

**Collin Roehner**

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**From:** Ruth McHargue  
**Sent:** Tuesday, December 20, 2016 4:49 PM  
**To:** Consumer Correspondence  
**Cc:** Diane Hood  
**Subject:** FW: To CLK Docket 160186  
**Attachments:** Gulf Power's proposed rate hike; Gulf Power Proposed Rate Change; Gulf Power Requested Rate Increase; Rate increases ; No Rate Increase

Customer correspondence

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**From:** Diane Hood  
**Sent:** Tuesday, December 20, 2016 3:30 PM  
**To:** Ruth McHargue  
**Subject:** To CLK Docket 160186

Copies on file. DHood

## Collin Roehner

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**From:** Richard Adams <cradams1946@gmail.com>  
**Sent:** Monday, December 19, 2016 9:21 AM  
**To:** Consumer Contact  
**Subject:** Gulf Power's proposed rate hike

I am opposed to the rate hike! If they can waste \$25,000,000 on politics, they do need need more money to waste. Poor management of money should no become a burden to those of us on fixed income.

Charles Adams

## Collin Roehner

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**From:** L. Wayne Etheredge <stupal@aol.com>  
**Sent:** Tuesday, December 20, 2016 12:41 PM  
**To:** Consumer Contact  
**Subject:** Rate increases

Hello Public Service Commissioners,

I expect you will approve the Gulf Power proposed rate increase as you usually do!

Please note the increase notice was sent in a plain envelope without the Gulf Power logo anywhere. Then the one page letter was in ink older eyes could hardly read since the ink was so faint!

It looked like Gulf Power was filling in the blanks of notification so no one would know!

However, you might consider those retirees over 70 who have to manage on non-escalating fixed incomes while Gulf Power arguments the high salaries of "super executives" with new luxury cars and charge cards for gasoline as we struggle to make ends meet!

Refuse this rate increase and require Gulf Power to live within their means too!

L. Wayne Etheredge  
Sent from my iPhone

## Collin Roehner

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**From:** Don Meyer <ritadon@hotmail.com>  
**Sent:** Monday, December 19, 2016 2:07 PM  
**To:** Consumer Contact  
**Subject:** Gulf Power Proposed Rate Change

Thank you for the opportunity to comment on the proposed Gulf Power base rate increase of 6.9% for residential customers commencing in July 2017.

I find it interesting that Gulf Power indicates that residents are paying less for power (not base rate, but total) than in 2015. Yes, fuel costs have decreased and one would expect that just like at the gas station, our costs of using fuel has decreased. However, prices are again on the rise as a result of an OPEC agreement to cut oil output -- so the price we pay could again rise substantially. The bottom line for fuel costs is that they fluctuate -- when they rise again we can be assured that Gulf Power will raise their prices to consumers accordingly. So, the price of fuel is a red herring when it comes to the argument to raise residential power rates.

Gulf Power argues that it needs the 6.9% for improvements to their grid. One would note that in the last two years, the cost of living as reported by the US government has increased 0.3% -- over two years! Indeed, that (0.3%) is the total increase in Social Security payments that beneficiaries have/will receive over the 24 months from Jan 2016 to Dec 2017. Now we hear that Gulf Power wants a base rate increase exponentially larger than the reported inflation rate.

For comparison, the Escambia County Utilities Administration (ECUA) demanded (and received) an approx 3% increase for each of the past two years for their water, trash and recycling improvements -- again, well above the federally reported rate of inflation.

So, here we go -- yet another large increase proposed by a government-regulated utility -- government regulation of course meant to control the rates the monopoly can impose on its users.

What I would ask is proof that the rate increase will be used for infrastructure -- not for pay raises, bonuses to executives, further executive hiring, or return to shareholders. Senior citizens who live mostly on fixed income (what little income there is when interest rates on savings are less than 1%) made due with 0.3% over the past two years. So can others -- its done buy cutting non-necessary expenses, which is what I suggest Gulf Power do.

