BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for rate increase by Gulf Power Company)))	DOCKET NO. 160186-EI

SOUTHERN ALLIANCE FOR CLEAN ENERGY'S AND
LEAGUE OF WOMEN VOTERS OF FLORIDA'S PREHEARING STATEMENT

The Southern Alliance for Clean Energy ("SACE") and League of Women Voters of Florida ("LWVF"), by and through its undersigned counsel, and pursuant to Order No. PSC-16-0473-PCO-EI, Order Establishing Procedure, hereby submit their Prehearing Statement.

A. Appearances

Bradley Marshall
Alisa Coe
Earthjustice
111 S. Martin Luther King Jr. Blvd.
Tallahassee, Florida 32301

B. Witnesses

Witness	Subject Matter	Issue Nos.
Karl Rábago 78 N. Broadway White Plains, NY	Unfairness, unjustness, and unreasonableness of Gulf Power Company's ("Gulf's") proposed residential rate restructure, flaws in Gulf's cost-of-service study, and all other matters addressed in direct testimony.	85-91, 95-97

All witnesses listed or presented by any other party or intervenor

Impeachment and rebuttal witnesses as needed

Any witness revealed through continuing discovery or other investigation

Authentication witnesses or witnesses necessary to lay a predicate for the admissibility of evidence as needed

Standing witnesses as needed

C. Prefiled Exhibits

SACE & LWVF will sponsor the direct exhibits as set out below. However, SACE & LWVF reserve the right to use other exhibits during cross examination of any other party's or intervenor's witnesses, and will file a notice in accordance with the orders governing procedure identifying any documents that Gulf Power Company ("Gulf") claims to be confidential which SACE & LWVF may use during cross examination.

Witness	Proffered By	Exhibit #	Description
Karl Rábago	SACE/LWVF	KRR-1	Resume of Karl Rábago
Karl Rábago	SACE/LWVF	KRR-2	Table of Previous Testimony by Karl Rábago
Karl Rábago	SACE/LWVF	KRR-3	Principles of Public Utility Rates, by James C. Bonbright
Karl Rábago	SACE/LWVF	KRR-4	The Specter of Straight Fixed/Variable Rate Designs and the Exercise of Monopoly Power, by Jim Lazar
Karl Rábago	SACE/LWVF	KRR-5	What's so Great about Fixed Charges? By Severin Borenstein
Karl Rábago	SACE/LWVF	KRR-6	Residential Rates
Karl Rábago	SACE/LWVF	KRR-7	Order in Illinois Commerce Commission Docket 14-0224
Karl Rábago	SACE/LWVF	KRR-8	Disruptive Challenges: Financial Implications and Strategic Responses to a Changing Retail Electric Business, by Peter Kind
Karl Rábago	SACE/LWVF	KRR-9	Pathway to a 21st Century Electric Utility, by Peter Kind
Karl Rábago	SACE/LWVF	KRR-10	Caught in a Fix, prepared for Consumers Union
Karl Rábago	SACE/LWVF	KRR-11	Gulf Response to Staff POD 30, Docket No. 160186-EI

Karl Rábago	SACE/LWVF	KRR-12	Utility Rate Design: How Mandatory Monthly Customer Fees Cause Disproportionate Harm, U.S. Region: FL, by National Consumer Law Center
Karl Rábago	SACE/LWVF	KRR-13	Gulf 2013 Annual FEECA Program Progress Report
Karl Rábago	SACE/LWVF	KRR-14	Gulf 2015 Annual FEECA Program Progress Report

All exhibits listed or introduced into evidence by any other party or intervenor

Standing documents as needed

Impeachment exhibits

Rebuttal exhibits

Exhibits determined necessary by ongoing discovery

All deposition transcripts, and exhibits attached to depositions

All documents produced in discovery

Blow ups or reproductions of any exhibit

Demonstrative exhibits

All pleadings, orders, interrogatory answers, or other filings

All document or data needed to demonstrate the admissibility of exhibits or expert opinion

Maps and summary exhibits

D. Statement of Basic Position

Gulf Power Company is proposing a radical increase in rates for low energy users as part of its standard residential rate. It proposes to increase its base charge from $18 per month, already the highest among the investor-owned utilities, by 155% to $48 per month. Gulf has almost 15,000 residential customers who use 300 kWh of energy per month or less and over

20,000 that use between 300 kWh and 500 kWh per month. These customers, many of whom have invested money in energy efficiency and energy conservation measures, would face an approximately 50% increase and a 20% increase respectively in their bills under Gulf's proposal. The customers on the lower end of the energy usage spectrum of those 15,000 residential customers face a more than doubling of their bill. This will particularly hit lower income and fixed income customers hard, essentially punishing them for doing the right thing – striving to lower their energy use to save money on bills. This kind of rate increase is punitive, backwards, unfair, unjust, and unreasonable to those people who have done the most to reduce their energy usage.

