

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company.

DOCKET NO. 160186-EI

In 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

DATED: February 21, 2017

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-16-0473-PCO-EI, filed October 20, 2016, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

<u>Witness</u>	<u>Subject Matter</u>	<u>Issue Numbers</u>
<u>Direct</u>		
Donna D. Brown	Sponsors Staff's Auditor Report – Rate Case Audit for twelve months ended December 31, 2015.	19-82
Judy G. Harlow	Potential impact on residential customer bills and energy usage resulting from Gulf Power Company's (Gulf) proposed change in rate structure.	3, 88, 89, 90, 91, 102, 103, and 104
Rhonda L. Hicks	Customer complaints received regarding Gulf for the period of January 1, 2013, through December 31, 2016.	7

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2. All Known Exhibits

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit #</u>	<u>Description</u>
<u>Direct</u>			
Donna D. Brown	Staff	DDB-1	Auditor's Report – Rate Case
Judy G. Harlow	Staff	JGH-1	Historic Residential Base Charge
Judy G. Harlow	Staff	JGH-2	Typical Residential Electric Bill—IOWs
Judy G. Harlow	Staff	JGH-3	Typical Residential Electric Bill—Municipals
Judy G. Harlow	Staff	JGH-4	Typical Residential Electric Bill—Cooperatives
Judy G. Harlow	Staff	JGH-5	Gulf Bill Comparison
Judy G. Harlow	Staff	JGH-6	Impact of Proposed Residential Rate Structure
Rhonda L. Hicks	Staff	RLH-1	Summary of Customer Complaints received by Commission

3. Staff's Statement of Basic Position

Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

4. Staff's Position on the Issues

Legal/Threshold Issues

ISSUE 1: Should the Commission address Gulf's requests related to electric vehicle charging stations in this case (Issue 13 and Issue 22)?

POSITION: Staff has no position pending evidence adduced at the hearing.

Test Year Period and Forecasting

ISSUE 2: Is Gulf's projected test year period of the 12 months ending December 31, 2017 appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 3: Are Gulf's forecasts of Customers, kWh, and kW by rate class, for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 4: Are Gulf's forecasts of billing determinants by rate schedule for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 5: Are Gulf's estimated revenues from sales of electricity by rate class at present rates for the projected 2017 test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 6: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2017 projected test year budget?

POSITION: Staff has no position pending evidence adduced at the hearing.

Quality of Service

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

POSITION: Staff has no position pending evidence adduced at the hearing.

Depreciation and Dismantlement

ISSUE 8: What are the appropriate capital recovery schedules?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 9: What are the appropriate depreciation parameters (remaining life [including the production unit retirement date or life span and the interim retirement ratio for production plant accounts], net salvage percentage [including interim net salvage percent for production plant accounts], and reserve percentage) and resulting depreciation rates for each production unit and each production plant account?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 10: What are the appropriate depreciation parameters (average service life, remaining life, net salvage percentage and reserve percentage) and resulting depreciation rates for each transmission, distribution, and general plant account?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 11: Based on the application of the depreciation parameters that the Commission has deemed appropriate to GPC's data, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 12: What, if any, corrective depreciation reserve measures should be taken with respect to the imbalances identified in **Issue 11**?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 13: What is the appropriate depreciation rate for Gulf's electric vehicle charging stations?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 14: What is the appropriate recovery period for the regulatory asset related to the retirement of Plant Smith Units 1 and 2 approved in Docket No. 160039-EI?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 15: What is the appropriate current total estimated cost of dismantling Gulf Power Company's generation fleet?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 16: What, if any, corrective dismantlement reserve allocations should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 17: Based on the decisions in **Issues 15 and 16**, what is the appropriate annual accrual for dismantlement?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 18: What should be the implementation date for revised depreciation rates, capital recovery schedules, dismantlement accruals, and amortization schedules?

POSITION: Staff has no position pending evidence adduced at the hearing.

