FILED OCT 12, 2016
DOCUMENT NO. 08142-16
FPSC - COMMISSION CLERK

Gulf Power

Robert L. McGee, Jr.
Regulatory & Pricing Manager

One Energy Place
Pensacola, FL 32520-0780
850 444 6530 tel
850 444 6026 fax
rlmcgee@southernco.com

October 12, 2016

VIA ELECTRONIC FILING

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

Re: Petition for an increase in rates by Gulf Power Company, Docket No. 160186-EI

Re: Petition for approval of 2016 depreciation and dismantlement studies, approval of proposed depreciation rates and annual dismantlement accruals and Plant Smith Units 1 and 2 regulatory asset amortization by Gulf Power Company, Docket No. 160170-EI

Dear Ms. Stauffer:

Attached is the Direct Testimony and Exhibit of Gulf Power Company Witness James M. Garvie.

(Document 8 of 29)

Sincerely,

Robert L. McGee, Jr.

Robert L. McGee, Jr.
Regulatory & Pricing Manager

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 160186-EI

Gulf Power

TESTIMONY AND EXHIBIT

OF

JAMES M. GARVIE

GULF POWER COMPANY

Before the Florida Public Service Commission
Prepared Direct Testimony of
James M. Garvie
Docket No. 160186-EI
In Support of Rate Relief
Date of Filing: October 12, 2016

Q. Please state your name and business address.

A. My name is James Garvie. My business address is 30 Ivan Allen Jr. Boulevard, Atlanta, GA 30308.

Q. By whom are you employed?

A. I am employed by Southern Company Services (SCS) as Compensation, Benefits & Human Resources Operations Vice President.

Q. What are your responsibilities as Compensation, Benefits & Human Resources Operations Vice President for SCS?

A. I am responsible for leading the compensation, benefits, retirement and human resources operations functions for Southern Company and its affiliates, including Gulf Power Company (Gulf or the Company). I have held these responsibilities since I joined SCS in 2011 as Compensation and Benefits Director. My job title changed in December 2015.

Q. Please describe your prior work experience and responsibilities.

A. Prior to joining SCS, I was a Director with The Alexander Group, a management consulting firm, where I advised management of Fortune 500 companies on a wide range of human resource issues.

Before my position with The Alexander Group, I worked at Blue Linx, a large building products distribution company, in a leadership position managing all aspects of sales, human resources, payroll and human resources information systems. Previous to that employment, I worked at Georgia-Pacific in increasing roles of responsibility in employee compensation and the accounting/finance area.

Q. What is your educational background?

A. I have a Masters of Business Administration degree from Kellogg School of Management at Northwestern University in Evanston, Illinois, and a Bachelor of Finance degree from the University of Incarnate Word in San Antonio, Texas. I am also a Certified Compensation Professional (CCP).

Q. Please describe your credentials as a compensation professional.

A. I have deep expertise and knowledge of compensation strategy, design and competitiveness gained through:

- Approximately eighteen years of direct and related compensation experience,
- Seven years in consulting across many industries, and
- Completion of a series of nine examinations to earn designation as a Certified Compensation Professional (CCP).

Q. In your experience as the SCS Compensation, Benefits and Human Resources Operations Vice President and a CCP, is it customary to rely upon reports and studies prepared by compensation and benefit consulting firms?

A. Yes. Reports and studies prepared by recognized third-party experts are commonly used and relied upon by corporate compensation and benefit experts to make decisions. Such studies are regularly used as a primary basis to determine the market level of compensation and benefits.

Q. What is the purpose of your testimony?

A. Gulf's compensation and benefits programs for employees are at the median of the market and designed as a "total package" to support our customers' need for safe and reliable electric service. The purpose of my testimony is to outline Gulf's customer-based fundamental beliefs on compensation and benefits, describe the design and competitiveness of Gulf's total compensation and benefits programs, justify Gulf's expense budget for employee compensation and benefits, and demonstrate that the level of compensation and benefit costs requested in this case is reasonable, prudent, and necessary to enable Gulf to continue to provide safe and reliable electric service to our customers.

Q. Are you sponsoring any exhibits in this case?

A. Yes. I am sponsoring Exhibit JMG-1, Schedules 1 through 5. The information contained in Schedules 1 through 5 is true and correct to the best of my knowledge and belief, and except for Schedules 3 through 5 the Exhibit was prepared under my direction and control.

- Schedule 1, Gulf Power Company Total Compensation Mix between Base and At-Risk Pay

- Schedule 2, Gulf Power Company Base Salary and Total Compensation to Market Median
- Schedule 3, Willis Towers Watson Memorandum on Audit of Gulf Power Company's Pay Programs
- Schedule 4, Willis Towers Watson Comparison of Employer-Paid Benefit Value
- Schedule 5, Aon Hewitt Comparison of Employer-Paid Benefit Value

I. GULF'S APPROACH TO COMPENSATION AND BENEFITS

Q. What are Gulf's fundamental beliefs regarding compensation and benefits?

A. Gulf fundamentally believes that the design of compensation and benefit programs should support our customers' need for safe and reliable electric service. Gulf takes a holistic approach to designing and valuing its compensation and benefit programs as a total package.

Gulf has developed four fundamental beliefs which serve as the foundation for the design and evaluation of our total package of compensation and benefits.

1. Long-term customer value is created through retaining employees.
   - Superior organizational performance is gained through attracting talent for the long term and placing value on the knowledge, skills, and experience gained through longevity.

2. The health and well-being of the workforce improves productivity.

- A healthy workforce sustains employee commitment and top performance, which positively affects productivity and customer satisfaction.

3. Linking pay to performance efficiently and economically aligns employee and customer interests.

- Placing a portion of employee compensation at-risk drives our employees to achieve higher levels of performance, customer satisfaction, and productivity.

4. Compensation and benefits program competitiveness is critical.

- We must continuously evaluate our programs to ensure they are competitive to attract, engage, retain, and motivate employees, and that the programs are effective and financially sustainable.

Q. Please describe the benefits of evaluating Gulf's compensation and benefits as a total package.

A. Evaluating compensation and benefits as a total package has two primary benefits:

1. Cost efficiency. Evaluating compensation and benefits as a whole allows Gulf to maximize the efficient use of resources essential to serving the customer and align resources with the most important elements of employee attraction and retention.

2. Retention and attraction of employees. Evaluating compensation and benefits holistically allows for the alignment of programs with Gulf's need to attract, engage, retain, and motivate its highly skilled workforce.

Q. What are the components of Gulf's total package of compensation and benefits?

A. The compensation portion of Gulf's total package consists of base pay and at-risk pay. The benefits portion consists of health benefits, retirement benefits, and other benefits such as life and disability insurance. Gulf's total package of compensation and benefits is aligned with its fundamental beliefs.

Q. How does Gulf measure the competitiveness of its compensation and benefits programs against the external market?

A. Gulf's total compensation and benefits program is managed to the median of the external market. Median of the market represents the middle of the market where half of the market is higher and half is lower. By managing to the median, we want to provide competitive compensation and benefits that will allow us to attract, engage, retain, and motivate qualified employees while also managing costs. Gulf utilizes recognized compensation and benefit consultants, such as Willis Towers Watson and Aon Hewitt, to benchmark our compensation and benefit programs against the external market.

