

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In 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

In re: Petition for rate increase by Gulf Power Company.

DOCKET NO. 160186-EI
ORDER NO. PSC-16-0582-PCO-EI
ISSUED: December 28, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

ORDER SUSPENDING GULF POWER COMPANY'S REQUEST FOR PERMANENT BASE RATE INCREASE AND ASSOCIATED TARIFFS

BY THE COMMISSION:

Background

In Gulf Power Company's (Gulf) most recent base rate proceeding in Docket No. 130140-EI, we approved a settlement agreement which authorized revenue increases of \$35 million in January 2014 and an additional \$20 million in 2015, for a total increase of \$55 million.¹ The settlement covers a term of 42 months that began with the first billing cycle of January 2014 and ends on the last billing cycle of June 2017.

This proceeding commenced on October 12, 2016, with the filing of a petition for a permanent rate increase and motion to consolidate dockets by Gulf.² Gulf provides electric

¹Order No. PSC-13-0670-S-EI, issued December 19, 2013, in Docket No. 130140-EI, *In re: Petition for rate increase by Gulf Power Company*.

²Gulf's motion to consolidate dockets was approved by Order No. PSC-16-0511-PCO-EI, issued November 9, 2016, in Docket No. 160170-EI, *In 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* and Docket No. 160186-EI, *In re: Petition for rate increase by Gulf Power Company*

service to approximately 450,000 retail customers in all or parts of eight Florida counties. Gulf requested an increase in its retail rates and charges to generate approximately \$106.8 million in additional gross annual revenues, effective July 1, 2017. Gulf also requested approval of an authorized return on equity (ROE) of 11.0 percent, with a range of plus or minus 100 basis points. The hearing is scheduled for March 20-24, 2017. Gulf did not request any interim rate relief.

On October 14, 2016, we acknowledged the Office of Public Counsel's notice of intervention in this proceeding.³ Also, petitions for intervention were recently filed by the Federal Executive Agencies and the Southern Alliance for Clean Energy.⁴

This Order addresses the suspension of the requested permanent rate increase. We have jurisdiction pursuant to Sections 366.06(2), (3), and (4), Florida Statutes.

Decision

Gulf filed its petition, testimony, and minimum filing requirements on October 12, 2016. Gulf has requested a total permanent base rate increase of \$106,782,000 based on a projected test year ending December 31, 2017.

The suspension of the rate increase is authorized by Section 366.06(3), Florida Statutes, which provides:

Pending a final order by the commission in any rate proceeding under this section, the commission may withhold consent to the operation of all or any portion of the new rate schedules, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for withholding its consent.

We find it appropriate to suspend Gulf's request for a \$106,782,000 permanent base rate increase and the associated tariff revisions in order to allow our staff and any intervenor sufficient time to adequately and thoroughly examine whether the request for permanent rate relief is justified.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the \$106,782,000 permanent base rate increase and its associated tariff revisions requested by Gulf shall be suspended in order to allow our staff and any intervenor sufficient time to adequately and thoroughly examine whether the request for permanent rate relief is appropriate. It is further

³Order No. PSC-16-0466-PCO-EI, issued October 14, 2016, in Docket No. 160186-EI, *In re: Petition for rate increase by Gulf Power Company*.

⁴ Since this Commission's vote at the Commission Conference held on December 6, 2016, Florida Industrial Power Users Group, the League of Women Voters of Florida, Sierra Club, and Wal-Mart Stores East, LP and Sam's East, Inc., each filed a petition for intervention in this Docket.

ORDERED that these dockets shall remain open pending our final determination in this matter.

By ORDER of the Florida Public Service Commission this 28th day of December, 2016.



HONG WANG
Chief Deputy Commission Clerk
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.