

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company

Docket No. 160186

Filed: March 1, 2017

SIERRA CLUB'S COMMENTS  
REGARDING PROPOSED ISSUES

The Sierra Club hereby submits its comments on the proposed issues from the Office of Public Counsel ("OPC"), the Federal Industrial Power Users Group ("FIPUG"), and Walmart, pursuant to direction from Commission Staff.

OPC'S PROPOSED NEW ISSUE

Proposed Issue:

In the event federal legislation is passed and signed into law between now and a reasonable period after new base rates become effective that results in a change in the corporate income tax rate to which Gulf is subject, or changes in the depreciation allowance for tax purposes associated with plant additions incorporated in test year rate base, what adjustments or provisions, if any, should the Commission make to address such changes? Should the Order in this case require a limited reopening within a reasonable period after new base rates become effective to address income tax expense as well as the accumulated deferred income taxes in the capital structure in the event such legislation is passed that would impact Gulf's revenue requirements?

Comment:

Sierra Club supports the inclusion of this issue. The Commission ought to consider what procedures will best protect customers should changes in the tax rate provide significant benefits to shareholders.

FIPUG'S PROPOSED ISSUE

Proposed Issue: What need exists, if any, for Scherer Unit 3 to serve Gulf's retail customers?

Comment: Sierra Club supports the inclusion of this issue. As the Commission has never issued a formal order approving Gulf Power Company's ("Gulf") purchase of an interest in Plant Scherer or issuing a need determination for Scherer Unit 3, Gulf should bear the burden of proving that Scherer Unit 3 is in fact needed to serve retail customers before being allowed to recover costs associated with that unit from those customers.

WALMART'S PROPOSED NEW ISSUE

Proposed Issue: Should the Commission require Gulf to initiate a stakeholder process involving Gulf and its customers with the purpose of collaboratively developing additional energy supply options for Gulf and its customers, with particular emphasis on renewable energy measures and initiatives?

Comment: Sierra Club supports the inclusion of this issue. This type of stakeholder process would benefit interested parties and customers, giving them an opportunity to engage in efforts to expand energy supply options and renewable energy.

Respectfully submitted this 1<sup>st</sup> day of March, 2017.

*/s/ Lane Johnson*

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*Qualified Representative for Sierra Club*

Enc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served electronically on this 1<sup>st</sup> day of March, 2017 on:

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This 1<sup>st</sup> day of March, 2017.

/s/ Lane Johnson  
Lane Johnson  
*Qualified Representative for Sierra Club*