II. TOTAL COMPENSATION

Q. What is Gulf's approach for designing employee compensation?

A. Our employee compensation is designed to provide total compensation that will allow us to attract, engage, retain, motivate, and competitively compensate employees based on individual and Company performance. The total compensation an employee receives is provided in the form of base pay and at-risk pay. The at-risk pay portion may be paid based on the achievement of goals that benefit our customers. Providing total compensation in this form, with a portion tied to performance, has allowed Gulf to develop a culture of individual, team and customer accountability.

Q. Please describe how Gulf's total compensation of base pay and at-risk pay is determined.

A. Annually, we go through a thorough and rigorous review to ensure that the design and competitiveness of our total compensation is at the median of the market and is aligned with our fundamental beliefs. The review has the following steps:

1. Determine the market median total target compensation for each position through the use of multiple compensation surveys published by recognized third-party sources. Total target compensation is comparable to what companies with whom we compete for talent offer their employees performing similar jobs with similar responsibilities and skill sets.

2. Based on the market, a portion of each individual's total target compensation is subtracted and allocated to at-risk pay based on goals that benefit our customers, directly aligning individual compensation with customers' interests. Positions with a greater influence over Company performance have a greater portion of total compensation that is allocated to at-risk pay.

3. Review the allocation of total compensation between base pay and at-risk pay to ensure it aligns with our fundamental beliefs.

Q. Why has Gulf chosen to provide total compensation in the form of base pay and at-risk pay?

A. Gulf has chosen to provide total compensation in the form of base pay and at-risk pay to emphasize performance and to align the interests of our employees with our customers. Exhibit JMG-1, Schedule 1 illustrates how a philosophy of providing total compensation in the form of base pay only with no at-risk pay compares to Gulf's philosophy of providing total compensation in the form of base pay and at-risk pay. Providing total compensation in the form of base pay only with no at-risk pay would not be in the best interest of our customers. It would result in higher fixed costs for our customers and would eliminate a powerful tool that drives employees to put the customer at the center of all we do while sustaining the financial integrity of the Company.

Q. Is the use of base pay and at-risk pay to form an employee's total compensation unique to Gulf?

A. Not at all. Providing total compensation in this manner is consistent with how utilities and general industry compensate their employees. We have found that having total compensation provided in this manner has allowed Gulf to develop a culture where our employees are consistently engaged with their work, focused on the customer, focused on the success of the company, and driven to deliver the highest levels of customer service.

Q. Do all employees have compensation that is provided in the form of at-risk pay?

A. Yes. All employees have some portion of their total compensation that is at risk and tied to the achievement of annual goals. Depending on the achievement level of the annual goals, the at-risk portion of their pay may be paid after the end of the year. It is not guaranteed to be paid each year. Employees with a greater influence over the long-term success of the Company have a larger portion of their total compensation at risk, some of which is tied to the achievement of long-term goals. Depending on the achievement level of the long-term goals, the at-risk portion of their pay may be paid after the end of three years. It also is not guaranteed to be paid each year. Lower goal achievement results in lower at-risk pay, and higher goal achievement results in higher at-risk pay. An employee's total compensation, which includes base pay and at-risk pay, will vary from year to year based on employee and Company performance.

Q. What are the annual goals for the at-risk portion of total compensation?

A. Gulf's at-risk pay goals are all performance-based and designed to align the employees' interest with the customers' interest. The annual goals include three categories that all serve to enhance Gulf's service to customers—Gulf operational performance, Gulf net income performance and Southern Company earnings per share performance. Each of the at-risk pay goals is designed to focus employees on providing safe and reliable electric service to our customers.

Gulf's operational goals focus employees on continually improving the Company's operational performance for our customers. The goals focus employees' attention on safety, customer satisfaction, generation availability, transmission and distribution reliability, and company culture. Safety is measured to ensure the protection of employees, customers and communities. Customer satisfaction is important to ensure that our customers are satisfied with the level of service we provide and that our employees are continually striving to improve the customer experience. Generation availability and transmission and distribution reliability are important to ensure the availability of power from our generation fleet and the reliable delivery of that power to our customers. Culture is measured to ensure that we are diversifying our workforce to reflect our customer base and developing our employees so that they may reach their full potential in an atmosphere of customer service and safety.

Gulf's net income goal focuses employees on being efficient with Company resources and continually looking for ways to improve Gulf's overall business. Employees working to keep expenses down, whether through efficient purchasing practices, budget management, or effective use of personnel resources, reduces costs that are recovered through rates to Gulf's customers. Employees working on economic development efforts in the community benefit customers through economic growth, community stability, and improving Gulf's financial performance.

Gulf's earnings per share goal focuses employees on running the Company efficiently, not only as a stand-alone utility, but also as part of the Southern Company. This goal is a testament to the advantage of Gulf being a part of Southern Company. In their normal course of business, Gulf employees have access to specialized expertise and bulk purchasing leverages due to Gulf's relationship with Southern Company. If Gulf had to purchase or hire this expertise as a stand-alone utility, these costs would likely be greater. Gulf employees' ready access to this expertise and purchasing leverage helps better provide safe and reliable electric service to our customers.

Q. Have there been any changes to the annual goals in Gulf's at-risk pay program since the rate case filed by Gulf in 2013?

A. Yes. The goal based on Gulf's net income performance replaced a previous goal based on return on equity performance. This change was made to provide a goal that all employees connect with and better understand.

Q. Please describe the long-term goals for Gulf's at-risk compensation program.

A. The long-term goals also include three categories—Southern Company total shareholder return, Southern Company earnings per share, and Southern Company equity weighted return on equity. These goals focus employees on planning and managing Gulf's resources efficiently in the short and long term. Managers with greater influence over the long-term success of the Company are encouraged through these long-term goals to take a whole-company approach to their area of responsibility. It is in our customers' best interest to drive our employees to achieve long-term goals. Well executed long-term planning, budgeting, and implementation benefit our customers through better reliability, efficiency and value now and in the future.

Q. Have there been any changes to the long-term portion of Gulf's at-risk pay program since the rate cases filed by Gulf in 2011 and 2013?

A. Yes. Two new goal categories were added: Southern Company earnings per share performance and Southern Company equity weighted return on equity performance. In addition to adding the new goal categories, the Stock Option Program and the Performance Dividend Program are no longer a part of Gulf's total compensation program, although there is some small remaining cost associated with the Stock Option program in the projected total compensation cost for 2017.

Under the current long-term at-risk program, employees receive a grant of performance units at the beginning of a three-year performance period. Performance shares are denominated in units meaning no actual shares are issued on the date of grant. Each performance share unit represents one share of Southern Company common stock. Depending on the achievement level of each goal, employees may receive actual shares of Southern Company common stock at the end of each three year period.

In addition, beginning in 2017 we are reducing the number of participants in the long-term at-risk program from over one hundred to 30 participants. Consistent with our total compensation approach, we must increase the base pay for those employees who will no longer be participating in the at-risk, long-term compensation program so that their total compensation remains aligned with the median of the market. Our move to reduce the number of participants is consistent with the audit of our compensation program by Willis Tower Watson, which noted that Gulf's participants in the long-term at-risk program extended deeper in the organization than most utility peers.

