

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

### -M-E-M-O-R-A-N-D-U-M-

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**DATE:** April 21, 2017

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Kelley F. Corbari, Senior Attorney, Office of the General Counsel *KFC*

**RE:** **Docket No. 160186-EI** In re: Petition for rate increase by Gulf Power Company.  
**Docket No. 160170-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.

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Attached please find Gulf Power Company's responses to Staff's questions regarding Gulf's proposed tariffs, which were filed on April 18, 2017.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me.

KFC

COMMISSION  
CLERK

2017 APR 21 PM 1:18

RECEIVED-FPSC

Gulf Power responses to Commission Staff Questions Regarding  
Conforming Proposed Rate Schedules in Docket 160168

1. In the MFR's, Gulf proposed changes to definitions on tariff sheets Nos. 3.2 and 3.3. These two tariff sheets are not contained in the settlement tariffs. Does Gulf no longer intend to revise the definitions?

Correct. Gulf no longer needs the new definitions originally proposed in Tariff Sheet Nos. 3.2 and 3.3 which were needed to support the proposed RSD and RSDT rates which will not be implemented per the approved Stipulation and Settlement Agreement.

2. In the MFR's, Gulf proposed to add rate schedules RSTOU, RSD, and RSDT to the applicability of the Budget Billing Rider, tariff sheet No. 6.32. Rate schedules RSD and RSDT are not part of the Settlement, but rate schedule RSTOU remains. Should RSTOU be listed under the applicability of the Budget Billing Rider as originally proposed in the MFRs?

No. Gulf will make a decision regarding inclusion of Rate Schedule RSTOU in the Budget Billing Rider based on the outcome of the RSTOU pilot, currently set to expire on December 31, 2017.

3. When will Gulf notify customers of the approved new rates? I assume with July bills. Does Gulf have a draft bill insert for staff review?

Gulf plans to notify customers of the new rates with the first bill containing the new rates per Rule 25-22.0406(8). Gulf is currently working on the draft bill insert.

4. What is the average impact on commercial/industrial customers (we always get that question from the press)?

Residential customer bills will increase approximately 5% and Commercial/Industrial customer bills will increase approximately 3% to 6%. See Typical Bill file for additional details.

5. On which day exactly do meter readings with cycle one for July 2017 begin?

June 30, 2017 is the first day of the first billing cycle for the month of July 2017.

JULY 2017  
GULF POWER COMPANY  
TYPICAL BILLS

RATE CLASS	TYPICAL KW	TYPICAL kWh	BILL UNDER PRESENT RATES \$					TOTAL
			BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	
RS		1,000	\$64.72	\$31.63	\$1.60	\$8.88	\$21.58	\$128.41
RS		1,112	\$69.86	\$35.17	\$1.78	\$9.87	\$24.00	\$140.68
RS		1,224	\$74.99	\$38.72	\$1.96	\$10.87	\$26.41	\$152.95

BILL UNDER PROPOSED RATES \$					
BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
\$71.59	\$31.63	\$1.60	\$8.07	\$21.58	\$134.47
\$77.39	\$35.17	\$1.78	\$8.97	\$24.00	\$147.31
\$83.20	\$38.72	\$1.96	\$9.88	\$26.41	\$160.17

INCREASE		CENTS PER kWh	
(17)	(18)	(19)	(20)
\$	%	PRESENT	PROPOSED
\$6.06	4.72%	12.841	13.447
\$6.63	4.71%	12.651	13.247
\$7.22	4.72%	12.496	13.086

		PRESENT	PROPOSED
BASE CHARGE		\$18.87	\$19.78
DEMAND CHARGE	\$/KW	-	-
ENERGY CHARGE	CENTS/kWh	4.585	5.181
FUEL CHARGE	CENTS/kWh	3.163	3.163
CONSERVATION CHARGE	CENTS/kWh	0.160	0.160
CAPACITY CHARGE	CENTS/kWh	0.888	0.807
ENVIRONMENTAL CHARGE	CENTS/kWh	2.158	2.158

JULY 2017  
 GULF POWER COMPANY  
 TYPICAL BILLS

RATE CLASS	TYPICAL KW	TYPICAL kWh	BILL UNDER PRESENT RATES \$					TOTAL
			BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	
GS		850	\$64.22	\$26.89	\$1.33	\$6.89	\$16.90	\$116.23
GS		1,500	\$96.80	\$47.45	\$2.34	\$12.17	\$29.82	\$188.58

