in average service lives for Transmission, Distribution, and General Plant are as follows:

- The largest increases, greater than five years, in life were in:
  - Distribution Account 367 Underground Conductors & Devices, which increased by nine years;
  - Distribution Accounts 365 Overhead Conductors & Devices, 366 Underground Conduit, and 369.1 Overhead Services, all of which increased by seven years; and

- Transmission Accounts 352 Structures & Improvements, 354 Towers & Fixtures, 358 Underground Conductors & Devices, and Distribution Account 369.2 Underground Services, all increased by five years. An explanation for the increases is detailed for each account in the Study.

- The largest decreases in life were:
  - Distribution Account 370, Meters, which decreased by 17 years due to the change from electro-mechanical to electronic meters;
  - Distribution Account 362, Station Equipment, which decreased by eight years; and
  - Transmission Account 353 Station Equipment showed a five year decrease in life.

Two other accounts showing a decrease in life had a decrease of two years or less, and there were nine accounts with no change. An explanation for the decreases is detailed for each account in the Study.

E. DEPRECIATION RATES AND DEPRECIATION ACCRUAL RATES

Q. Having determined the theoretical reserve, the book reserve, calculated net salvage and the remaining lives through the Study, please describe the final steps in calculating the depreciation rates and annual depreciation accrual expense.

A. To determine depreciation rates the following process occurred: 1) historic data through December 31, 2014 and judgment were used to estimate life and net salvage parameters; and 2) the vintage balances and reserves at

December 31, 2016 were used to compute the proposed depreciation accrual expense and rates.

In the Study, calculation of the depreciation accrual rates is computed using the same methodology as was used in developing the depreciation rates approved by the Commission in Docket No. 090319-El. The computation of accrual rates are shown in Appendix A of Exhibit DAW-1

V. CHANGE IN DEPRECIATION EXPENSE AS A RESULT OF THE PROPOSED DEPRECIATION RATES

Q. What is the purpose of this section of your direct testimony?

A. In this section of my direct testimony, I discuss the change in depreciation expense as a result of the proposed depreciation rates. Specifically, I explain why Gulf's depreciation expense is increasing, as well as detail the change in depreciation expense.

Q. Please summarize the depreciation study results with respect to depreciation changes in depreciation expense.

A. Based on the revised depreciation rates indicated in the Study, as applied to forecasted plant balances as of December 31, 2016, the overall change in annual depreciation expense is an increase of approximately $20.4 million. As shown previously in Exhibit DAW-2, Schedule 1, this increase reflects an increase of $16.2 million in Production, consisting of Steam Production of $9.5

million and Other Production of $6.8 million. The change in Steam Production is driven by the Crist Plant and the reflection of interim retirements. The change in Other Production reflects the effect of the retirement and replacement of turbines at a plant prior to the end of the life of a unit. There is an increase of $3.7 million in Transmission, a decrease of $141 thousand in Distribution, and an increase of $619 thousand in General.

There are two accounts driving the increase in the Transmission function: 353 Station Equipment and 355 Poles and Fixtures. Account 353 had a decrease in life and more negative net salvage. Account 355 had a slight increase in life but experienced significant more negative net salvage. As discussed previously, changes in parameters affect the reserve position, which is evident in these two accounts.

As shown in Exhibit DAW-1, Appendix F, the theoretical reserve is much higher than the book reserve, creating a deficit that is recovered over the remaining life of the account and increases the depreciation rate. Detailed Production rates by plant and account are shown in Exhibit DAW-1, Appendix A-1 and A-2. Rates by account for Transmission, Distribution, and General are shown in Exhibit DAW-1, Appendix A-3.

Q. Mr. Watson, do you have any concluding remarks?

A. Yes. The Study and analysis performed under my supervision fully supports setting depreciation rates at the level I have indicated in my testimony. The Company should continue to periodically review the annual depreciation rates

for its property. In this way, the Company's depreciation expense will more accurately reflect its cost of operations and the rates for all customers will include an appropriate share of the capital expended for their benefit.

The Study for Gulf's electric depreciable property for actual plant assets as of December 31, 2016 describes the extensive analysis performed and the resulting rates that are now appropriate for Company property.