Q. How do at-risk pay goals that include both operational and financial goals benefit customers?

A. A well designed total compensation program using sound compensation practice and principles provides a balance between operational focus and financial focus for both the short term and longer term to drive employee behavior in ways that balance the interests of customers and shareholders alike. A compensation plan that contained only operational goals might inappropriately drive employees to use more financial resources than necessary to achieve operational success, while a plan that contained only financial goals might inappropriately drive employees to make decisions that adversely impact operational success. As noted earlier in my testimony, operational goals focus employees on continually improving the Company's operational performance for our customers. Financial goals similarly benefit customers by focusing employees on improving the Company's financial health. Goals based on financial performance are essential to ensure cost effective operational performance and are appropriate to recognize the importance of meeting our investors' expectations in order to sustain high quality service for our customers into the future. Financial goals help ensure that decisions made by employees are optimized not just for short-term benefits, but to sustain the Company in the long run. This is particularly true in the utility industry, where decisions related to infrastructure and major projects have long-lasting financial consequences to all stakeholders, especially customers. The design of the Company's at-risk portion of total compensation to include both operational and financial goals that are measured annually and in the longer term, provides an appropriate balance where employees are driven to deliver safe and reliable electric service to our customers in a manner that is economically efficient both now and in the years to follow.

Q. Has Gulf's total compensation program been effective in attracting, engaging, retaining, and motivating the workforce?

A. Yes. The design of our total compensation program provided in the form of base pay and at-risk pay has been effective in allowing us to attract, engage, retain, and motivate our highly qualified workforce. It has enabled us to develop a culture where the customer is at the center of everything our employees do. Our employees are held accountable and know that the total compensation they receive depends on their performance in achieving goals that are focused on our customers. If the goals are achieved, then they will be compensated appropriately. If the goals are not met, their total compensation will be less, which is also appropriate.

Q. What are some of the workforce challenges that Gulf faces?

A. An ongoing challenge for Gulf and the utility industry overall is an aging workforce. The average age of our employee is 46 years old, with 17 years of service within the Southern electric system. Forty percent of our employees are eligible to retire today. Our workforce has maintained and operated our generation and distribution business at high levels and has continually and actively worked to maintain a high level of customer satisfaction. Their hard work and customer focus have helped keep Gulf's overall customer satisfaction level in the top quartile of the Customer Value Benchmark Survey for over 15 years, as described by Gulf Witness Terry. These are also the highly skilled and trained employees who help train and transfer their knowledge to our less experienced employees to ensure continued reliable electric service to our customers into the future. With such a large portion of our workforce eligible to retire now, it is crucial for Gulf to both retain its current qualified employees and to be in position to compete in the job market for hiring new employees.

A shortage of available workers in the external market with the requisite qualifications and skills is another challenge. It takes 5 to 7 years of in-house training and apprenticeship programs to reach the journeyman level of expertise required for our highly technical positions such as Line Technician, Substation Technician, or Plant Equipment Operator. Each year Gulf invests over 53,000 hours to grow and maintain the skills of our employees. This reflects an investment of approximately $3.9 million to ensure our employees have the skills required to safely perform the complex and hazardous work it takes to ensure that our customers receive safe and reliable electric service. With the shortage of qualified workers in the external market and the technical training required, it is essential that Gulf retain its current highly trained employees and be able to attract new employees in the job market.

Loss of employees to competitors is another challenge. With a shortage of qualified workers in the external market and the time and expense it takes to train employees, our experienced, well-trained and customer-oriented employees are targets of opportunity for other employers. The level of training, experience, and customer service focus of our employees is recognized in the industry and makes them highly marketable to other utilities. It is critical that Gulf is able to retain its current highly skilled workforce.

To meet these challenges, it is essential that adequate funds be available to support our total compensation and benefits package so that we can continue to attract, engage, retain, and motivate employees who continue to provide high levels of customer service and satisfaction today and into the future.

Q. What is Gulf's total projected compensation expense for 2016 and 2017?

A. As shown on MFR C-35, Gulf's 2016 projected total compensation expense is $139,667,525, and Gulf's projected total compensation expense for 2017 is $143,011,260. It should be noted that these are Total Company projections, so they include compensation recovered through adjustment clauses and other compensation removed by Gulf Witness Ritenour's net operating income (NOI) adjustments. The compensation reflected in Gulf's operations and maintenance (O&M) request for the 2017 test year is $96,101,424.

Q. How does Gulf's total compensation of base pay and at-risk pay compare to the external market?

A. Gulf annually reviews its total compensation of base pay and at-risk pay to ensure that it is appropriately aligned with the external market. We use compensation data from multiple external survey sources to benchmark our total compensation to the external market. These surveys are conducted by recognized third-party consulting firms, such as Willis Towers Watson and Mercer, who collect compensation data from survey participants, aggregate the data and provide participants with summary comparative data. As illustrated in Exhibit JMG-1, Schedule 2, when assessing both our base pay and total compensation of base pay and at-risk, Gulf is at the median or middle of the market. By maintaining total compensation relative to the median of the external market, Gulf helps ensure that it remains competitive while keeping compensation expense at reasonable levels.

Q. Has Gulf had the design and competitiveness of its compensation program reviewed by a third party?

A. Yes. Gulf had Willis Towers Watson, a nationally recognized compensation and benefits firm, recently conduct a competitive assessment of its total compensation design (base pay and at-risk pay) relative to external market practice. Willis Towers Watson's conclusion is that Gulf's compensation plans, programs, and processes are comparable to and competitive with the utility industry. Exhibit JMG-1, Schedule 3 summarizes Willis Towers Watson's analysis. As noted earlier in my testimony, Gulf is reducing the number of participants in its long-term at-risk program consistent with the results from the Willis Towers' assessment.

Q. Are Gulf's projected compensation of $143,011,260 for 2017 and projected compensation charge to O&M in the rate case of $96,101,424 reasonable and prudent?

A. Yes. The compensation portion of Gulf's total compensation and benefits package is reasonable and prudent. These expenses and expenditures are necessary to continue our efforts to attract, engage, retain and motivate a highly trained and skilled workforce with a focus on our customers.

III. LONG-TERM AT-RISK COMPENSATION

Q. Why does the design of Gulf's total compensation package include at-risk compensation based on long-term goals in addition to at-risk compensation based on annual goals?

A. Long-term goals are needed so that employee efforts to achieve short-term goals are appropriately balanced by consideration of the long-term performance of the Company. Gulf employees who have the most responsibility for decisions that impact the long-term success of the Company have a portion of their at-risk compensation tied to long-term performance, so that short-term decisions will not out-weigh longer term considerations. Thirty Gulf employees have an element of long-term at-risk compensation. Through the decisions they make in their jobs, they impact the long-term success of the Company and are responsible for how employees serve our customers and deliver safe and reliable electric service. Another important reason to allocate a portion of their total compensation to long-term at-risk pay is that for these employees, providing compensation in this form is common in the industry. Having a portion of their total compensation allocated to long-term at-risk pay is critical to ensure that Gulf remains market competitive to attract and retain these employees.

Q. Why does Gulf consider it critical to retain these employees and provide competitive compensation?

A. Gulf works hard to attract, train, and retain all of its employees. There is a considerable investment in training employees, and there is tremendous value to the customer to retain employees who have the knowledge and experience to run the Company efficiently and effectively. The employees who receive long-term at-risk compensation provide Gulf, and its customers, a wealth of experience, knowledge and skill. They make the tough decisions that result in quality of service, organize and optimize resources, understand the importance of keeping the customers as our top priority, and know how to motivate others to perform for the customer.