BILL UNDER PROPOSED RATES \$					
BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
\$71.68	\$26.89	\$1.33	\$6.26	\$16.90	\$123.06
\$105.84	\$47.45	\$2.34	\$11.06	\$29.82	\$196.51

INCREASE		CENTS PER kWh	
\$	%	PRESENT	PROPOSED
\$6.83	5.88%	13.674	14.478
\$7.93	4.21%	12.572	13.101

		PRESENT	PROPOSED
BASE CHARGE		\$21.62	\$27.00
DEMAND CHARGE	\$/KW	-	-
ENERGY CHARGE	CENTS/kWh	5.012	5.256
FUEL CHARGE	CENTS/kWh	3.163	3.163
CONSERVATION CHARGE	CENTS/kWh	0.156	0.156
CAPACITY CHARGE	CENTS/kWh	0.811	0.737
ENVIRONMENTAL CHARGE	CENTS/kWh	1.988	1.988

JULY 2017  
 GULF POWER COMPANY  
 TYPICAL BILLS

RATE CLASS	KW	TYPICAL kWh	BILL UNDER PRESENT RATES \$					TOTAL
			BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	
GSD	25	11,000	\$397.21	\$347.93	\$16.61	\$77.88	\$193.71	\$1,033.34
GSD	50	11,000	\$562.21	\$347.93	\$16.61	\$77.88	\$193.71	\$1,198.34

BILL UNDER PROPOSED RATES \$					
BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
\$440.94	\$347.93	\$16.61	\$70.84	\$193.71	\$1,070.03
\$625.44	\$347.93	\$16.61	\$70.84	\$193.71	\$1,254.53

INCREASE		CENTS PER kWh	
\$	%	PRESENT	PROPOSED
\$36.69	3.55%	9.394	9.728
\$56.19	4.69%	10.894	11.405

		PRESENT	PROPOSED
BASE CHARGE		\$45.43	\$48.10
DEMAND CHARGE	\$/KW	\$6.60	\$7.38
ENERGY CHARGE	CENTS/kWh	1.698	1.894
FUEL CHARGE	CENTS/kWh	3.163	3.163
CONSERVATION CHARGE	CENTS/kWh	0.151	0.151
CAPACITY CHARGE	CENTS/kWh	0.708	0.644
ENVIRONMENTAL CHARGE	CENTS/kWh	1.761	1.761

JULY 2017  
 GULF POWER COMPANY  
 TYPICAL BILLS

BILL UNDER PRESENT RATES \$								
RATE CLASS	TYPICAL KW	TYPICAL kWh	BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
LP	500	288,000	\$8,612.20	\$8,890.56	\$414.72	\$1,485.00	\$4,461.12	\$23,863.60
LP	658	288,000	\$10,449.74	\$8,890.56	\$414.72	\$1,954.26	\$4,461.12	\$26,170.40
LP	1,315	288,000	\$18,090.65	\$8,890.56	\$414.72	\$3,905.55	\$4,461.12	\$35,762.60

BILL UNDER PROPOSED RATES \$					
BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
\$9,497.16	\$8,890.56	\$414.72	\$1,350.00	\$4,461.12	\$24,613.56
\$11,530.62	\$8,890.56	\$414.72	\$1,776.60	\$4,461.12	\$27,073.62
\$19,986.21	\$8,890.56	\$414.72	\$3,550.50	\$4,461.12	\$37,303.11

INCREASE		CENTS PER kWh	
\$	%	PRESENT	PROPOSED
\$749.96	3.14%	8.286	8.546
\$903.22	3.45%	9.087	9.401
\$1,540.51	4.31%	12.418	12.952

	PRESENT	PROPOSED
BASE CHARGE	\$262.80	\$262.80
DEMAND CHARGE	\$/KW	\$12.87
ENERGY CHARGE	CENTS/kWh	0.972
FUEL CHARGE	CENTS/kWh	3.087
CONSERVATION CHARGE	CENTS/kWh	0.144
CAPACITY CHARGE	\$/KW	\$2.70
ENVIRONMENTAL CHARGE	CENTS/kWh	1.549