Gulf's misplaced justification for this radical increase is its desire to apportion approximately half of demand costs into the customer charge. Gulf's desire to include demand related costs into the base charge would be an unprecedented shift from the standard residential two-part rate structure on which this Commission has historically relied upon. In doing so, Gulf seeks to change the way it collects its allowable demand costs in order to reduce the ability of customers to reduce their bills by reducing their use. Gulf's own data shows that low energy users do not contribute much to demand costs, and such users already equitably pay their fair share of demand costs under current rates.

Rather, Gulf's own data demonstrates that by increasing the customer charge, Gulf will be forcing low energy users who stay on the default residential rate to subsidize high energy users. This result is directly contrary to state policy, which prioritizes the "[r]eduction in, and control of, the growth rates of electric consumption and of weather-sensitive peak demand." § 366.81, Fla. Stat. The Legislature further directs that "in exercising its jurisdiction, the commission shall not approve any rate or rate structure which discriminates against any class of customers on account of the use of such facilities, systems, or devices," which include "solar energy, renewable energy sources, highly efficient systems, cogeneration, and load-control." § 366.81, Fla. Stat. By moving approximately half of the demand costs into the customer charge, and imposing that cost on low energy customers who do not incur much demand costs, Gulf is proposing a rate structure which discriminates against low energy users by having low energy users, who have invested in high efficiency systems, subsidize high energy users. Such a proposal violates state policy, is punitive, unfair, and unreasonable. The Commission should reject Gulf's proposed residential rate restructure.

SACE and LWVF also believe that Gulf's proposed revenue requirement should be significantly lower than the company is requesting, that Gulf's proposed return on equity, given the current access and cost of capital, is simply too high. One major reason the revenue requirement is excessive is that the Scherer Unit 3 is not needed to meet customer demand. Gulf customers should not have to bear the burden of paying for an unnecessary power plant that has previously been sold into the wholesale market at market-based rates authorized by FERC. Gulf's choice to seek market-based rates, with consequentially higher profits, is consistent with free market opportunities to own and operate an asset, and to assume the risks associated with such market activity. Gulf's participation in the free market, in competition with unregulated power developers, is not consistent with its position in this docket that its customers are obligated to guarantee cost recovery for Scherer Unit 3 when market-based rates for that power drop below Gulf's purported costs.

E. Statement of Issues and Positions

Legal/Threshold Issues

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

POSITION: No position.

Test Year Period and Forecasting

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

POSITION: No position.

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?

POSITION: No. Gulf has continued to have errors in its forecasting that should be corrected.

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?

POSITION: No position.

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?

POSITION: No position.

ISSUE 6: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2017 projected test year budget?

POSITION: No position.

Quality of Service

ISSUE 7: Is the quality and reliability of electric service provided by Gulf adequate?

POSITION: No position.

Depreciation and Dismantlement

ISSUE 8: What are the appropriate capital recovery schedules?

POSITION: No position.

ISSUE 9: What are the appropriate depreciation parameters (remaining life [including the production unit retirement date or life span and the interim retirement ratio for production plant accounts], net salvage percentage [including interim net salvage percent for production plant accounts], and reserve percentage) and resulting depreciation rates for each production unit and each production plant account?

POSITION: No position.

ISSUE 10: What are the appropriate depreciation parameters (average service life, remaining life, net salvage percentage and reserve percentage) and resulting depreciation rates for each transmission, distribution, and general plant account?

POSITION: No position.

ISSUE 11: Based on the application of the depreciation parameters that the Commission has deemed appropriate to GPC's data, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?

POSITION: No position.

ISSUE 12: What, if any, corrective depreciation reserve measures should be taken with respect to the imbalances identified in **Issue 11?**

POSITION: No position.

