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Public Service Commission

December 7, 2020

Russell A. Badders, Esquire
Gulf Power Company
One Energy Place
Pensacola, FL 32520
Russell.Badders@nexteraenergy.com

STAFF'S FIRST DATA REQUEST
via e-mail

RE: Docket No. 20200242-EI – Petition for approval of regulatory assets related to the retirements of the coal generation assets at Plant Crist Units 4, 5, 6, and 7, by Gulf Power Company.

Dear Mr. Badders:

By this letter, the Commission staff requests that Gulf Power Company (Gulf) provide responses to the following data requests:

1. Please refer to Gulf's Petition for approval of regulatory assets related to the retirements of plant Crist 4-7 (Petition) and Exhibit 2, Attachment AE-1. Paragraph 13 of the Petition reads "[t]hrough this petition, Gulf seeks authority from the Commission to establish two regulatory assets, one for base and one for the ECRC, representing the unrecovered investments (i.e., remaining Net Book Value ("NBV")) associated with the early retirement of the coal generation assets for Crist 4-7." Paragraph 16 of the Petition reads "Attachment AE-1 - schedules presenting the estimated plant balances, accumulated depreciation reserve balances, and the calculation of the estimated remaining NBV for the coal generation assets for Crist 4-7 of approximately \$462 million as of the date of retirement."
 - a. Please confirm that the itemized cost amounts as of 10/15/2020 of the petitioned Regulatory Asset for Base, which represent the unrecovered/remaining Net Book Value of the early retired Crist 4-7, are presented in Attachment AE-1, Line Nos. 1 – 29. If not, please provide further explanation.
 - b. Is it correct that the total dollar amount of the petitioned Regulatory Asset for Base, detailed in column (3) Total Unrecovered Cost of Attachment AE-1, does not include the cost of removal and salvage that are associated with the retirements of Crist 4-7? Please explain your response.

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Staff's First Data Request to Gulf Power Company

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- c. If your response to Question No. 1.b. is affirmative, is it correct that those costs will be addressed through the dismantlement reserve, instead of the typical cost of removal or salvage treatment? Please explain your response.
 - d. Please identify the dollar amount of remaining inventory balance, if any, associated with the retired Crist 4-7 as of the retirement date 10/15/2020.
 - e. Has the amount discussed in Question No. 1.d, if non-zero, been included in the petitioned Regulatory Asset for Base? Please explain your response.
 - f. Please identify all the environmental compliance devices, controls, and systems that are associated with the operations of Plant Crist 4-7.
 - g. Please confirm that all the plant assets discussed in Question No. 1.f will be/have been retired with Crist 4-7. If not, please provide further explanation.
 - h. Please confirm that the itemized cost amounts as of 10/15/2020 of the petitioned Regulatory Asset for the ECRC, which represent the unrecovered/remaining Net Book Value of the Crist 4-7 environmental compliance plant assets, are presented in Attachment AE-1, Line Nos. 32 –58. If not, please provide further explanation.
 - i. Is it correct that the petitioned Regulatory Asset for the ECRC, or column (3) Total Unrecovered Cost of Attachment AE-1, does not include the costs of removal and salvages that are related to the Crist 4-7 environmental compliance plant assets? Please explain your response.
 - j. If your response to Question No. 1.i. is affirmative, is it correct that those costs will be addressed through the dismantlement reserve, instead of the typical cost of removal or salvage treatment? Please explain your response.
 - k. Please identify the amount of remaining inventory balance, if any, associated with the Crist 4-7 environmental compliance plant assets as of 10/15/2020.
 - l. Has the amount discussed in Question No. 1.k, if non-zero, been included in the petitioned Regulatory Asset for the ECRC? Please explain your response.
2. Please explain the difference(s) Gulf envisions between the recovery process / mechanism/period applicable to the Regulatory Asset for Base and the Regulatory Asset for the ECRC, if any.
 3. Please elaborate as to why Gulf “anticipates that it will request future revisions be made to its depreciation rates to reflect the retirement of the Crist 4-7 coal generation assets.”
 4. When will Gulf start to dismantle Crist 4-7?

5. Paragraph 16 and Exhibit 2, Attachment AE-1 of the Petition indicate that the total amount of the petitioned Regulatory Assets, or the estimated remaining NBV for the coal generation assets for Crist 4-7 as of the retirement date 10/15/2020 is approximately \$462 million. Paragraph 3 of the Petition indicates that "Gulf had originally planned to [...] retire the coal generation assets and capacity of Crist 4-7 on or about December 31, 2021[...]" Assuming Gulf were to repair Crist 4-7 and continue with its original plan to retire these units after the fourth quarter of 2021, what would be the estimated remaining NBV for Crist 4-7 coal generation assets as of 12/31/2021?

Please file all responses electronically no later than December 14, 2020 from the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Please feel free to call me at (850) 413-6187 if you have any questions.

Sincerely,

/s/ Shaw Stiller

Shaw Stiller
Senior Attorney

SS/nah

cc: Office of Commission Clerk