Q. Does this conclude your direct testimony?

A. Yes, it does.

AFFIDAVIT

STATE OF TEXAS)
)
COUNTY OF COLLIN)

Docket No. 160186-EI

Before me the undersigned authority, personally appeared Dane A. Watson, who being first duly sworn, deposes, and says that he is the Managing Partner of Alliance Consulting Group, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

s/ Dane A. Watson
Dane A. Watson
Managing Partner

Sworn to and subscribed before me this 4th day of October, 2016.

Notary Public, State of Texas
Commission No. 13006927-2
My Commission Expires 1/7/19

Kristen Vela
Notary Public,
State of Texas
Expires: 01/07/2019

Exhibit

Gulf Power's 2016 Depreciation Study filed on September 20, 2016 in Docket No. 160170-EI is incorporated by reference.

Florida Public Service Commission
Docket No. 160186-EI
GULF POWER COMPANY
Witness: Dane A. Watson
Exhibit No. ____ DAW-2
Schedule 1
Page 1 of 1

Comparison of Annual Depreciation Accrual Expense

Description	Forecast Plant In Service 12/31/2016	Approved Annual Accrual Expense	Proposed Annual Accrual Expense	Difference
	$	$	$	$
Steam Production	2,590,372,854	80,422,152	89,873,215	9,451,063
Other Production	324,301,572	9,646,201	16,432,315	6,786,114
Total Production	2,914,674,426	90,068,353	106,305,530	16,237,177
Transmission	698,187,647	19,109,058	22,808,435	3,699,377
Distribution	1,247,954,522	44,976,653	44,835,531	(141,122)
General	109,707,699	3,526,782	3,267,406	(259,376)
Transportation	33,397,631	2,703,991	3,582,202	878,211
Total TDG	2,089,247,499	70,316,484	74,493,574	4,177,090
Total Gulf Power	5,003,921,925	160,384,837	180,799,104	20,414,267

Interim Net Salvage

Account	Description	Proposed Interim Net Salvage
All Steam Units Except Scherer		
311	Structures and Improvement	-10%
312	Boiler Plant Equipment	-30%
314	Turbogenerator Equipment	-30%
315	Accessory Electric Equipment	-10%
316	Miscellaneous Power Plant Equipment	-5%
Scherer		
311	Structures and Improvement	-10%
312	Boiler Plant Equipment	-30%
314	Turbogenerator Equipment	-30%
315	Accessory Electric Equipment	-10%
316	Miscellaneous Power Plant Equipment	-5%
Combustion Turbines		
341	Structures and Improvements	-5%
342	Fuel Holders	-5%
343	Prime Movers	-5%
344	Generators	-5%
345	Accessory Electric Equipment	-5%
346	Miscellaneous Power Plant Equipment	-5%
Combined Cycle Turbines		
341	Structures and Improvements	-5%
342	Fuel Holders	-5%
343	Prime Movers	-5%
344	Generators	-5%
345	Accessory Electric Equipment	-5%
346	Miscellaneous Power Plant Equipment	-5%

Comparison of Net Salvage Percentages

Account	Description	Approved Net Salvage	Proposed Net Salvage	Difference in Net Salvage
		%	%	%
TRANSMISSION PLANT				
350	Easements	0	0	0
352	Structures and Improvements	-5	-5	0
353	Station Equipment	-5	-10	-5
354	Towers and Fixtures	-20	-25	-5
355	Poles and Fixtures	-40	-75	-35
356	Overhead Conductors and Devices	-30	-30	0
358	Underground Conductors and Devices	0	0	0
359	Roads and Trails	0	0	0
DISTRIBUTION PLANT				
360.2	Easements	0	0	0
361	Structures and Improvements	-5	-5	0
362	Station Equipment	-5	-10	-5
364	Poles and Fixtures	-75	-75	0
365	Overhead Conductors and Devices	-20	-50	-30
366	Underground Conduit	0	0	0
367	Underground Conductors and Devices	-8	-15	-7
368	Line Transformers	-20	-22	-2
369.1	Overhead Services	-45	-75	-30
369.2	Underground Services	-10	-20	-10
370	Meters	10	10	0
370.1	Meters - AMI	0	0	0
373	Street Lighting and Signal Systems	-10	-20	-10
GENERAL PLANT				
390	Structures and Improvements	-5	-5	0
396	Power Operated Equipment	20	20	0
397	Communications Equipment	0	0	0
TRANSPORTATION EQUIPMENT				
392.1	Automobiles	15	15	0
392.2	Light Trucks	12	5	-7
392.3	Heavy Trucks	15	15	0
392.4	Trailers	12	8	-4