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

POSITION: No position.

ISSUE 14 : What is the appropriate recovery period for the regulatory asset related to the retirement of Plant Smith Units 1 and 2 approved in Docket No. 160039-EI?

POSITION: No position.

ISSUE 15: What is the appropriate current total estimated cost of dismantling Gulf Power Company's generation fleet?

POSITION: No position.

ISSUE 16: What, if any, corrective dismantlement reserve allocations should be made?

POSITION: No position.

ISSUE 17: Based on the decisions in **Issues 15 and 16**, what is the appropriate annual accrual for dismantlement?

POSITION: No position.

ISSUE 18: What should be the implementation date for revised depreciation rates, capital recovery schedules, dismantlement accruals, and amortization schedules?

POSITION: No position.

Rate Base

ISSUE 19: Should the Commission allow recovery through retail rates of any portion of Scherer Unit 3? If so, what adjustments, if any, should be made to the treatment of Scherer Unit 3 in the Company's filing?

POSITION: No, Gulf Power has chosen to market Scherer Unit 3 at market-based rates authorized by FERC, and the Commission should disallow the request to obligate customers to resume responsibility of cost recovery for Scherer Unit 3 now that market-based rates for its power have declined.

ISSUE 20: Should costs currently approved by agreement and stipulation for recovery through the Environmental Cost Recovery Clause associated with Scherer Unit 3 be included in base rates for Gulf? If so, what adjustments, if any, should be made?

POSITION: No.

ISSUE 21: Are there any capital costs currently being recovered by Gulf through cost recovery clauses that should be moved from the cost recovery clauses to base rates? If so, what capital costs should be moved to base rates and what adjustments should be made, if any?

POSITION: No.

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

POSITION: No position.

ISSUE 23: What is the appropriate amount of Plant in Service for Gulf's Transmission Capital Additions?

POSITION: No position.

ISSUE 24: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Environmental Cost Recovery Clause?

POSITION: No position.

ISSUE 25: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Energy Conservation Cost Recovery Clause?

POSITION: No position.

ISSUE 26: Should the Commission allow recovery through rates of the costs associated with the proposed new Gulf Smart Energy Center? What adjustments, if any, should be made to the Gulf Smart Energy Center costs included in the 2017 projected test year?

POSITION: No position.

ISSUE 27: Are Gulf's projected capital expenditures associated with maintenance outages for 2016 and 2017 appropriate? If not, what adjustments should be made?

POSITION: No position.

ISSUE 28: Is Gulf's requested level of Plant in Service for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3.

ISSUE 29: Is Gulf's requested level of Accumulated Depreciation for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position.

ISSUE 30: Is Gulf's requested level of Construction Work in Progress for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: No position.

ISSUE 31: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year, including the North Escambia site, appropriate? If not, what is the appropriate amount?

POSITION: No. The North Escambia site should not be included.

ISSUE 32: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: No. The North Escambia site should not be included.

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

POSITION: No position.

ISSUE 34: What is the appropriate treatment of the remaining equipment inventory balance resulting from the closure of Plant Scholz?

POSITION: No position.

ISSUE 35: Is Gulf’s proposed Deferred Return on Transmission Investments and the amortization thereof consistent with the terms of the 2013 Settlement Agreement in Docket No. 130140-EI, correctly calculated, and appropriate? If not, what is the appropriate amount?

POSITION: No position.

ISSUE 36: Is Gulf’s December 19, 2016 pension contribution impacting the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: No position.

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)

POSITION: No position.

ISSUE 38: Is Gulf's requested rate base for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3.

Cost of Capital

ISSUE 39: What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the 2017 projected test year?

POSITION: No position.

ISSUE 40: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the 2017 projected test year?

POSITION: No position.

ISSUE 41: What is the appropriate cost rate for customer deposits for the 2017 projected test year?

POSITION: No position.

ISSUE 42: What is the appropriate cost rate for short-term debt for the 2017 projected test year?

POSITION: No position.

ISSUE 43: What is the appropriate cost rate for long-term debt for the 2017 projected test year?

POSITION: No position.

ISSUE 44: What is the appropriate cost rate for preference stock for the 2017 projected test year?

POSITION: No position.

