

ORIGINAL

MEMORANDUM

June 8, 2006

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06 JUN -8 AM 10:41

COMMISSION  
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (BRUBAKER) JSB

RE: DOCKET NO. 060154-EI - Petition for issuance of storm recovery financing order pursuant to Section 366.8260, F.S. (2005), by Gulf Power Company.

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Attached is Gulf's Response to Follow-up Request Regarding Responses to Staff Data Requests Items 11 and 12. Please file in the above-referenced docket.

DATE DOCUMENT SENT TO CCA

6/8/06

JSB/pz  
Attachment

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FPSC-COMMISSION CLERK

What is the accounting for the interest recovery portion of the storm surcharge?

ANSWER:

Revenue is recorded for the entire amount of the surcharge in FERC accounts 440, 442 and 444 when billed. The interest income portion is then reclassified to FERC account 419, interest income, with an offsetting debit to FERC account 456-912, other electric revenues. When computing the amounts owed for various revenue taxes and fees such as the State gross receipts tax and FPSC assessment fees, the balance from the 456-912 account is excluded from the calculation of the revenue base.

The State gross receipts tax is calculated in accordance with the Florida Statute 203.01 2(b) which requires the tax to be imposed on "gross receipts from utility services delivered to a retail customer". The FPSC assessment fee is calculated in accordance with Florida Statute 25-6.0131 (1)(a) which requires the fee to be imposed on "gross operating revenues derived from intrastate business." Therefore the taxes and fees collected are remitted as required.

An example of the accounting entries is shown below:

(1) Bill surcharge to customers.

142	Accounts Receivable	X	
440, 442, 444	Revenue		X

(2) Reclassify interest portion of surcharge to interest income.

456-912	Other Electric Revenues	X	
419	Interest Income		X

(3) Record and pay revenue taxes based on the amounts recorded in accounts 440, 442 and 444.

408	Revenue Taxes	X	
236	Accrued Taxes		X
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131	Cash		X