No well-managed company that has developed a culture of customer service and orientation can maintain such a culture if it takes advantage of those who have the greatest responsibility for leading the organization. For employees who receive long-term at-risk compensation, there are a number of attractive alternatives. The companies with whom we compete for these employees offer competitive compensation packages, and these employees are attracted by a compensation structure that rewards superior long-term performance. Unless Gulf has a competitive compensation structure, Gulf runs the risk of losing the employees who have the most responsibility for assuring Gulf’s long-term performance to its customers.

Q. Mr. Garvie, please summarize your understanding of how the Commission treated Gulf's at-risk pay in Gulf's 2012 test year rate case.

A. In the 2012 test year rate case, Gulf requested Total Company compensation that included base pay and short and long-term at-risk pay. The Office of Public Counsel (OPC) argued that all at-risk, or what they called "incentive," compensation should be disallowed. The Commission rejected OPC's recommended adjustment to exclude all at-risk compensation, allowing short-term (annual) at-risk compensation but disallowing all long-term O&M compensation expenses.

Q. Why did the Commission disallow all long-term O&M compensation expense?

A. The Commission expressly recognized in its order that financial goals may benefit customers by resulting in Gulf having a healthy financial position which allows Gulf to raise funds at a lower cost than Gulf otherwise could. Additionally, the Commission stated that there was "validity" in having at-risk pay goals more closely aligned with Gulf's operations rather than Southern Company's financial position. From the Commission's order, the seemingly deciding factor that led to the disallowance of the long-term compensation was that even with the removal of long-term compensation from eligible employees, this group of Gulf employees were below but closer to the median market salary than Gulf's Covered (union) employees.

Q. Mr. Garvie, as an expert on compensation matters, what, if any, concern do you have regarding the Commission's discussion of long-term at-risk compensation in Gulf's 2012 test year rate case?

A. I do have a concern. The purpose of the comparison in this or any other compensation market assessment is between the group in question and the market median. What we are attempting to discern is how Gulf's compensation for a particular group of Gulf employees compares to other similar positions in the market where we would potentially source for talent. We are not measuring how the compensation of various groups of Gulf employees compares to each other due to the fact that the skills to perform the jobs in each group may not be comparable. The goal is to appropriately compare the responsibilities of each position to similar positions in the market in order to appropriately compensate employees compared to our competitors for talent in the market.

Q. Have you performed any analysis to determine how the total compensation of the 30 employees participating in the long-term at-risk compensation program compares to the market?

A. Yes. The total compensation of the 30 employees is at the median of the market when including long-term at-risk pay. If long-term at-risk compensation were to be excluded, their total compensation would be 22 percent below the median of the market, which would move total compensation to well out of market. This is because we determine the median of the market and then subtract a portion of the pay to allocate to the at-risk pay program for the benefit of our customers. When we reduced the number of participants in the long-term at-risk program, we had to increase the base pay of the former participants to maintain the target for the median of the market.

Q. I understand from your earlier response that you advocate comparing job groups to the market and not to one another, but if one were to perform an analysis similar to that performed by the Commission in Order No. PSC-12-0179-FOF-EI, Docket No. 110138-EI, is the compensation for any other job group within Gulf equal to or greater than 22 percent below the market?

A. No. There is no other job group within Gulf that would be 22 percent or more below the market.

Q. But, Mr. Garvie, the Commission did not say Gulf could not pay this type of compensation; it only said that this type of compensation would not be included in rates. Couldn't Gulf continue to pay this type of compensation if it is so important?

A. Long-term at-risk compensation is a legitimate and necessary cost of providing service to customers. It is intentionally designed into the compensation program for a group of employees who are critical to the long-term success of the Company and through their judgment and decisions could have a major impact on the customer. It is very important for Gulf to be able to attract and retain this group of employees. My limited understanding of ratemaking is that it is intended to cover the reasonable costs of delivering service. These costs are reasonable; indeed, they are necessary and desirable, and I see no value in suggesting they no longer be paid by disallowing them for ratemaking purposes.

Q. Why is it appropriate for the long-term, at-risk compensation program to focus on Southern Company financial performance rather than Gulf financial and operational performance?

A. Southern Company is Gulf's parent company and sole common equity investor. Gulf is dependent on Southern Company's ability to access the capital markets for equity capital. That access is extremely important to our customers who depend on Gulf to make the investments required to serve them safely and reliably. The goals of the long-term, at-risk compensation program provide a focus on goals that are a measure of Southern Company's financial integrity, which attracts investors and allows Southern to maintain access to the capital markets. The Commission recognized the value of a goal based on Southern Company financials when the Commission approved the Southern Company financial goal in allowing short-term at-risk compensation costs in Gulf's 2012 test year rate case: "We recognize that the financial incentives that Gulf employs as part of its incentive compensation plans may benefit ratepayers if they result in Gulf having a healthy financial position that allows the Company to raise funds at a lower cost than it otherwise could." (Order No. PSC-12-0179- FOF-EI at page 94)

Q. Mr. Garvie, why is Gulf seeking recovery for its long-term, at-risk compensation program in this case?

A. Based upon our understanding of the markets in which we compete for employees as well as the advice of recognized third-party compensation consultants, Gulf needs the long-term at-risk compensation program to be market competitive. Other utilities and other major employers with whom we compete for employees use such programs. Gulf would be at a competitive disadvantage in attracting, engaging, retaining, and motivating employees if we did not offer comparable programs.

Compensation competitiveness aside, this is a highly effective element to attract, engage, retain, and motivate this group of employees, who have more impact on customer service and satisfaction than any other employees. A real advantage of an at-risk compensation program that has elements of both short-term and long-term financial performance goals is that it does not drive employees to make short-term economic decisions that have potential adverse long-term economic consequences. Driving employees to cut costs in the short-term may increase costs that customers will have to pay in the long term. That is why having an element of long-term at-risk compensation that focuses on financial performance benefits customers. Losing that element of compensation, particularly the employees who make both short-term and long-term decisions, is not in the customers' interests.

IV. TOTAL BENEFITS

Q. Turning to the benefits portion of Gulf's total compensation and benefits package, what is Gulf's approach for designing its employee benefits program?

A. The benefits program is an integral portion of our total compensation and benefits package. Similar to our compensation program, Gulf's benefits program is designed to align with our fundamental beliefs, specifically our beliefs that long-term value to the customer is created through retaining employees, that the health and well-being of the workforce makes a difference to productivity and customer satisfaction, and maintaining program competitiveness is critical to attract, engage, retain, and motivate our workforce. Like our compensation program, we annually go through a rigorous review of our benefits program to ensure that we are offering a competitive, but cost-efficient, benefit program to help us attract and retain our highly skilled workforce. Our benefits program, including retirement and welfare plans, is designed to be valued at the median of the external market. We have intentionally designed a flexible benefits program that allows employees to choose those benefits that meet their individual needs. This approach provides the advantage of having the cost of many of the programs shared between the Company and our employees.

Q. What are Gulf's projected benefit costs for the test year?

A. Based on the calculations available at the time the 2016 budget was finalized, total benefit costs were projected to be $36,971,542 in 2017. The components are:

Health and Welfare benefits		$ 14,255,244
Retirement Benefits		
Pension Plan	$ 2,810,000	
Post-employment benefits	$ 2,943,049	
Employee Savings Plan	$ 4,737,653	
Total Retirement Benefits		$ 10,490,702
Benefits Required by Law		$ 9,953,058
Other Benefits		$ 2,272,538

Benefits required by law include social security tax, federal and state unemployment taxes, and worker's compensation. The benefit costs projected in O&M for the rate case under the 2016 budget are $18,476,003.