ISSUE 45: What is the appropriate capital structure for the 2017 projected test year?

POSITION: No more than 50% equity.

ISSUE 46: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement?

POSITION: Less than 9%.

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)

POSITION: No position, except as stated in prior issues.

Net Operating Income

ISSUE 48: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Cost Recovery Clause?

POSITION: No position.

ISSUE 49: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause?

POSITION: No position.

ISSUE 50: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

POSITION: No position.

ISSUE 51: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

POSITION: No position.

ISSUE 52: Is Gulf's projected level of Total Operating Revenues for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and limits to capital structure and ROE.

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?

POSITION: No position.

ISSUE 54: Is Gulf's proposed tree trimming expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 55: Is Gulf's proposed pole inspection expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 56: Is Gulf's proposed production O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3.

ISSUE 57: Is Gulf's proposed transmission O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 58: Is Gulf's proposed distribution O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 59: Is Gulf's proposed Incentive Compensation (also referred to by Gulf as variable pay or at-risk pay) included in the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No, it should be lowered.

ISSUE 60: Are Gulf's proposed employee levels and salary and wage expenses included in the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: No, it should be lowered.

ISSUE 61: Is Gulf's proposed Pension Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 62: Is Gulf's proposed Other Post Employment Benefits Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 63: Is Gulf's proposed employee benefit expenses for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 64: Is Gulf's proposed annual storm damage accrual for the 2017 projected test year appropriate? If not, what is the appropriate amount?

POSITION: No position.

ISSUE 65: Is Gulf's property damage reserve target appropriate? If not, what is the appropriate property damage reserve target?

POSITION: No position.

ISSUE 66: Is Gulf's proposed expense related to Directors and Officers Liability Insurance appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 67: Is Gulf's proposed Rate Case Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 68: Is Gulf's proposed Bad Debt Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

POSITION: No position.

ISSUE 69: Is Gulf's proposed Customer Accounts Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: No position.

ISSUE 70: Is Gulf's proposed Customer Service & Information Expenses and Sales Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: No position.

ISSUE 71: Is Gulf's proposed Administrative and General Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

POSITION: No position.

ISSUE 72: What adjustment, if any, should be made to account for affiliated activities/transactions for the 2017 projected test year?

POSITION: No position.

ISSUE 73: Is Gulf's requested level of O&M Expense for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and incentive/salary reductions.

ISSUE 74: What is the appropriate amount of depreciation and fossil dismantlement expense for the 2017 projected test year?

POSITION: No position.

ISSUE 75: What is the appropriate amount of Taxes Other Than Income Taxes for the 2017 projected test year? (Fallout Issue)

POSITION: No position.

ISSUE 76: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortizations?

POSITION: No position.

ISSUE 77: Is it appropriate to make a parent debt adjustment per Rule 25-14.004, Florida Administrative Code? If so, what adjustment should be made?

POSITION: No position.

ISSUE 78: What is the appropriate amount of Income Tax expense for the 2017 projected test year? (Fallout Issue)

POSITION: No position.

ISSUE 79: Is Gulf's requested level of Total Operating Expenses for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and incentive/salary reductions.

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)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and incentive/salary reductions.

Revenue Requirements

ISSUE 81: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and incentive/salary reductions.

ISSUE 82: Is Gulf's requested annual operating revenue increase for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

POSITION: No position, except with respect to disallowance of Plant Scherer Unit 3 and incentive/salary reductions.

Cost of Service and Rate Design

ISSUE 83: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

POSITION: No position.

ISSUE 84: What is the appropriate treatment of production costs within the cost of service study?

POSITION: Production costs should be allocated between demand costs and energy costs.

ISSUE 85: What is the appropriate treatment of transmission costs within the cost of service study?

POSITION: Transmission costs should be allocated between demand costs and energy costs.

ISSUE 86: What is the appropriate treatment of distribution costs within the cost of service study?

POSITION: Distribution costs should be allocated between demand costs and energy costs.

ISSUE 87: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

POSITION: Equitably, with no customer class bearing a disproportionate increase.

ISSUE 88: Should Gulf's proposed new methodology to design the residential base and energy charges for the residential rate schedules RS, RSVP, FLAT-RS, and RSTOU that results in an increase from $0.62 to $1.58 per day, or approximately $48 per month, in the base charge and corresponding reduction in the energy charge be approved?

