



Florida Public Service Commission

SPECIAL REPORT

SEPTEMBER 2011

Petition for increase in rates by

Gulf Power Company

DOCKET NO. 110138-EI

On July 8, 2011, Gulf Power Company (Gulf) filed a petition with the Florida Public Service Commission (PSC or Commission) for a permanent rate increase. Gulf provides electric service to more than 431,000 retail customers in 8 counties in Northwest Florida.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Gulf's rate request, the Commission staff will conduct two service hearings to allow customer feedback about Gulf and the rate-setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. Commissioners will attend and participate during the hearings.

2 Why is Gulf requesting a rate increase?

Gulf is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment.

3 When was Gulf's last approved base rate increase?

Gulf's last approved base rate increase was in 2002.

4 Presently, how much is the monthly electric bill for a residential customer using 1,000 kilowatt-hours (kwh)?

Currently, the monthly electric bill for a residential customer using 1,000 kwh is \$122.67.

5 Using Gulf's proposed rates, how much would the monthly electric bill be for a residential customer using 1,000 kwh?

Under Gulf's proposal, the monthly electric bill for a residential customer using 1,000 kwh would be \$134.82.

Service Hearings

Thursday, September 15, 2011 - 10:00 a.m.
The School Board of Escambia County
J.E. Hall Educational Services Center, Room 160
30 East Texar Drive
Pensacola, FL 32503

Thursday, September 15, 2011 - 6:00 p.m.
Holiday Inn Select
Main Ballroom
2001 North MLK/Cove Boulevard
Panama City, FL 32405

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6 What if I cannot make the service hearings or prefer not to speak? Are there other ways to comment on the issue?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the hearings or in writing.* Written comments should be mailed to:

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:
contact@psc.state.fl.us

Please be sure to include the docket number, **110138 - EI**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Gulf's quality of service and other matters. If you have questions, contact the Florida Public Service Commission's Division of Safety, Reliability and Consumer Assistance at 1-800-342-3552.

** Any e-mail or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such e-mail or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.*

7 Who can answer technical or legal questions?

For technical questions, contact:

John Slemkewicz
(850) 413-6420

Andrew Maurey
(850) 413-6465

For rate questions, contact:

Elisabeth Draper
(850) 413-6706

Connie Kummer
(850) 413-6701

For legal questions, contact:

Caroline Klancke
(850) 413-6220

Martha Barrera
(850) 413-6212

Keino Young
(850) 413-6226

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC Web site at www.floridapsc.com. Click on **Dockets and Filings/Dockets** and then type in the docket number, **110138**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission regarding revenue requirements on February 15, 2012. The Commissioners are expected to vote on revenue requirements at the February 27, 2012 Special Agenda Commission Conference.

The PSC staff is scheduled to file a recommendation with the Commission regarding rates on March 5, 2012. The Commissioners are expected to vote on rates at the March 12, 2012 Special Agenda Commission Conference.

PSC Commissioners



COMMISSIONER
Eduardo E. Balbis



COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Art Graham



COMMISSIONER
Ronald A. Brisé



COMMISSIONER
Julie I. Brown

Gulf Power Company Monthly Residential Bills at Various Usage Levels

	Present Rates	Approved Interim Rates*	Proposed Rates**
1,000 kwh			
Base Rate Charge	\$ 49.30	\$ 53.68	\$ 61.15
Fuel and Purchased Power Cost Recovery Clause	\$ 51.31	\$ 51.31	\$ 51.31
Other Cost Recovery Clauses	\$ 18.99	\$ 18.99	\$ 18.99
Gross Receipts Tax	\$ 3.07	\$ 3.18	\$ 3.37
Total	\$ 122.67	\$ 127.16	\$ 134.82
1,200 kwh			
Base Rate Charge	\$ 57.16	\$ 62.24	\$ 70.38
Fuel and Purchased Power Cost Recovery Clause	\$ 61.57	\$ 61.57	\$ 61.57
Other Cost Recovery Clauses	\$ 22.79	\$ 22.79	\$ 22.79
Gross Receipts Tax	\$ 3.63	\$ 3.76	\$ 3.97
Total	\$ 145.15	\$ 150.36	\$ 158.71
1,500 kwh			
Base Rate Charge	\$ 68.95	\$ 75.08	\$ 84.23
Fuel and Purchased Power Cost Recovery Clause	\$ 76.97	\$ 76.97	\$ 76.97
Other Cost Recovery Clauses	\$ 28.49	\$ 28.49	\$ 28.49
Gross Receipts Tax	\$ 4.47	\$ 4.63	\$ 4.86
Total	\$ 178.88	\$ 185.17	\$ 194.55

* Approved interim rates effective September 2011

** Proposed rates effective April 2012

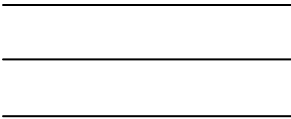
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Gulf Power Company Monthly Residential Bills at Various Usage Levels

	Present Rates	Approved Interim Rates*	Proposed Rates**
2,000 kwh			
Base Rate Charge	\$ 88.60	\$ 96.47	\$ 107.30
Fuel and Purchased Power Cost Recovery Clause	\$ 102.62	\$ 102.62	\$ 102.62
Other Cost Recovery Clauses	\$ 37.98	\$ 37.98	\$ 37.98
Gross Receipts Tax	\$ 5.88	\$ 6.08	\$ 6.36
Total	\$ 235.08	\$ 243.15	\$ 254.26
3,000 kwh			
Base Rate Charge	\$ 127.90	\$ 139.26	\$ 153.45
Fuel and Purchased Power Cost Recovery Clause	\$ 153.93	\$ 153.93	\$ 153.93
Other Cost Recovery Clauses	\$ 56.97	\$ 56.97	\$ 56.97
Gross Receipts Tax	\$ 8.69	\$ 8.98	\$ 9.34
Total	\$ 347.49	\$ 359.14	\$ 373.69

* Approved interim rates effective September 2011

** Proposed rates effective April 2012



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Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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