Q. Have any of the benefit cost projections for 2017 materially changed since the 2016 budget was prepared?

A. Yes. Market conditions, specifically lower discount rates, have reduced the funded status of the pension plan, resulting in increased cost projections for the plan. To mitigate the cost increases and thereby lower the overall costs of the plan for our customers, Gulf will make a contribution to the pension plan in December 2016. The planned contribution is $81,000,000, which consists of $71,500,000 to improve the funded status for Gulf with the remaining $9,500,000 being Gulf's allocated portion for SCS resources.

This contribution will reduce expected pension O&M costs for the 2017 test year by $665,000, for a total pension O&M cost of $2,145,000. Ms. Ritenour makes adjustments to working capital and pension expense to reflect this additional pension contribution.

Q. In addition to the December 2016 contribution to the pension plan, is Gulf making other efforts to reduce the costs of the pension plan?

A. Yes. As with all of our benefit programs, we continually evaluate our pension plan for cost effectiveness and market competitiveness. Since Gulf's 2014 test year rate case, the primary changes to the pension plan are that employees hired on or after January 1, 2016, will have a single, reduced pension formula with accredited service capped at 30 years. These changes will reduce the growth in pension liability for the Company going forward.

Q. Why does Gulf provide a pension plan benefit for employees?

A. Gulf provides a pension plan benefit so that our benefits program will remain competitive in the market for new hires and to retain our highly skilled workforce and the investment we have made in training our employees. The pension plan is an economically efficient way to provide a retirement benefit which allows us to attract and retain the talent needed to provide the reliable and efficient service our customers expect and deserve.

Q. How does Gulf's benefits program compare to the external market?

A. We performed an assessment and found Gulf's benefits program to be competitive against the utility industry. Willis Towers Watson and Aon Hewitt conducted analyses of the benefit programs offered by Gulf and comparator companies in 2015, as can be seen in Exhibit JMG-1, Schedules 4 and 5, respectively. The analyses were done using Aon Hewitt's Benefit Index® and Willis Towers Watson's BENVAL database surveys. These tools compare the relative worth of one company's benefits program to those offered by a group of other companies. Based on both the Aon Hewitt and Willis Towers Watson assessments, the relative value of benefits Gulf provides its employees is at market.

Q. How were the benefit competitiveness assessments made?

A. The analyses performed by Aon Hewitt and Willis Towers Watson utilize survey data to gauge the value of our benefits against other utilities. The surveys include all retirement income, death, disability, healthcare, and paid time off benefits offered to salaried hires. The actuarial value of each of the benefits is calculated to reflect what each program would be expected to pay during a year and the present value of the benefits new hires would be expected to earn during a year but receive in the future, like pension benefits. The same employee population and assumptions are used when measuring the values for each of the programs. This standardization assures that the differences in benefit values are attributable to plan designs. Finally, the value of Gulf's benefits program is compared to the average of the values for the comparator group's programs to arrive at a relative value result reported by the surveys. A relative value of 100.0 would be assigned if Gulf's benefit value equaled the average value of the benefits offered by the comparator companies.

Q. Please describe the relative value of Gulf's benefits program as compared to the external market as found by Willis Towers Watson and Aon Hewitt.

A. Exhibit JMG-1, Schedule 4 contains a chart showing Willis Towers Watson's analysis of the relative value of Gulf's benefits versus the average of two comparator groups. In addition, the chart shows the distribution of the relative values of comparator companies around the average. Exhibit JMG-1, Schedule 5 illustrates the relative value analysis completed by Aon Hewitt. Using Willis Towers Watson's BENVAL, Gulf's benefits program is 94.7 percent of the average value of benefits provided by other utilities. Using Aon Hewitt's Benefit Index, Gulf's benefits program is 102.7 percent of the average value of benefits provided by other utilities.

Q. Are Gulf's 2017 total benefit costs of $36,971,542 and projected O&M benefits expenses of $18,476,003 reasonable and prudent?

A. Yes. The benefit costs of Gulf's total compensation and benefits package is 17 percent lower than the cost in Gulf's 2014 test year rate case. The costs are reasonable and prudent and are necessary to continue our efforts to attract, engage, retain, and motivate qualified employees with a focus on customer service.

V. SUMMARY

Q. Please summarize your testimony.

A. Gulf's total compensation and benefits package benefits our customers by allowing us to attract, engage, retain and motivate a highly trained, skilled, and customer-focused workforce that delivers safe and reliable electric service. The design of our total compensation and benefit programs, including both short-term and long-term at-risk pay, is aligned with the median of the market. The costs of our compensation and benefit programs are both reasonable and prudent based on market comparisons and should be included in the rates paid by customers.

Q. Does this conclude your testimony?

A. Yes.

AFFIDAVIT

STATE OF GEORGIA)
)
COUNTY OF FULTON)

Docket No. 160186-EI

Before me the undersigned authority, personally appeared James M Garvie, who being first duly sworn, deposes, and says that he is the Compensation, Benefits and Human Resources Operations Vice President at Southern Company Services and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

s/ Jim M. Garvie
James M Garvie
Compensation, Benefits and HR Operations VP

Sworn to and subscribed before me this 5th day of October, 2016.