Proposed Interim Retirement Ratios

Account	Description	Proposed Interim Retirement Ratio
All Units Except Scherer		
311	Structures and Improvement	0.21%
312	Boiler Plant Equipment	0.75%
314	Turbogenerator Equipment	1.08%
315	Accessory Electric Equipment	0.53%
316	Miscellaneous Power Plant Equipment	0.56%
Scherer		
311	Structures and Improvement	0.21%
312	Boiler Plant Equipment	0.75%
314	Turbogenerator Equipment	1.08%
315	Accessory Electric Equipment	0.53%
316	Miscellaneous Power Plant Equipment	0.56%
Combustion Turbines		
341	Structures and Improvements	2.20%
342	Fuel Holders	1.30%
343	Prime Movers	3.00%
344	Generators	0.25%
345	Accessory Electric Equipment	1.50%
346	Miscellaneous Power Plant Equipment	1.80%
Combined Cycle Turbines		
341	Structures and Improvements	2.20%
342	Fuel Holders	1.30%
343	Prime Movers	3.00%
344	Generators	0.25%
345	Accessory Electric Equipment	1.50%
346	Miscellaneous Power Plant Equipment	1.80%

Comparison of Life Parameters

	Account	Description	Existing Curve	Existing ASL	Proposed Curve	Proposed ASL	Change in Life
	TRANSMISSION PLANT						
1	350	Easements	SQ	60	R5	65	5
2	352	Structures & Improvements	R4	50	R3	55	5
3	353	Station Equipment	S0	45	S0	40	-5
4	354	Towers and Fixtures	R5	50	R4	55	5
5	355	Poles and Fixtures	S0	38	L0.5	40	2
6	356	Overhead Conductors & Devices	R2	50	R1	50	0
7	358	Underground Conductors & Devices	R3	45	R4	50	5
8	359	Roads and Trails	SQ	50	SQ	55	5
	DISTRIBUTION PLANT						
9	360.2	Easements	SQ	50	SQ	55	5
10	361	Structures & Improvements	R3	48	R2.5	50	2
11	362	Station Equipment	R1.5	45	R1	38	-7
12	364	Poles and Fixtures	R1	34	R0.5	33	-1
13	365	Overhead Conductors & Devices	R1	38	R1	45	7
14	366	Underground Conduit	R3	60	R5	67	7
15	367	Underground Conductors & Devices	S3	32	R2	41	9
16	368	Line Transformers	S0	30	R0.5	33	3
17	369.1	Overhead Services	R1	35	R1	42	7
18	369.2	Underground Services	R1	40	R2.5	45	5
19	370	Meters	R1	33	R1	16	-17
20	370.1	Meters - AMI	R1	15	R1	15	0
21	373	Street Lighting & Signal Systems	L1	20	R0.5	23	3
	GENERAL PLANT						
22	390	Structures & Improvements	S1.5	45	R1.5	46	1
23	396	Power Operated Equipment	R5	15	R4	16	1
24	397	Communications Equipment	S1	16	L1.5	16	0
	Transportation Equipment						
25	392.1	Automobiles	N/A	7	R4	7	0
26	392.2	Light Trucks	L3	10	R4	12	2
27	392.3	Heavy Trucks	L4	11	L4	13	2
28	392.4	Trailers	S1.5	18	L2.5	22	4