Rate Base

ISSUE 19: Should the Commission allow recovery through retail rates any portion of Scherer Unit 3? If so, what adjustments, if any, should be made to the treatment of Scherer Unit 3 in the Company's filing?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 20: Should costs currently approved by agreement and stipulation for recovery through the Environmental Cost Recovery Clause associated with Scherer Unit 3 be included in base rates for Gulf? If so, what adjustments, if any, should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 21: Are there any capital costs currently being recovered by Gulf through cost recovery clauses that should be moved from the cost recovery clauses to base rates? If so, what capital costs should be moved to base rates and what adjustments should be made, if any?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 22: What is the appropriate amount, if any, to include in Plant in Service for Gulf's electric vehicle charging stations?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 23: What is the appropriate amount of Plant in Service for Gulf's Transmission Capital Additions?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 24: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Environmental Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 25: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Energy Conservation Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 26: Should the Commission allow recovery through rates of the costs associated with the proposed new Gulf Smart Energy Center? What adjustments, if any, should be made to the Gulf Smart Energy Center costs included in the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 27: Are Gulf's projected capital expenditures associated with maintenance outages for 2016 and 2017 appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 28: Is Gulf's requested level of Plant in Service for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 29: Is Gulf's requested level of Accumulated Depreciation for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 30: Is Gulf's requested level of Construction Work in Progress for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 31: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year, including the North Escambia site, appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 32: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 33: Should any adjustments be made to Gulf's fuel inventories for the projected 2017 test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 34: What is the appropriate treatment of the remaining equipment inventory balance resulting from the closure of Plant Scholz?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 35: Is Gulf's proposed Deferred Return on Transmission Investments and the amortization thereof consistent with the terms of the 2013 Settlement Agreement in Docket No. 130140-EI, correctly calculated, and appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 36: Is Gulf's December 19, 2016 pension contribution impacting the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 37: Is Gulf's proposed level of Working Capital for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 38: Is Gulf's requested rate base for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

Cost of Capital

ISSUE 39: What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

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ISSUE 40: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 41: What is the appropriate cost rate for customer deposits for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 42: What is the appropriate cost rate for short-term debt for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 43: What is the appropriate cost rate for long-term debt for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 44: What is the appropriate cost rate for preference stock for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 45: What is the appropriate capital structure for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 46: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 47: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the 2017 projected test year? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

Net Operating Income

ISSUE 48: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 49: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 50: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 51: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 52: Is Gulf's projected level of Total Operating Revenues for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 53: Is Gulf's proposed electric vehicle charging station expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 54: Is Gulf's proposed tree trimming expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 55: Is Gulf's proposed pole inspection expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 56: Is Gulf's proposed production O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 57: Is Gulf's proposed transmission O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 58: Is Gulf's proposed distribution O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 59: Is Gulf's proposed Incentive Compensation (also referred to by Gulf as variable pay or at-risk pay) included in the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 60: Are Gulf's proposed employee levels and salary and wage expenses included in the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 61: Is Gulf's proposed Pension Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 62: Is Gulf's proposed Other Post Employment Benefits Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 63: Is Gulf's proposed employee benefit expenses for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 64: Is Gulf's proposed annual storm damage accrual for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 65: Is Gulf's property damage reserve target appropriate? If not, what is the appropriate property damage reserve target?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 66: Is Gulf's proposed expense related to Directors and Officers Liability Insurance appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 67: Is Gulf's proposed Rate Case Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 68: Is Gulf's proposed Bad Debt Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 69: Is Gulf's proposed Customer Accounts Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 70: Is Gulf's proposed Customer Service & Information Expenses and Sales Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 71: Is Gulf's proposed Administrative and General Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 72: What adjustment, if any, should be made to account for affiliated activities/transactions for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 73: Is Gulf's requested level of O&M Expense for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 74: What is the appropriate amount of depreciation and fossil dismantlement expense for the 2017 projected test year?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 75: What is the appropriate amount of Taxes Other Than Income Taxes for the 2017 projected test year? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 76: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortizations?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 77: Is it appropriate to make a parent debt adjustment per Rule 25-14.004, Florida Administrative Code? If so, what adjustment should be made?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 78: What is the appropriate amount of Income Tax expense for the 2017 projected test year? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 79: Is Gulf's requested level of Total Operating Expenses for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 80: Is Gulf's projected Net Operating Income for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

Revenue Requirements

ISSUE 81: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 82: Is Gulf's requested annual operating revenue increase for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: Staff has no position pending evidence adduced at the hearing.