Donna Sue Rhyne
Notary Public, State of Georgia

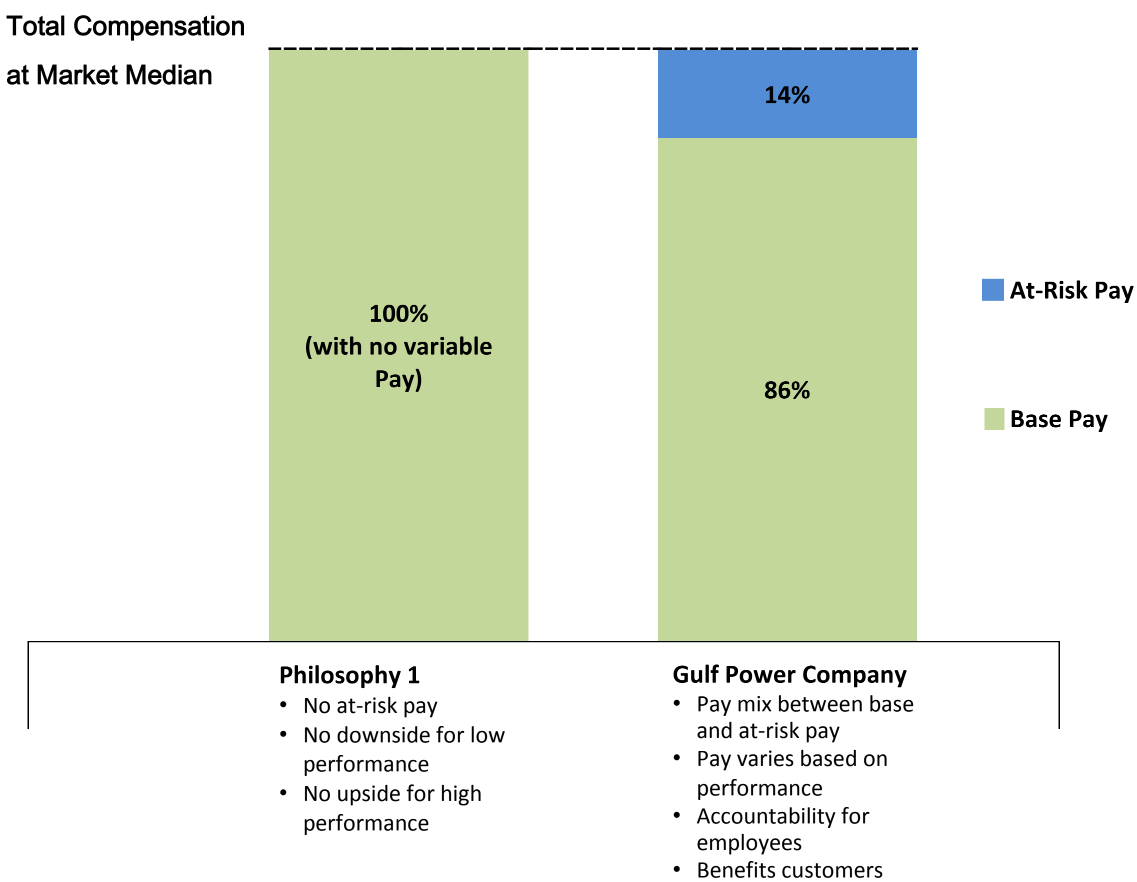
Commission No. ______________

My Commission Expires Feb. 12, 2020

DONNA SUE RHYNE
NOTARY PUBLIC
MY COMMISSION EXPIRES FEBRUARY 12, 2020
PAULDING COUNTY, GEORGIA

Exhibit

Gulf Power Company Total Compensation Mix Between Base and At-Risk Pay



Gulf Power Company
Base Salary and Total Compensation to Market Median

	Gulf Base Salary to Market Median Base Salary	Gulf Total Compensation to Market Median Total Compensation
Gulf Power Company	-1.1%	-1.0%

Notes:
1. Total Compensation includes base salary plus at-risk (variable) compensation.
2. Data does not include employees and positions covered by a collective bargaining unit since base salary wages are negotiated.

Willis Towers Watson

Memorandum

Date:	August 3, 2016
To:	Jeffrey A. Stone, Esq. — Beggs & Lane
From:	David Wathen — Willis Towers Watson Eric Henken — Willis Towers Watson
Subject:	Audit of Gulf Power's Pay Programs

Gulf Power Company (Gulf Power) is filing a request with the Florida Public Service Commission (FPSC) for a base rate adjustment. In preparation for this request, Gulf Power asked Willis Towers Watson to review the competitiveness of its current pay programs relative to utility industry market practices.

As part of our review, Willis Towers Watson assessed the following plans, programs and processes for Gulf Power:

- Pay philosophy
- Pay benchmark process
- Competitive market positioning of total pay (base salary and at-risk pay)
- At-risk pay programs
  - Performance Pay Program – the company's annual at-risk pay program
  - Performance Shares – the company's long-term at-risk pay program

Summary Findings

Based on our review, we find:

- Gulf Power's total pay philosophy of targeting the 50^{th} percentile of similarly sized utilities is consistent with the majority of utility peers examined and our consulting experience suggests it is the most prevalent practice across general industry

- Gulf Power's pay benchmarking process is consistent with utility industry and general industry market best practices

- Gulf Power's pay levels are competitive with market 50^{th} percentile for base salary and target total direct compensation (Target TDC = base salary + at-risk annual and long-term pay) based on published survey compensation data

- Gulf Power's strategy to provide at-risk pay (both annual and long-term) is consistent with the majority of publicly-traded utility peers examined. While specific design elements of at-risk pay programs may differ among utility peers, Gulf Power's design differences are limited. Overall, we find the Company's at-risk pay program designs to be comparable to and competitive with designs of utility peers

- Overall, our competitive review indicates Gulf Power's pay plans, programs and processes to be comparable to and competitive with utility peer practices

Pay Philosophy

Gulf Power's pay philosophy is to target base salary, annual at-risk and long-term at-risk pay at the 50th percentile of similarly sized utilities.

Willis Towers Watson reviewed current proxy disclosures for the following two market perspectives to assess how Gulf Power's pay philosophy compares to market practice:

- Large Utility Peer Group – 15 publicly-traded, comparably-sized electric utilities with revenues in a range of approximately ½ to 2 times the revenues of Southern Company (see Exhibit 1 for the list of Large Utility Peer Companies)

- Small Utility Peer Group – Since comparably-sized subsidiary utilities like Gulf Power do not generally publicly disclose pay program data, a peer group of 14 publicly-traded, comparably-sized electric utilities with revenues in a range of ½ to 2 times the revenues of Gulf Power were used for comparison (see Exhibit 2 for the list of Small Utility Peer Companies)

When developing peer groups for comparison, assessing companies with revenues in a range of ½ to 2 times company revenues is standard practice in compensation consulting and is also a guideline utilized by Institutional Shareholder Services (ISS), a prominent proxy advisor firm.

Pay Philosophy Review Findings

Based on our review, Gulf Power's pay philosophy aligns well with both market perspectives. Most peers (10 of the 15 Large Utility Peer Group and 11 of the 14 Small Utility Peer Group) target the market 50th percentile for some or all pay elements. For those companies that do not target the market 50th percentile:

- Large Utility Peer Group: 2 utilities target a range (one targets 50th - 75th percentile and one targets 30th - 70th percentile) and 3 utilities did not define a targeted compensation philosophy
- Small Utility Peer Group: 2 utilities target a range around median (one targets 35th - 65th percentile and one targets 43rd - 57th percentile) and 1 utility did not define a targeted compensation philosophy

In addition, Gulf Power's target pay positioning of the market 50th percentile aligns with the typical market practice found in the general industry.

Pay Benchmarking Process

Willis Towers Watson reviewed the benchmarking process at Gulf Power. The review was conducted by analyzing a sample of positions from the following groups:

- Management employees
- Professional employees
- Non-exempt employees
- Employees covered under a collective bargaining agreement (Covered Employees)

In conducting the review, we analyzed 248 of Gulf Power's positions, which covered 69% of employees.

Outlined below is the Gulf Power benchmarking process that was reviewed to determine if it was consistent with market norms and best practices:

- Select appropriate benchmark positions
- Review and define each position's duties and responsibilities
- Determine relevant labor market for position
- Use compensation surveys reflective of relevant labor market
- Use multiple compensation survey sources, when available
- Match company positions to compensation survey benchmarks reflective of each position's duties and responsibilities
- Develop a "market rate" for each company position matched to compensation survey benchmark jobs
- Assess competitiveness of Gulf Power's positions to the "market rate"

Pay Benchmark Process Findings

The current Gulf Power pay benchmarking process is consistent and aligned with utility industry and general industry market best practices.

Competitive Market Positioning

Willis Towers Watson assessed the competitiveness of Gulf Power's current pay levels to the Company's 50th percentile pay philosophy. To conduct this analysis, we utilized published energy services and general industry compensation surveys available to Willis Towers Watson, including our proprietary 2015 Energy Services and General Industry Compensation Databases, reflecting over 113 and 465 survey participants, respectively.

Our competitive benchmarking analysis finds that for the positions examined, on average, base salaries and target total direct compensation (base salary + at-risk annual and long-term pay) at Gulf Power fall slightly below the market 50th percentile, 2.8% and 2.9% below, respectively.