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alabama	FERC	ER16-2313-000	SEGCO	2016	Electric Depreciation Study
Alabama	FERC	ER16-2312-000	Alabama Power Company	2016	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-18127	Consumers Energy	2016	Natural Gas Depreciation Study
Iowa	Iowa Utilities Board	RPU-2016-0003	Liberty-Iowa	2016	Natural Gas Depreciation Study
Illinois	Illinois Commerce Commission	GRM #16-208	Liberty-Illinois	2016	Natural Gas Depreciation Study
Kentucky	FERC	RP16-097-000	KOT	2016	Natural Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-16-067	Alaska Electric Light and Power	2016	Generating Unit Depreciation Study
Florida	Florida Public Service Commission	160170-EI	Gulf Power	2016	Electric Depreciation Study
Arizona	Arizona Corporation Commission	G-01551A-16-0107	Southwest Gas	2016	Gas Depreciation Study
Texas	Public Utility Commission of Texas	45414	Sharyland	2016	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Colorado Public Utilities Commission	16A-0231E	Public Service of Colorado	2016	Electric Depreciation Study
Multi-State NE US	FERC	16-453-000	Northeast Transmission Development, LLC	2015	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	15-098-U	CenterPoint Arkansas	2015	Gas Depreciation Study and Cost of Removal Study
New Mexico	New Mexico Public Regulation Commission	15-00296-UT	SPS NM	2015	Electric Depreciation Study
Tennessee	Tennessee Regulatory Authority	14-00146	Atmos Energy Corporation	2015	Natural Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00261-UT	Public Service Company of New Mexico	2015	Electric Depreciation Study
Kansas	Kansas Corporation Commission	16-ATMG-079-RTS	Atmos Kansas	2015	Gas Depreciation Study
Texas	Public Utility Commission of Texas	44704	Entergy Texas	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-15-089	Fairbanks Water and Wastewater	2015	Water and Waste Water Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Arkansas	Arkansas Public Service Commission	15-031-U	Source Gas Arkansas	2015	Underground Storage Gas Depreciation Study
New Mexico	New Mexico Public Regulation Commission	15-00139-UT	SPS NM	2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	44746	Wind Energy Transmission Texas	2015	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	15-AL-0299G	Atmos Colorado	2015	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	15-011-U	Source Gas Arkansas	2015	Gas Depreciation Study
Texas	Railroad Commission of Texas	GUD 10432	CenterPoint-Texas Coast Division	2015	Gas Depreciation Study
Kansas	Kansas Corporation Commission	15-KCPE-116-RTS	Kansas City Power and Light	2015	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-120	Alaska Electric Light and Power	2014-2015	Electric Depreciation Study
Texas	Public Utility Commission of Texas	43950	Cross Texas Transmission	2014	Electric Depreciation Study
New Mexico	New Mexico Public Regulation Commission	14-00332-UT	Public Service of New Mexico	2014	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Public Utility Commission of Texas	43695	Xcel Energy	2014	Electric Depreciation Study
Multi State – SE US	FERC	RP15-101	Florida Gas Transmission	2014	Gas Transmission Depreciation Study
California	California Public Utilities Commission	A.14-07-006	Golden State Water	2014	Water and Waste Water Depreciation Study
Michigan	Michigan Public Service Commission	U-17653	Consumers Energy Company	2014	Electric and Common Depreciation Study
Colorado	Public Utilities Commission of Colorado	14AL-0660E	Public Service of Colorado	2014	Electric Depreciation Study
Wisconsin	Wisconsin	05-DU-102	WE Energies	2014	Electric, Gas, Steam and Common Depreciation Studies
Texas	Public Utility Commission of Texas	42469	Lone Star Transmission	2014	Electric Depreciation Study
Nebraska	Nebraska Public Service Commission	NG-0079	Source Gas Nebraska	2014	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-055	TDX North Slope Generating	2014	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alaska	Regulatory Commission of Alaska	U-14-054	Sand Point Generating LLC	2014	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-14-045	Matanuska Electric Coop	2014	Electric Generation Depreciation Study
Texas, New Mexico	Public Utility Commission of Texas	42004	Xcel Energy	2013-2014	Electric Production, Transmission, Distribution and General Plant Depreciation Study
New Jersey	Board of Public Utilities	GR13111137	South Jersey Gas	2013	Gas Depreciation Study
Various	FERC	RP14-247-000	Sea Robin	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-078-U	Arkansas Oklahoma Gas	2013	Gas Depreciation Study
Arkansas	Arkansas Public Service Commission	13-079-U	Source Gas Arkansas	2013	Gas Depreciation Study
California	California Public Utilities Commission	Proceeding No.: A.13-11-003	Southern California Edison	2013	Electric Depreciation Study
North Carolina/South Carolina	FERC	ER13-1313	Progress Energy Carolina	2013	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Wisconsin	Public Service Commission of Wisconsin	4220-DU-108	Northern States Power-Wisconsin	2013	Electric, Gas and Common Transmission, Distribution and General
