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June 19, 2012

Mr. Dave Dowds
Supervisor, Cost Analysis Section
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0868

Re: Gulf Power Company's 2011 Annual Status Report - Depreciation

Dear Mr. Dowds:

Enclosed is Gulf Power Company's response to Staff's First Data Request pertaining to Gulf's 2011 Depreciation Status Report.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

wb

Enclosures

Cc w/encl.: Beggs and Lane
Jeffrey A. Stone, Esquire
Office of Public Counsel

1. Please reconcile the Commission-ordered rate of 5.0 percent for Account 373 - Street Lighting (Order No. PSC-10-0458-PAA-EI in Docket No. 090319-EI, Attachment C, page 1), with the 4.9 percent rate displayed for this account on FERC Form No. 1, FPSC version, end of 2011/Q4, page 337.1, line 42.

Answer:

The rate reported for FERC 373 on FERC Form No. 1, FPSC version, end of 2011/Q4, page 337.1 was inadvertently reported as 4.9%. The correct rate for FERC 373 is 5.0%

2. Please explain why the adjustments booked to plant-in-service do not net to zero.

Answer:

The December 2011 adjustments balance of (\$1,090) represented on Sheet 3 of Schedule 71 represents total adjustments made to Plant in Service in 2011. Adjustments are transactions that change the balance to Plant in Service as well as another offsetting account and therefore adjustments booked to Plant in Service will not net to zero.

3. Please explain the negative additions to the following accounts:
- a. Perdido Landfill Plant – Account 346, Miscellaneous Equipment
 - b. Account 359 – Roads and Trails

Answer:

- a. Perdido Landfill Plant GWO C05461 was initially charged to FERC account 346. An entry was made to move charges to the appropriate accounts before the work order was unitized. The work order had additions of \$5 million in 2010 and the correction to various FERC accounts resulted in the negative additions to account 346.
- b. The negative additions for account 359 were a result journal entries completed to transfer indirect charges from temporary account 307 to accounts 359 and 355. Due to a timing issue with cost of removal being recorded the same month, the credits from construction were credited to account 359 creating the negative additions since account 359 was the only primary FERC account in the month for construction expenditures.

The assignment of charges each month for temporary classification is necessary in order to record them to a depreciation group for reporting purposes. Any required corrections are recorded prior to final unitization of a job.