Competitive Market Positioning Findings

We have determined that, overall, Gulf Power's pay approximates the market 50th percentile. The competitive positioning of pay aligns with Gulf Power's stated pay philosophy of targeting the 50th percentile of similarly sized utilities.

At-risk Pay Programs

Willis Towers Watson reviewed Gulf Power's annual at-risk and long-term at-risk pay programs which include:

- Performance Pay Program (PPP) – the company's annual at-risk program
- Performance Share Program (PSP) – the company's long-term at-risk program

Most investor owned utilities and publicly-traded general industry companies use at-risk pay programs (both annual and long-term) to help attract, motivate and retain critically skilled employees needed to successfully run the business. These programs focus employees on both annual and long-term goals. Gulf Power's strategy to provide at-risk pay (both annual and long-term) is consistent with the market perspectives examined.

We assessed the design of both annual at-risk and long-term at-risk pay programs against the Large Utility Peer Group, the Small Utility Peer Group as well as the following proprietary Willis Towers Watson surveys

- Annual at-risk pay programs: industry cut of 34 utility industry participants in Willis Towers Watson's 2015 Global Executive Incentive Design Survey (GEIDS).
- Long-term at-risk pay programs: Willis Towers Watson's 2015 Long-term Incentives Policies and Practices (LTIPP) Survey Report – Energy Services data cut reflecting 102 energy industry participants (survey conducted by Willis Towers Watson for over 20 years)

The findings of Willis Tower Watson's assessment of the competitiveness of both annual at-risk and long-term at-risk pay programs are presented below.

Annual At-Risk Pay Program (Performance Pay Program)

In general, we find Gulf Power's Performance Pay Program is comparable to and competitive with designs of utility peers. Key design aspects are noted below:

- Eligibility – all regular full-time and part-time Gulf Power employees are eligible to participate in the Performance Pay Program, which aligns with market practice among utility peers

- Performance Measures – the Performance Pay Program assesses performance using a balanced scorecard approach, incorporating both financial (corporate EPS and business unit Net Income) and business unit operational (safety, reliability, availability, and culture) metrics. The use of a balanced scorecard approach is the most prevalent practice among the utilities examined
  - The use of EPS is very common among all market perspectives examined as 80% of Large Utility Peer Group and 64% of Small Utility Peer Group incorporate EPS as part of their annual at-risk pay programs. Additionally, over two-thirds of the GEIDS utility participants incorporate bottom-line financial measures like EPS as part of their annual at-risk pay program
  - Similar to Gulf Power's design, the inclusion of business unit metrics in the annual at-risk program is common among utilities (53% of the Large Utility Peer Group and 35% of the Small Utility Peer Group)

- Performance Weightings – all Performance Pay Program participants, from bargaining unit employees to senior management, have similar performance goal weights (33% Corporate EPS, 33% Business Unit Financial Performance and 33% Business Unit Operational Performance), as the Company wants to emphasize the equal importance of all performance measures
  - Typical market practice applies different goal weights based on organizational level within the company. For example, business unit management employees would typically have greater weight applied to business unit performance than corporate performance to emphasize their stronger "line of sight" (i.e., ability to influence or impact the performance measure)

Long-Term At-Risk Pay Program

Gulf Power's long-term at-risk pay program, like the annual at-risk pay program, is comparable to and competitive with utility peer designs. We summarize key design aspects below:

- Eligibility – Currently, Gulf Power grants long-term at-risk awards deeper into the organization than most utility peers with awards granted to employees in grade 7 or a base salary midpoint of about $112,000. This award level is lower than the median base salary of the lowest eligible recipient in the LTIPP energy services industry peers, which includes almost all of the large and small utility proxy peers in the survey. Beginning in 2017, Gulf Power will extend long-term at-risk award eligibility to grade 9, reflecting a base salary midpoint of about $160,000, which aligns with market practice among utility peers

- Long-term At-Risk Awards – Gulf Power utilizes one equity vehicle (performance shares) when making annual long-term incentive (LTI) grants. While the use of only one vehicle is less common among the three market perspectives examined, we note that Gulf Power's long-term at-risk program reflects a stronger performance focus than utility peers as grants are 100% performance-based. Most utility peers grant a mix of performance shares and time-based restricted stock, where time-based restricted stock has no performance focus as the stock is typically awarded after a defined period of employment has lapsed

- Performance Measures – Gulf Power uses a combination of relative Total Shareholder Return (TSR), EPS, and Return on Equity (ROE) as the basis for determining if performance shares are earned. Additionally, in order for the EPS and ROE portions of the performance share awards to be earned, a minimum credit quality rating must be maintained. It is common for companies to use multiple performance metrics with performance awards
  - Prevalence of TSR - Most peers (93% of the Large Utility Peer Group, 100% of the Small Utility Peer Group and over two-thirds of the LTIPP energy services peers) tie some portion of performance share awards to relative Total Shareholder Return (TSR)
  - Prevalence of EPS - Use of EPS as a measure is consistent with both the Large Utility Peer Group (20% of peers) and the Small Utility Peer Group (36% of peers). Among LTIPP energy services peers, approximately 18% use EPS
  - Prevalence of ROE - ROE as a performance measure is more common among the Small Utility Peer Group, where 29% use the metric with performance awards. Among the Large Utility Peer Group and LTIPP energy services peers, the use of ROE is less common

- Performance/Payout Range − Gulf Power provides a maximum payout opportunity of 200% of target which is the majority practice among all three market perspectives examined. Additionally, Gulf Power's maximum relative TSR performance achievement level of 90th percentile is consistent with

  all three market perspectives examined

- Peer Groups – performance share awards at Gulf Power assess TSR performance against a custom peer group of utilities with similar business model and size. The use of a single peer group for assessing relative TSR performance is consistent with the typical practice of utility peers

At-risk Pay Programs Findings

Our competitive market review indicates Gulf Power's at-risk pay programs are comparable to and competitive with plan designs of other similarly sized utilities.

Conclusion

In summary, we find the form, mix and levels of total pay at Gulf Power to align with the Company's stated pay philosophy and the market practices of utility peers. The continued use of market competitive pay programs will enable Gulf Power to attract, retain and motivate the employees needed for continued success.

* * * *

We hope this information is helpful. Please let us know if you have any questions or require additional information.

cc: James Garvie – Southern Company Services

Mr. Jeffrey A. Stone Esq.
June 14, 2016

Willis Towers Watson

Exhibit 1

Large Utility Peer Group

Company	Ticker	Revenue ($000s)	Number of Employees
AES Corp.	AES	$14,963	21,000
American Electric Power Company	AEP	$16,453	17,405
Consolidated Edison	ED	$12,554	14,806
Dominion Resources	D	$11,683	14,700
DTE Energy	DTE	$10,337	10,000
Duke Energy	DUK	$23,063	29,188
Edison International	EIX	$11,524	12,768
Entergy	ETR	$11,513	13,579
Exelon	EXC	$29,447	29,762
FirstEnergy	FE	$14,610	15,781
NextEra Energy	NEE	$17,486	14,300
PG&E	PCG	$16,833	23,000
PPL Corp.	PPL	$7,669	12,799
Public Service Enterprise Group	PEG	$10,415	13,025
Xcel Energy	XEL	$11,024	11,644
25th Percentile		$11,269	12,912
Median		$12,554	14,700
75th Percentile		$16,643	19,203

Data source: Standard & Poor's Capital IQ. Company revenue and employee data reflect most recent fiscal year-end data.

