



Rhonda J. Alexander
Manager
Regulatory, Forecasting & Pricing

One Energy Place
Pensacola, FL 32520-0780
850 444 6743 tel
850 444 6026 fax
rjalexad@southernco.com

September 29, 2017

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 20170007-EI

Dear Ms. Stauffer:

Attached is the Prehearing Statement of Gulf Power Company to be filed in the above-referenced docket. Pursuant to the Order Establishing Procedure, a copy of this Prehearing Statement prepared using Microsoft Word is being provided to Commission staff and all parties.

Sincerely,

A handwritten signature in blue ink that reads "Rhonda J. Alexander".

Rhonda J. Alexander
Regulatory, Forecasting and Pricing Manager

md

Attachments

cc: Gulf Power Company
Jeffrey A. Stone, Esq.
Beggs & Lane
Russell Badders, Esq.

C. EXHIBITS

<u>Witness</u>	<u>Proffered By</u>	<u>Exhibit #</u>	<u>Description</u>
<u>Direct</u> Boyett	Gulf	(CSB-1)	Calculation of Final True-up 1/16 – 12/16
Boyett	Gulf	(CSB-2)	Calculation of Estimated True-up 1/17 – 12/17
Boyett	Gulf	(CSB-3)	Calculation of the Estimated Scherer/Flint Credit 1/17-12/17
Boyett	Gulf	(CSB-4)	Calculation of Projection 1/18 – 12/18
Boyett	Gulf	(CSB-5)	Calculation of the Projected Scherer/Flint Credit 1/18-12/18
Markey	Gulf	(RMM-1)	Schedule 5P - Description and Progress Report of Environmental Compliance Activities and Projects

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the environmental cost recovery factors proposed by the Company present the best estimate of Gulf's environmental compliance costs recoverable through the Environmental Cost Recovery Clause (ECRC) for the period January 2018 through December 2018, including the true-up calculations and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues

ISSUE 1: What are the final environmental cost recovery true-up amounts for the period January 2016 through December 2016?

GULF: Under recovery of \$3,262,290. (Markey, Boyett)

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2017 through December 2017?

GULF: Over recovery of \$11,475,260. (Markey, Boyett)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2018 through December 2018?

GULF: \$211,656,376. (Markey, Boyett)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2018 through December 2018?

GULF: \$203,589,886. (Boyett)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2018 through December 2018?

GULF: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. (Boyett)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2018 through December 2018?

GULF: The demand jurisdictional separation factor is 97.18277%. Energy jurisdictional separation factors are calculated each month based on retail kWh sales as a percentage of projected total territorial kWh sales. (Boyett)

ISSUE 7: What are the appropriate environmental cost recovery factors for the period January 2018 through December 2018 for each rate group?

GULF: See table below: (Boyett)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/kWh
RS, RSVP, RSTOU	2.124
GS	1.956
GSD, GSDT, GSTOU	1.733
LP, LPT	1.547
PX, PXT, RTP, SBS	1.482
OS-I/II	0.570
OS-III	1.361

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

GULF: The new environmental cost recovery factors should be effective beginning with the first billing cycle for January 2018 and thereafter through the last billing cycle for December 2018. The first billing cycle may start before January 1, 2018, and the last cycle may be read after December 31, 2018, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Boyett)

ISSUE 9: Should the Commission approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding?

GULF: Yes. The Commission should approve revised tariffs reflecting the environmental cost recovery amounts and environmental cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Boyett)

F. COMPANY-SPECIFIC ISSUES

GULF: NONE.

G. STIPULATED ISSUES

GULF: Yet to be determined. Gulf is also willing to stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be waived, and the witness's attendance at the hearing be excused.

H. PENDING MOTIONS

GULF: NONE.

I. PENDING CONFIDENTIALITY REQUEST

GULF: NONE.

J. OTHER MATTERS

GULF: To the best knowledge of counsel, Gulf has complied with all requirements set forth in the orders on procedure and/or the Commission rules governing this prehearing statement. If other issues are raised for determination at the hearings set for October 25-27, 2017, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 29th day of September, 2017.

Respectfully submitted,



Gulf Power Company
JEFFREY A. STONE
General Counsel
Florida Bar No. 0325953
jastone@southernco.com
One Energy Place
Pensacola, FL 32520-0100
(850) 444-6550

RUSSELL A. BADDERS
Florida Bar No. 0007455
rab@beggslane.com
STEVEN R. GRIFFIN
Florida Bar No. 0627569
srg@beggslane.com
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Environmental Cost**)
Recovery Clause)

Docket No.: **20170007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 29th day of September, 2017 to the following:

Ausley Law Firm
James D. Beasley
J. Jeffry Wahlen
Post Office Box 391
Tallahassee, FL 32302
jbeasley@ausley.com
jwahlen@ausley.com

PCS Phosphate – White Springs
c/o Stone Mattheis Xenopoulos
& Brew, P.C.
James W. Brew/Laura A. Wynn
Eighth Floor, West Tower
1025 Thomas Jefferson St, NW
Washington, DC 20007
jbrew@smxblaw.com
law@smxblaw.com

Florida Power & Light Company
Kenneth Hoffman
215 South Monroe Street, Suite 810
Tallahassee, FL 32301-1858
Ken.Hoffman@fpl.com

Florida Industrial Power Users Group
c/o Moyle Law Firm
Jon C. Moyle, Jr.
118 North Gadsden Street
Tallahassee, FL 32301
jmoyle@moylelaw.com

Florida Power & Light Company
John T. Butler
Maria J. Moncada
700 Universe Boulevard
Juno Beach, FL 33408-0420
John.Butler@fpl.com
Maria.moncada@fpl.com

George Cavros, Esq.
Southern Alliance for Clean Energy
120 E. Oakland Park Blvd, Suite 105
Fort Lauderdale, FL 33334
george@cavros-law.com

Office of Public Counsel
J. Kelly/C. Rehwinkel/P. Christensen
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400
Christensen.patty@leg.state.fl.us
KELLY.JR@leg.state.fl.us
Sayler.erik@leg.state.fl.us

Duke Energy Florida, Inc.
Matthew R. Bernier
Cameron Cooper
106 East College Avenue, Suite 800
Tallahassee, FL 32301
Matthew.bernier@duke-energy.com
Cameron.Cooper@duke-energy.com

Duke Energy Florida, Inc.
John T. Burnett
Dianne M. Triplett
299 First Avenue North
St. Petersburg, FL 33701
Dianne.triplett@duke-energy.com
John.burnett@duke-energy.com

Tampa Electric Company
Ms. Paula K. Brown, Manager
Regulatory Coordination
P. O. Box 111
Tampa, FL 33601-0111
Regdept@tecoenergy.com

Office of the General Counsel
Charles Murphy
Stephanie Cuello
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850
cmurphy@psc.state.fl.us
scuello@psc.state.fl.us



JEFFREY A. STONE
General Counsel
Florida Bar No. 325953
jastone@southernco.com
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0100
(850) 444-6550

RUSSELL A. BADDERS
Florida Bar No. 007455
rab@beggslane.com
STEVEN R. GRIFFIN
Florida Bar No. 0627569
srg@beggslane.com
Beggs & Lane
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power