Cost of Service and Rate Design

ISSUE 83: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 84: What is the appropriate treatment of production costs within the cost of service study?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 85: What is the appropriate treatment of transmission costs within the cost of service study?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 86: What is the appropriate treatment of distribution costs within the cost of service study?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 87: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 88: Should Gulf's proposed new methodology to design the residential base and energy charges for the residential rate schedules RS, RSVP, FLAT-RS, and RSTOU that results in an increase from \$0.62 to \$1.58 per day, or approximately \$48 per month, in the base charge and corresponding reduction in the energy charge be approved?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 89: Is the proposed new optional Residential Service – Demand (RSD) rate schedule appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 90: Is the proposed new optional Residential Service – Demand Time-of-use (RSDT) rate schedule appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 91: Is the proposed new optional Customer Assistance Program Rider (Rate Rider CAP) appropriate? (Moot if Issue 88 is not approved)

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 92: Is Gulf's proposal to remove the critical peak option for the General Service Demand Time-of-use (GSDT) rate schedule appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

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ISSUE 93: Is Gulf's proposed new Extra-Large Business Incentive Rider (Rate Rider XLBIR) appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 94: Are Gulf's proposed changes to its small, medium, and large Business Incentive Riders appropriate?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 95: What are the appropriate base charges?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 96: What are the appropriate demand charges?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 97: What are the appropriate energy charges?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 98: What are the appropriate transformer ownership discounts?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 99: What are the appropriate lighting charges?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 100: Should the Commission approve the following modifications to the Outdoor Service (OS) tariff and lighting pricing methodology that have been proposed by Gulf:

- a) Remove certain fixtures from the tariff;
- b) Close all Metal Halide, 21 High Pressure Sodium, and 16 LED fixtures for new installations;
- c) Revisions to the pole options; and
- d) Modification to the Outdoor Service Lighting Pricing Methodology contained in Form 4.

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 101: What is the appropriate effective date for Gulf's revised rates and charges?

POSITION: Staff has no position pending evidence adduced at the hearing.

Other Issues

ISSUE 102: Should the Commission approve Gulf's proposed modifications to the existing residential HVAC Improvement program in its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

POSITION: The resolution of this issue is dependent upon the final rates and charges ultimately established by the Commission. As such, staff does not believe the issue is ripe for a final decision at this time.

ISSUE 103: Should the Commission approve Gulf's proposed modifications to the existing Residential Building Efficiency program in its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

POSITION: The resolution of this issue is dependent upon the final rates and charges ultimately established by the Commission. As such, staff does not believe the issue is ripe for a final decision at this time.

ISSUE 104: Should the Commission approve Gulf's proposed new residential Insulation Improvement program to be added to its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

POSITION: The resolution of this issue is dependent upon the final rates and charges ultimately established by the Commission. As such, staff does not believe the issue is ripe for a final decision at this time.

ISSUE 105: Should the Commission approve the following modifications to the Critical Peak Option for the Large Power Time-of-Use (LPT) rate schedule:

- a) Establish the Critical Peak Option as a Demand-Side Management Program;
- b) Reduce the minimum critical peak demand notification from one business day to one hour;
- c) Eliminate the restrictions on the frequency and duration of the critical peak period.

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 106: Should Gulf be required to file, within 90 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?

POSITION: Staff has no position pending evidence adduced at the hearing.

ISSUE 107: Should this docket be closed?

POSITION: Staff has no position pending evidence adduced at the hearing.

5. Stipulated Issues

There are no stipulated issues at this time.

6. Pending Motions

Staff has no pending motions at this time.

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests at this time.

8. Objections to Witness Qualifications as an Expert

Staff has no objections to any witness's qualifications as an expert.

9. Compliance with Order No. PSC-16-0473-PCO-EI

Staff has complied with all requirements of the Order Establishing Procedure entered in this docket.

Respectfully submitted this 21st day of February, 2017.

/s/ Kelley F. Corbari

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company.

DOCKET NO. 160186-EI

In 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

DATED: February 21, 2017

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with Office of Commission Clerk and has been furnished to the following by electronic mail on this 21st day of February, 2017:

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