All that said, should a Gulf Power rate increase be justified by data that shows exactly how the money will be spent (and how that will be audited), then it should be held down to 2-3% in fairness to customers who continue to feel the effects of the 2008 financial crisis, that has in no way been resolved for those who must live on secure savings (not the speculative stock market).

Don Meyer  
Pensacola, FL

## Collin Roehner

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**From:** MacCollum <maccollum.m@gmail.com>  
**Sent:** Tuesday, December 20, 2016 2:28 PM  
**To:** Consumer Contact  
**Subject:** No Rate Increase

There is no justification for a rate increase by Gulf Power or the other two new residential rate options. Fuel prices are still low and upper management makes too much money. When was the last time, most people got a 6.9% pay increase. Please say no to their request.

Marilyn MacCollum

## Collin Roehner

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**From:** Gary Hoormann <gwh\_1947@yahoo.com>  
**Sent:** Monday, December 19, 2016 8:41 PM  
**To:** Consumer Contact  
**Subject:** Gulf Power Requested Rate Increase

To Whom It May Concern:

Customers of Gulf Power received notice that they asked the Florida Public Service Commission to conduct a review of its rates. The explanation provided to its customers sighted that the total residential rate is lower then it was in 2015 and will be even lower in 2017, mainly because of decrease fuel prices. Gulf Power also stated that taking the residential rates being lower due to the decrease in fuel prices, it wants to increase the average residential customer monthly bill by 6.9 percent, or \$10.22 per month.

I speak in opposition to this increase because Gulf Power is making this request for a rate increase due to the fact that its cost of energy has gone down with the savings passed on to its customers. Gulf Power also uses its residential rate of 2015 as a benchmark in saying that the residential rate in 2016 and 2017 are lower than that benchmark. However, they ask for a near seven percent increase in its residential rate while the rate of inflation for 2015 was 1/10 of one percent and will be 1.7 percent at the end of 2016, for a two year total of less than a two percent rate of inflation. This is significantly lower than the near seven percent increase sought by Gulf Power.

In addition to the rate of inflation being virtually flat, Gulf Power sights the decrease in fuel prices as the primary reason for its need for a residential rate increase. However, energy is a commodity and is based on supply and demand. Historically, Coal reached an all time high of 139.05 in January of 2011 and a record low of 48.80 in January of 2016. Since setting a record low, coal has comeback strong reaching nearly \$120 in October and closing on December 19 at \$86.50. Coal traded at approximately \$60 in 2015, the benchmark used by Gulf Power, an amount that is lower than the current price of coal, which is trending upwards for the coming year. Natural gas also shows nearly the same history of spiking and crashing. The price of natural gas has remain relatively flat since 2012 where on January 2012 the price of natural gas closed at 2.67 and in December 2016 it stands at \$3.60. The average price of natural gas over this period stands at \$3.36, lower than today's price which is expected to trend upwards in 2017. Natural gas does not play a major role in Gulf Power's energy.

Gulf Power states on its Web site that by carefully forecasting energy needs and securing the most economical sources available, it is able to operate its power plants at a 99 percent level of reliability, among the highest in the nation. Unfortunately, in its letter to the customers, Gulf Power is saying that its practice of securing the most economical sources available is the reason for its application for a rate increase. Economic models show that the commodities of coal and natural gas are trending upwards. Gulf Power states that it is requesting the rate increase due to the low cost of energy resources. A question of the Commission should be that if Gulf Power is requesting a rate increase due to the low cost of energy, would Gulf Power adjust the rates downward when commodity prices decline. After all, energy resources are commodities that fluctuate over time.

The economy has experience nearly eight year of economic growth at an average rate of two percent per year. Economists are now saying that the economy cannot sustain this growth and are foreseeing a downturn in the economy along with a correction in the stock market. Both events will result in economic hardship for customers of Gulf Power.

Finally, yours truly personally finds it a conflict of interest for Gulf Power to apply to a state commission for a rate increase while it contributed over \$50,000 to the Republican Party and over \$10,000 to the Democratic Party this past election.

Respectfully submitted,

Gary W. Hoormann  
3271 Wasatch Range Loop  
Pensacola, Florida 32526