POSITION: No. Gulf's proposed methodology results in a 155% hike in the base charge and leads to a radical increase in bills on low energy users. It penalizes low energy users for making investments in energy efficiency and conservation and will disproportionally impact lower income and fixed income customers. The inclusion of demand charges in the base charge is unfair, unreasonable and inconsistent with the standard two part rate structure historically relied upon by this Commission. It will cause low energy users to subsidize high energy users. Such a subsidization of high energy use is contrary to state policy and law which requires and encourages energy conservation.

ISSUE 89: Is the proposed new optional Residential Service – Demand (RSD) rate schedule appropriate?

POSITION: No. Gulf's own documents demonstrate that the customer charge in the proposed rate is too high.

ISSUE 90: Is the proposed new optional Residential Service – Demand Time-of-use (RSDT) rate schedule appropriate?

POSITION: No. Gulf's own documents demonstrate that the customer charge in the proposed rate is too high.

ISSUE 91: Is the proposed new optional Customer Assistance Program Rider (Rate Rider CAP) appropriate? (Moot if Issue 88 is not approved)

POSITION: No. The proposed program does not properly help low income people who need assistance with their power bills, and does not adequately compensate for the radical rate increases proposed on low energy users.

ISSUE 92: Is Gulf's proposal to remove the critical peak option for the General Service Demand Time-of-use (GSDT) rate schedule appropriate?

POSITION: No position.

ISSUE 93: Is Gulf's proposed new Extra-Large Business Incentive Rider (Rate Rider XLBIR) appropriate?

POSITION: No position.

ISSUE 94: Are Gulf's proposed changes to its small, medium, and large Business Incentive Riders appropriate?

POSITION: No position.

ISSUE 95: What are the appropriate base charges?

POSITION: For residential rates, the appropriate base charges should be decreased to be in-line with what is considered fair and equitable for the rest of the State of Florida, and should certainly not be increased.

ISSUE 96: What are the appropriate demand charges?

POSITION: For RS and other non-demand residential rates, there should be no demand charges.

ISSUE 97: What are the appropriate energy charges?

POSITION: For RS and other non-demand residential rates, the energy charges should include all energy and demand costs.

ISSUE 98: What are the appropriate transformer ownership discounts?

POSITION: No position.

ISSUE 99: What are the appropriate lighting charges?

POSITION: No position.

ISSUE 100: Should the Commission approve the following modifications to the Outdoor Service (OS) tariff and lighting pricing methodology that have been proposed by Gulf:

a) Remove certain fixtures from the tariff;
b) Close all Metal Halide, 21 High Pressure Sodium, and 16 LED fixtures for new installations;
c) Revisions to the pole options; and
d) Modification to the Outdoor Service Lighting Pricing Methodology contained in Form 4.

POSITION: No position.

ISSUE 101: What is the appropriate effective date for Gulf's revised rates and charges?

POSITION: After the conclusion of this proceeding and any appeals.

Other Issues

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)

POSITION: SACE and LWVF support increased implementation of energy efficiency programs to help customers reduce energy use and save money on bills, and do not oppose the proposed modifications. However, SACE and LWVF oppose the proposed rate restructure on which Gulf has made the proposed programs contingent upon. The programs are inadequate to make low income and other deserving customers whole again after the impact a 155% increase in the fixed customer charge.

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)

POSITION: Same as Issue 102.

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)

POSITION: Same as Issue 102.

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.

POSITION: No position.

ISSUE 106: Should Gulf be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

POSITION: Yes.

ISSUE 107: Should this docket be closed?

POSITION: No position.

F. Stipulated Issues

SACE & LWVF have not stipulated to any issues at this time.

G. Pending Motions or Other Matters

SACE & LWVF have no pending motions or other matters at this time.

H. Pending Requests or Claims for Confidentiality

SACE & LWVF have no pending confidentiality requests or claims.

I. Objections to Witness' Qualifications as an Expert

None at this time.

J. <u>Compliance with Order Establishing Procedure</u>

SACE & LWVF have complied with all applicable requirements of the order establishing procedure in this docket.

Respectfully submitted this 21st day of February, 2017.

/s/Bradley Marshall
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy and correct copy of the foregoing was served on this 21st day of February, 2017, via electronic mail on:

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