Texas	Public Utility Commission of Texas	41474	Sharyland	2013	Electric Depreciation Study
Kentucky	Kentucky Public Service Commission	2013-00148	Atmos Energy Corporation	2013	Gas Depreciation Study
Minnesota	Minnesota Public Utilities Commission	13-252	Allete Minnesota Power	2013	Electric Depreciation Study
New Hampshire	New Hampshire Public Service Commission	DE 13-063	Liberty Utilities	2013	Electric Distribution and General
Texas	Railroad Commission of Texas	10235	West Texas Gas	2013	Gas Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-154	Alaska Telephone Company	2012	Telecommunications Utility
New Mexico	New Mexico Public Regulation Commission	12-00350-UT	SPS	2012	Electric Depreciation Study
Colorado	Colorado Public Utilities Commission	12AL-1269ST	Public Service of Colorado	2012	Gas and Steam Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Colorado Public Utilities Commission	12AL-1268G	Public Service of Colorado	2012	Gas and Steam Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-149	Municipal Power and Light City of Anchorage	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40824	Xcel Energy	2012	Electric Depreciation Study
South Carolina	Public Service Commission of South Carolina	Docket 2012-384-E	Progress Energy Carolina	2012	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-12-141	Interior Telephone Company	2012	Telecommunications Utility
Michigan	Michigan Public Service Commission	U-17104	Michigan Gas Utilities Corporation	2012	Gas Depreciation Study
North Carolina	North Carolina Utilities Commission	E-2 Sub 1025	Progress Energy Carolina	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40606	Wind Energy Transmission Texas	2012	Electric Depreciation Study
Texas	Texas Public Utility Commission	40604	Cross Texas Transmission	2012	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Minnesota	Minnesota Public Utilities Commission	12-858	Minnesota Northern States Power	2012	Electric, Gas and Common Transmission, Distribution and General
Texas	Railroad Commission of Texas	10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10174	Atmos West Texas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10182	CenterPoint Beaumont/ East Texas	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-KCPE-764-RTS	Kansas City Power and Light	2012	Electric Depreciation Study
Nevada	Public Utility Commission of Nevada	12-04005	Southwest Gas	2012	Gas Depreciation Study
Texas	Railroad Commission of Texas	10147, 10170	Atmos Mid-Tex	2012	Gas Depreciation Study
Kansas	Kansas Corporation Commission	12-ATMG-564-RTS	Atmos Kansas	2012	Gas Depreciation Study
Texas	Texas Public Utility Commission	40020	Lone Star Transmission	2012	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-16938	Consumers Energy Company	2011	Gas Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Public Utilities Commission of Colorado	11AL-947E	Public Service of Colorado	2011	Electric Depreciation Study
Texas	Texas Public Utility Commission	39896	Entergy Texas	2011	Electric Depreciation Study
Multi State	FERC	ER12-212	American Transmission Company	2011	Electric Depreciation Study
California	California Public Utilities Commission	A1011015	Southern California Edison	2011	Electric Depreciation Study
Mississippi	Mississippi Public Service Commission	2011-UN-184	Atmos Energy	2011	Gas Depreciation Study
Texas	Texas Commission on Environmental Quality	Matter 37050-R	Southwest Water Company	2011	WasteWater Depreciation Study
Texas	Texas Commission on Environmental Quality	Matter 37049-R	Southwest Water Company	2011	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16536	Consumers Energy Company	2011	Wind Depreciation Rate Study
Texas	Public Utility Commission of Texas	38929	Oncor	2011	Electric Depreciation Study
Texas	Railroad Commission of Texas	10038	CenterPoint South TX	2010	Gas Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alaska	Regulatory Commission of Alaska	U-10-070	Inside Passage Electric Cooperative	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	36633	City Public Service of San Antonio	2010	Electric Depreciation Study
Texas	Texas Railroad Commission	10000	Atmos Pipeline Texas	2010	Gas Depreciation Study
Multi State – SE US	FERC	RP10-21-000	Florida Gas Transmission	2010	Gas Depreciation Study
Maine/New Hampshire	FERC	10-896	Granite State Gas Transmission	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38480	Texas New Mexico Power	2010	Electric Depreciation Study
Texas	Public Utility Commission of Texas	38339	CenterPoint Electric	2010	Electric Depreciation Study
California	California Public Utility Commission	A10071007	California American Water	2009-2010	Water and Waste Water Depreciation Study
Texas	Texas Railroad Commission	10041	Atmos Amarillo	2010	Gas Depreciation Study
Georgia	Georgia Public Service Commission	31647	Atlanta Gas Light	2010	Gas Depreciation Study
Texas	Public Utility Commission of Texas	38147	Southwestern Public Service	2010	Electric Technical Update