JULY 2017  
GULF POWER COMPANY  
TYPICAL BILLS

RATE CLASS	KW	TYPICAL		BILL UNDER PRESENT RATES \$					
		Max	kWh	BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
LPT	5,000	5,000	600,000 On 1,800,000 Off	\$79,982.80	\$73,194.00	\$3,456.00	\$14,850.00	\$37,176.00	\$208,658.80

BILL UNDER PROPOSED RATES \$					
BASE RATE	FUEL CHARGE	ECCR CHARGE	CAPACITY CHARGE	ENVIRONMENTAL CHARGE	TOTAL
\$88,440.80	\$73,194.00	\$3,456.00	\$13,500.00	\$37,176.00	\$215,766.80

INCREASE		CENTS PER kWh	
\$	%	PRESENT	PROPOSED
\$7,108.00	3.41%	8.694	8.990

		PRESENT	PROPOSED
BASE CHARGE		\$262.80	\$262.80
MAX DEMAND CHARGE	\$/KW	\$2.38	\$2.63
ON-PEAK DEMAND CHARGE	\$/KW	\$9.34	\$10.34
ON-PEAK ENERGY CHARGE	CENTS/kWh	0.880	0.972
OFF-PEAK ENERGY CHARGE	CENTS/kWh	0.880	0.972
ON-PEAK FUEL CHARGE	CENTS/kWh	3.715	3.715
OFF-PEAK FUEL CHARGE	CENTS/kWh	2.828	2.828
CONSERVATION CHARGE	CENTS/kWh	0.144	0.144
CAPACITY CHARGE	\$/KW	\$2.97	\$2.70
ENVIRONMENTAL CHARGE	CENTS/kWh	1.549	1.549

## Kelley Corbari

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**From:** Elisabeth Draper  
**Sent:** Thursday, April 20, 2017 10:29 AM  
**To:** Kelley Corbari  
**Subject:** FW: Current-Proposed Rate Comparison  
**Attachments:** Current-Proposed Rate Comparison.pdf

I am going to make this an attachment to the gulf rates recommendation, since the tariffs are too many to attach.

**From:** Darnes, Melissa Ann [<mailto:MADARNES@SOUTHERNCO.COM>]  
**Sent:** Thursday, April 20, 2017 10:27 AM  
**To:** Elisabeth Draper  
**Subject:** Current-Proposed Rate Comparison

Ms. Draper,  
On behalf of Lee Evans, attached please find the Current-Proposed Rate Comparison per your request.

Thanks,

Melissa Darnes  
Gulf Power Company • Admin Assistant Sr/Regulatory & Pricing  
Office: 850.444.6730 • Fax: 850.444.6026  
[MyGulfPower.com](http://MyGulfPower.com)

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JULY 2017  
GULF POWER COMPANY  
RATE CHANGES

(1) Current Rate Schedule	(2) Type of Charge	(3) Current Rate	(4) Proposed Rate
RS	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY (¢/kWh)	4.585	5.181
GS	BASE (\$/Customer)	\$21.62	\$27.00
	ENERGY (¢/kWh)	5.012	5.256
GSD	BASE (\$/Customer)	\$45.43	\$48.10
	DEMAND (\$/KW)	\$6.60	\$7.38
	ENERGY (¢/kWh)	1.698	1.894
	PRIMARY DISCOUNT (\$/KW)	(\$0.34)	(\$0.30)
LP	DEMAND (\$/KW)	\$11.63	\$12.87
	ENERGY (¢/kWh)	0.880	0.972
	PRIMARY DISCOUNT (\$/KW)	(\$0.48)	(\$0.40)
	TRANSMISSION DISCOUNT (\$/KW)	(\$0.69)	(\$0.61)
PX	BASE (\$/Customer)	\$718.28	\$838.43
	DEMAND (\$/KW)	\$10.48	\$12.23
	ENERGY (¢/kWh)	0.385	0.449
	MINIMUM MONTHLY BILL DEMAND CHARGE (\$/KW)	\$12.59	\$14.69
RSVP	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY Critical (¢/kWh)	4.585	5.181
	ENERGY High (¢/kWh)	4.585	5.181
	ENERGY Medium (¢/kWh)	4.585	5.181
	ENERGY Low (¢/kWh)	4.585	5.181
RSTOU	BASE (\$/Customer)	\$0.62	\$0.65 /Day
	ENERGY On-Peak (¢/kWh)	4.585	5.181
	ENERGY Off-Peak (¢/kWh)	4.585	5.181

