

NOTICE TO CUSTOMERS

Citing the need to continue investing in the long-term reliability of Northwest Florida's energy infrastructure, on October 12, Gulf Power asked the Florida Public Service Commission to conduct a public review process of our rates and our request for an increase in prices that would take effect in the summer of 2017.

Securing your energy future requires a balanced energy mix that includes renewable energy and 24/7 sources like natural gas and low-cost coal that's cleaner than ever. Energy security also includes reliability — continuous improvement in this area is critical.

Gulf Power's current total residential price (base rate plus clause rates) is lower than it was in 2015, and it will be even lower in January 2017, mainly because of decreased fuel prices. Taking this into account, if the new base rate request is approved by the Florida Public Service Commission, the average residential customer's total monthly bill will increase by \$10.22 per month or 6.9 percent — from \$148.64 to \$158.86. Gulf is also proposing to reduce the variable energy charge and increase the daily base charge for existing residential rates and is seeking approval of two new residential rate options.

Current base rates will remain in effect until new rates become effective under Florida law. Copies of the rate review filing, including proposed rate schedules, are available for review at your local Gulf Power office (see list of locations below) and via the Company's website at GulfPower.com. Company personnel are available at all Gulf Power offices to answer questions concerning this request. They may be contacted at the address or telephone number shown on your electricity bill or GulfPower.com.

This rate review filing can be found on the Florida Public Service Commission website under Docket number 160186-EI (www.psc.state.fl.us). Comments regarding service may be made to the Florida Public Service Commission's Office of Consumer Assistance & Outreach at 1-800-342-3552. Comments regarding the proposed changes in rates and charges should be addressed to the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850 and should include the docket number.

The PSC will accept faxes and emails.
Fax number: 1-800-511-0809
Email address: contact@psc.state.fl.us

The Office of Public Counsel (OPC) has intervened in this docket. The duty of the OPC is to provide legal representation for the people of the State of Florida in proceedings before the Commission. OPC representatives may be contacted prior to the hearing at 111 West Madison Street, Room 812, Tallahassee, FL 32399-1400, or by phone at 1-800-342-0222.

List of local Gulf Power Offices

- Panama City 1230 E. 15th Street, Panama City, FL 32402
- Chipley 1195 Jackson Avenue, Chipley, FL 32428
- DeFuniak Springs 1226 Circle Drive, DeFuniak Springs, FL 32435
- Crestview 1655 S. Ferdon Boulevard, Crestview, FL 32536
- Niceville 1057 E. John Sims Parkway, Niceville, FL 32578
- Ft. Walton Beach 140 Hollywood Boulevard S.W., Fort Walton Beach, FL 32548
- Milton 5120 Dogwood Drive, Milton, FL 32570
- Pensacola 418 W. Garden Street, Pensacola, FL 32501
- Corporate Office 500 Bayfront Parkway, Pensacola, FL 32502

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Time Schedule

Filing

October 12, 2016

Service Hearings

Pensacola

Thursday, January 26, 2017

6:00 p.m. CST

Pensacola State College

Hagler Auditorium

1000 College Boulevard

Note: Auditorium is at the corner of

Underwood Avenue and N. 9th Avenue

Pensacola, Florida 32504

Panama City

Friday, January 27, 2017

10:00 a.m. CST

Florida State University-Panama City

Campus

Holley Lecture Hall

4750 Collegiate Drive

Panama City, FL 32405

Pre-hearing Conference

March 6, 2017

Florida Public Service Commission

Betty Easley Conference Center, Room 148, 4075 Esplanade Way

Tallahassee, FL 32399-0862

Hearing

March 20 – 24, 2017

Florida Public Service Commission

Betty Easley Conference Center, Room 148, 4075 Esplanade Way

Tallahassee, FL 32399-0862

Comparison of current and proposed rates and charges

Under Gulf Power's proposal, the following typical monthly bill increases would apply to the usage shown when the proposed new rates are put into effect on and after the first billing period in July 2017. There are no proposed changes to Service Charges.

- A Residential Service monthly bill for the average Gulf Power customer (1,112 kWh) would increase from \$148.64 under the current rates to \$158.86, a 6.9 percent increase.
- A small commercial General Service monthly bill for 1,500 kWh would increase from \$198.53 under the current rates to \$208.57, a 5.1 percent increase.
- A General Service Demand monthly bill for 25 kW and 11,000 kWh would increase from \$1,098 under the current rates to \$1,137, a 3.5 percent increase.
- A Large Power Service monthly bill for 500 kW and 288,000 kWh would increase from \$25,536 under the current rates to \$26,178, a 2.5 percent increase.
- A Large Power Service monthly bill for 658 kW and 288,000 kWh would increase from \$27,903 under the current rates to \$28,918, a 3.6 percent increase.
- A Large Power Service monthly bill for 1,315 kW and 288,000 kWh would increase from \$37,748 under the current rates to \$40,313, a 6.8 percent increase.
- A Large Power Service Time-of-Use monthly bill for 5,000 kW on-peak demand, 600,000 kWh on-peak energy, 5,000 kW max demand, and 1,800,000 kWh off-peak energy would increase from \$222,600 under the current rates to \$230,270, a 3.4 percent increase.

December 26, 2016
Gulf Power Company
418 West Garden Street
Pensacola, Florida 32501

Attn: Residential Service Dept. or
Whomever

I would be interested in knowing
the Residential Service monthly
fee of \$158.⁸⁶ when the
new rate goes into effect if
there are no other charges or fees.
I cannot attend any meetings
that are held after dark.

If the fee happens to be less
than \$158.⁸⁶ I would certainly
prefer that.

I am sending this letter to:
Office of Commission Clerk, Florida
Public Service Commission 2540
Shumard Oak Blvd., Tallahassee, FL 32399.
because I don't know which is the
correct place to send the letter.

Thanks,

Mrs. Joy BORLAND
6385 LAKE CHARLENE LANE
PENSACOLA, FLORIDA 32506

(850)-455-8952



Mrs. Joy Borland
6385 Lake Charlene Ln
Pensacola, FL 32506

PENSACOLA FL 325

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USA FOREVER

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida

32399-085099