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Alaska	Regulatory Commission of Alaska	U-09-015	Alaska Electric Light and Power	2009-2010	Electric Depreciation Study
Alaska	Regulatory Commission of Alaska	U-10-043	Utility Services of Alaska	2009-2010	Water Depreciation Study
Michigan	Michigan Public Service Commission	U-16055	Consumers Energy/DTE Energy	2009-2010	Ludington Pumped Storage Depreciation Study
Michigan	Michigan Public Service Commission	U-16054	Consumers Energy	2009-2010	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15963	Michigan Gas Utilities Corporation	2009	Gas Depreciation Study
Michigan	Michigan Public Service Commission	U-15989	Upper Peninsula Power Company	2009	Electric Depreciation Study
Texas	Railroad Commission of Texas	9869	Atmos Energy	2009	Shared Services Depreciation Study
Mississippi	Mississippi Public Service Commission	09-UN-334	CenterPoint Energy Mississippi	2009	Gas Depreciation Study
Texas	Railroad Commission of Texas	9902	CenterPoint Energy Houston	2009	Gas Depreciation Study
Wyoming	Wyoming Public Service Commission	30022-148-GR10	Source Gas	2009-2010	Gas Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Colorado	Colorado Public Utilities Commission	09AL-299E	Public Service of Colorado	2009	Electric Depreciation Study
Tennessee	Tennessee Regulatory Authority	11-00144	Piedmont Natural Gas	2009	Gas Depreciation Study
Louisiana	Louisiana Public Service Commission	U-30689	Cleco	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	35763	SPS	2008	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Wisconsin	Wisconsin	05-DU-101	WE Energies	2008	Electric, Gas, Steam and Common Depreciation Studies
North Dakota	North Dakota Public Service Commission	PU-07-776	Northern States Power	2008	Net Salvage
New Mexico	New Mexico Public Regulation Commission	07-00319-UT	SPS	2008	Testimony – Depreciation
Multiple States	Railroad Commission of Texas	9762	Atmos Energy	2007-2008	Shared Services Depreciation Study
Minnesota	Minnesota Public Utilities Commission	E015/D-08-422	Minnesota Power	2007-2008	Electric Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Public Utility Commission of Texas	35717	Oncor	2008	Electric Depreciation Study
Texas	Public Utility Commission of Texas	34040	Oncor	2007	Electric Depreciation Study
Michigan	Michigan Public Service Commission	U-15629	Consumers Energy	2006-2009	Gas Depreciation Study
Colorado	Colorado Public Utilities Commission	06-234-EG	Public Service of Colorado	2006	Electric Depreciation Study
Arkansas	Arkansas Public Service Commission	06-161-U	CenterPoint Energy – Arkla Gas	2006	Gas Distribution Depreciation Study and Removal Cost Study
Texas, New Mexico	Public Utility Commission of Texas	32766	Xcel Energy	2005-2006	Electric Production, Transmission, Distribution and General Plant Depreciation Study
Texas	Railroad Commission of Texas	9670/9676	Atmos Energy Corp	2005-2006	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9400	TXU Gas	2003-2004	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9313	TXU Gas	2002	Gas Distribution Depreciation Study
Texas	Railroad Commission of Texas	9225	TXU Gas	2002	Gas Distribution Depreciation Study

Asset Location	Commission	Docket (If Applicable)	Company	Year	Description
Texas	Public Utility Commission of Texas	24060	TXU	2001	Line Losses
Texas	Public Utility Commission of Texas	23640	TXU	2001	Line Losses
Texas	Railroad Commission of Texas	9145-9148	TXU Gas	2000-2001	Gas Distribution Depreciation Study
Texas	Public Utility Commission of Texas	22350	TXU	2000-2001	Electric Depreciation Study, Unbundling
Texas	Railroad Commission of Texas	8976	TXU Pipeline	1999	Pipeline Depreciation Study
Texas	Public Utility Commission of Texas	20285	TXU	1999	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	18490	TXU	1998	Transition to Competition
Texas	Public Utility Commission of Texas	16650	TXU	1997	Customer Complaint
Texas	Public Utility Commission of Texas	15195	TXU	1996	Mining Company Depreciation Study
Texas	Public Utility Commission of Texas	12160	TXU	1993	Fuel Company Depreciation Study
Texas	Public Utility Commission of Texas	11735	TXU	1993	Electric Depreciation Study