Willis Towers Watson

Exhibit 2

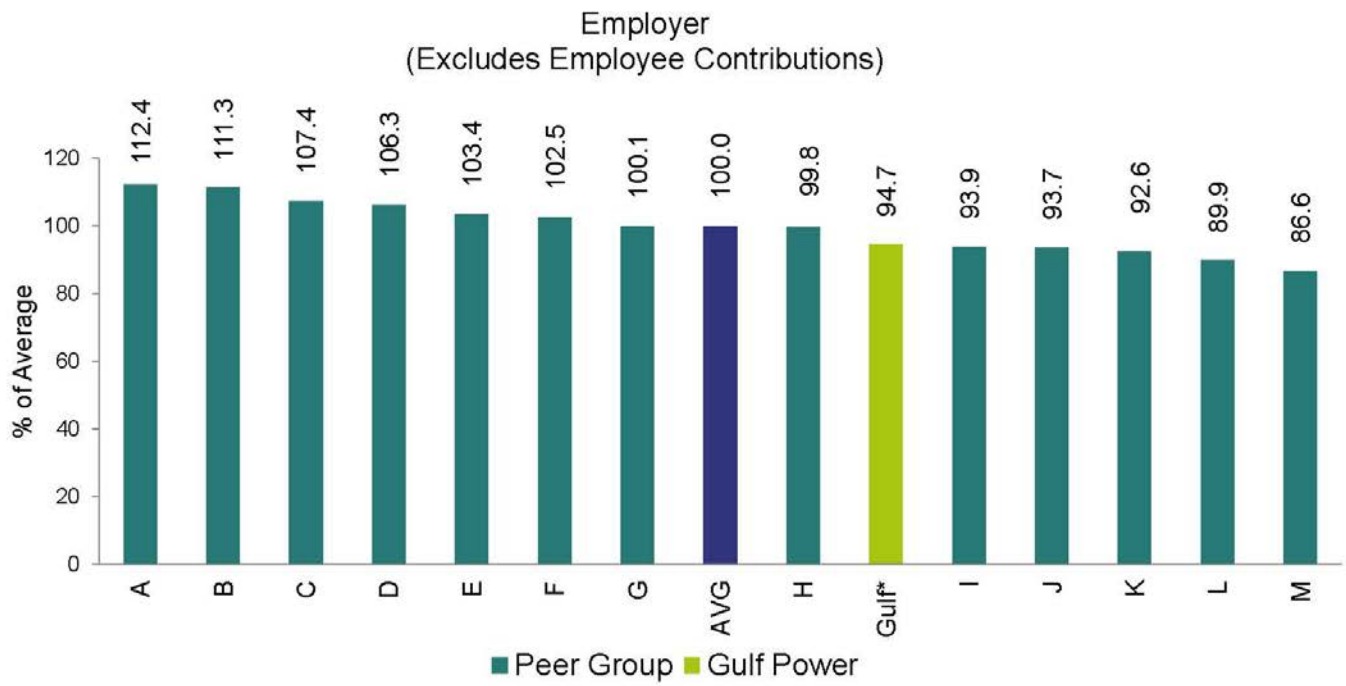
Small Utility Peer Group

Company	Ticker	Revenue ($000s)	Number of Employees
ALLETE	ALE	$1,486	1,934
Avista Corp.	AVA	$1,485	1,938
Black Hills Corp.	BKH	$1,305	2,003
El Paso Electric Co.	EE	$850	1,100
Great Plains Energy Incorporated	GXP	$2,502	2,899
IdaCorp, Inc.	IDA	$1,270	2,013
Northwestern Corp.	NWE	$1,214	1,608
OGE Energy Corp.	OGE	$2,197	2,586
Otter Tail Corp.	OTTR	$780	2,005
PNM Resources, Inc.	PNM	$1,439	1,868
Portland General Electric Company	POR	$1,898	2,646
TECO Energy, Inc.	TE	$2,744	3,713
Vectren Corp.	VVC	$2,435	5,600
Westar Energy, Inc.	WR	$2,459	2,330

25th Percentile		$1,279	1,935
Median		$1,486	2,009
75th Percentile		$2,375	2,631

Data source: Standard & Poor's Capital IQ. Company revenue and employee data reflect most recent fiscal year-end data.

Entire Benefit Program



- For the entire benefit program, Gulf Power is 5.3% below average for employer provided benefits

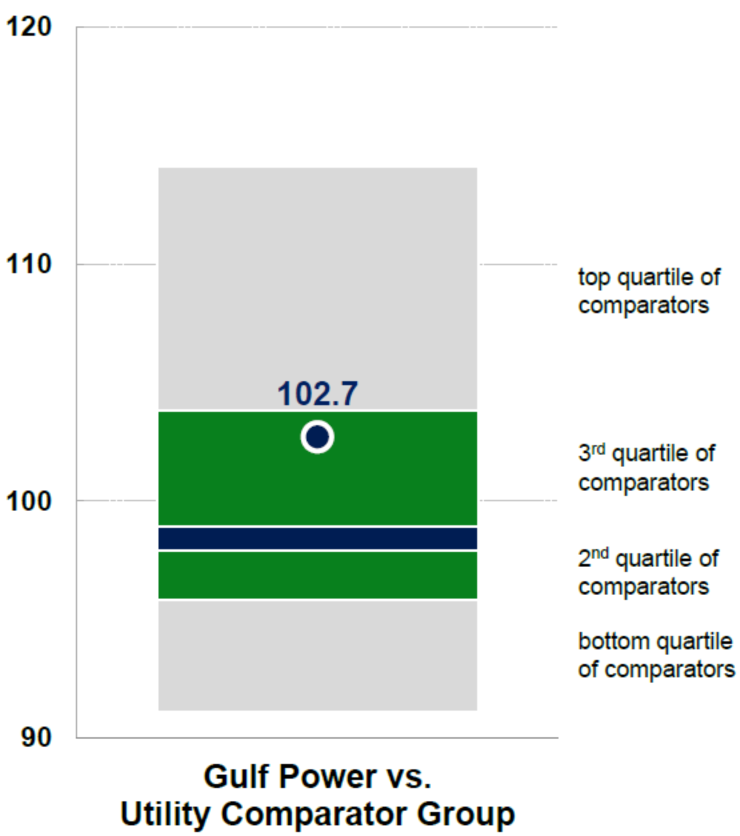
*Excluded from average

© 2016 Willis Towers Watson. All rights reserved.

Florida Public Service Commission
Docket No. 160186-EI
GULF POWER COMPANY
Witness: James M. Garvie
Exhibit No. ____ (JMG-1)
Schedule 4
Page 1 of 1

Employer-Paid Value of Gulf's Benefits vs. Utility Comparator Group

Benefit Index® Results



- Value of Gulf's benefits are:
  - 102.7% of the average value of benefits provided by a group of 15 large utilities
  - Benefit values determined using Aon Hewitt's Benefit Index® methodology
- Reading results chart
  - 100 = average value of benefits for the comparator group
  - Blue dot indicates relative value of Gulf's benefits versus the average value of comparators' benefits
  - Column shows range of each comparators' benefit values versus the average value of comparators' benefits

Florida Public Service Commission
Docket No. 160186-EI
GULF POWER COMPANY
Witness: James M. Garvie
Exhibit No. ____ (JMG-1)
Schedule 5
Page 1 of 1

Empower Results®