

**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

FILED: March 7, 2017

**THE FLORIDA INDUSTRIAL POWER USERS GROUP'S NOTICE OF CHANGED POSITIONS AND WAIVER OF CROSS-EXAMINATION OF STAFF WITNESSES**

As authorized by the Prehearing Officer during yesterday's prehearing conference, the Florida Industrial Power Users Group ("FIPUG"), hereby submits this Notice of Changed Positions and Waiver of Cross-Examination of the Commission staff's witnesses. FIPUG also gives notice to staff and the parties that FIPUG waives its right to cross examine staff's witnesses in this case. FIPUG's positions have changed on the following issues:

**Legal Issues**

**FIPUG Proposed Legal Issue Raised During Yesterday's Prehearing Conference:**

Must Gulf demonstrate by carrying its burden of proof that Scherer Unit 3 is needed to serve Gulf's retail customers in order to recover Scherer Unit 3 costs in base rates?

**FIPUG Position:**

Yes. It is Gulf's burden to demonstrate that Scherer 3, for which Gulf is seeking to increase customer rates, is needed in order to recover costs associated with Scherer Unit 3 in base rates (or through cost recovery clauses).

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

**FIPUG:** No, this issue should not be addressed in this docket.

## Test Year Period and Forecasting

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

**FIPUG:** **No. Gulf has not met its burden.**

**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?

**FIPUG:** **No. Gulf has not met its burden.**

**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?

**FIPUG:** **No. Gulf has not met its burden.**

**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?

**FIPUG:** **No. Gulf has not met its burden.**

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

**FIPUG:** **As set forth in Issue 1, this issue should not be addressed in this docket.**

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

**FIPUG:** **Nothing. This issue should not be addressed in this docket.**

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

**FIPUG:** **Yes.**

**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)

**FIPUG:** **No. The amount of the McDuffie Coal Terminal inventory included in working Capital should be reduced.**

**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)

**FIPUG:** 5.09%

**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?

**FIPUG:** No. This issue should not be addressed in this docket.

**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)

**FIPUG:** Yes, provided a mechanism is in place to capture and recognize changes in the federal corporate tax rate made during 2017.

**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)

**FIPUG:** No. This is not the proper docket in which to consider such changes.

**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)

**FIPUG:** No. This is not the proper docket in which to consider such changes.

**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)

**FIPUG:** No. This is not the proper docket in which to consider such changes.

**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.

**FIPUG:**      No.

Dated this 7<sup>th</sup> day of March, 2017

Respectfully submitted,

*/s/ Jon C. Moyle*

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**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail this 7th day of March, 2017, to the following:

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*/s/ Jon C. Moyle*  
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