JULY 2017  
GULF POWER COMPANY  
RATE CHANGES

(1) Current Rate Schedule	(2) Type of Charge	(3) Current Rate	(4) Proposed Rate	
GSTOU	BASE (\$/Customer)	\$45.43	\$48.10	
	ENERGY Summer On (¢/kWh)	18.244	20.342	
	ENERGY Summer Int. (¢/kWh)	6.811	7.594	
	ENERGY Summer Off (¢/kWh)	2.832	3.158	
	ENERGY Winter (¢/kWh)	3.964	4.420	
GSDT	BASE (\$/Customer)	\$45.43	\$48.10	
	DEMAND Maximum (\$/KW)	\$3.14	\$3.51	
	DEMAND On-Peak (\$/KW)	\$3.53	\$3.95	
	ENERGY On-Peak (¢/kWh)	1.698	1.894	
	ENERGY Off-Peak (¢/kWh)	1.698	1.894	
	PRIMARY DISCOUNT (\$/KW)	(\$0.34)	(\$0.30)	
	CRITICAL PEAK OPTION:			
	DEMAND Maximum (\$/KW)	\$3.14	----	
	DEMAND On-Peak (\$/KW)	\$1.77	----	
	DEMAND Critical Peak (\$/KW)	\$5.30	----	
LPT	DEMAND Maximum (\$/KW)	\$2.38	\$2.63	
	DEMAND On-Peak (\$/KW)	\$9.34	\$10.34	
	ENERGY On-Peak (¢/kWh)	0.880	0.972	
	ENERGY Off-Peak (¢/kWh)	0.880	0.972	
	PRIMARY DISCOUNT (\$/KW)	(\$0.48)	(\$0.40)	
	TRANSMISSION DISCOUNT (\$/KW)	(\$0.69)	(\$0.61)	
	CRITICAL PEAK OPTION:			
	DEMAND Maximum (\$/KW)	\$2.38	\$2.63	
	DEMAND On-Peak (\$/KW)	\$1.87	\$10.34	
DEMAND Critical Peak (\$/KW)	\$16.81	----		

JULY 2017  
GULF POWER COMPANY  
RATE CHANGES

(1) Current Rate Schedule	(2) Type of Charge	(3) Current Rate	(4) Proposed Rate
PXT	BASE (\$/Customer)	\$718.28	\$838.43
	DEMAND Maximum (\$/KW)	\$0.86	\$1.00
	DEMAND On-Peak (\$/KW)	\$9.72	\$11.35
	ENERGY On-Peak (¢/kWh)	0.385	0.449
	ENERGY Off-Peak (¢/kWh)	0.385	0.449
	MINIMUM MONTHLY BILL DEMAND CHARGE (\$/KW)	\$12.69	\$14.81
SBS	100 TO 499 KW		
	DEMAND CHARGE:		
	LOCAL FACILITIES (\$/KW)	\$2.80	\$3.06
	ON-PEAK DEMAND (\$/KW)	\$3.61	\$3.95
	RESERVATION CHARGE (\$/KW)	\$1.10	\$1.44
	SUM DAILY ON-PK STANDBY (\$/KW)	\$0.53	\$0.68
	ENERGY (¢/kWh)	2.783	3.225
	500 TO 7,499 KW		
	DEMAND CHARGE:		
	LOCAL FACILITIES (\$/KW)	\$2.48	\$2.79
	ON-PEAK DEMAND (\$/KW)	\$9.37	\$10.34
	RESERVATION CHARGE (\$/KW)	\$1.10	\$1.44
	SUM DAILY ON-PK STANDBY (\$/KW)	\$0.53	\$0.68
	ENERGY (¢/kWh)	2.783	3.225
	ABOVE 7,499 KW		
DEMAND CHARGE:			
LOCAL FACILITIES (\$/KW)	\$0.89	\$0.96	
ON-PEAK DEMAND (\$/KW)	\$9.88	\$11.35	
RESERVATION CHARGE (\$/KW)	\$1.13	\$1.47	
SUM DAILY ON-PK STANDBY (\$/KW)	\$0.54	\$0.69	
ENERGY (¢/kWh)	2.783	3.225	