BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for Increase in Rates by Gulf Power Company.	) Docket No. 160186-EI)) Filed: February 21, 2017

WAL-MART STORES EAST, LP'S AND SAM'S EAST, INC.'S
PREHEARING STATEMENT

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively referred to as "Walmart"), pursuant to Commission Order No. PSC-16-0473-PCO-EI, issued on October 20, 2016, hereby file their Prehearing Statement in this case.

A. APPEARANCES

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B. WITNESSES AND EXHIBITS

Walmart is sponsoring the testimony of Steve W. Chriss, Walmart's Director of Energy and Strategy Analysis, whose testimony addresses the Commission's fundamental purpose in this case: to analyze Gulf's request in order to ensure that any rate increase that might be awarded to Gulf Power would be only an amount sufficient to enable Gulf to provide safe, adequate, and reliable service at the lowest possible cost. Mr. Chriss's testimony also addresses Gulf's request for an ROE of 11.0

percent, which appears to be excessive, specifically in light of recent decisions by this Commission and by many other state regulatory commissions, and the high degree of revenue certainty that Gulf is allowed through the use of numerous cost recovery clauses. Mr. Chriss's testimony also addresses the potential economic development and public interest benefits of requiring Gulf to implement a collaborative stakeholder process with the purpose and goal of developing additional energy supply options to be proposed for Commission approval, with particular emphasis on renewable energy measures.

Witness	**Subject Matter**
Steve W. Chriss	Impacts of base rate/revenue requirement increases on customers; rate of return on equity; collaborative stakeholder process to develop additional energy supply options with emphasis on renewable energy measures

Issues Addressed

46, 52, 106 (New Walmart issue)

Exhibits

Exhibit SWC-1: Witness Qualifications Statement

Exhibit SWC-2: Estimated Impact of Gulf's Proposed Increase in ROE from 10.25 Percent to 11.0 Percent

Exhibit SWC-3: Calculation of Proposed Test Year Jurisdictional Revenues Collected Through Base Rates

Exhibit SWC-4: Reported Authorized Returns on Equity, Electric Utility Rate Cases Completed, 2014 to 2016

Exhibit SWC-5: Estimated Revenue Requirement Impact of Difference in ROE Between 9.81 Percent and 11.0 Percent

C. WALMART'S STATEMENT OF BASIC POSITION

The ultimate issue to be addressed by the Commission in this proceeding is whether Gulf Power Company ("Gulf") ***needs*** any additional revenues in order to provide safe, adequate, reliable service, to recover its legitimate costs of providing such service, and to have an opportunity to earn a fair and reasonable return on its legitimate investment in assets used and useful in serving Gulf's retail customers. The evidence offered by intervenor parties, including the Citizens of the State of Florida, the Federal Executive Agencies representing the United States military, and Walmart shows that, in total, the answer to this question is that Gulf can indeed fulfill its duty to provide safe, adequate, reliable service with no rate increase at all, and probably with a modest overall rate reduction of approximately $2 million per year. The evidence further shows that, with its base rates thus fixed by the Commission, Gulf will in fact recover all of its legitimate costs of providing service and have the opportunity to earn a fair and reasonable return on its legitimate investment in assets used and useful in serving its retail customers.

Gulf's requested after-tax return on equity of 11.0 percent equates to a before-tax return of nearly 18 percent. This is excessive and unjustified relative to current capital market conditions and relative to the minimal risks that Gulf faces as the monopoly provider of a necessity - electric service - pursuant to regulation by the Florida Public Service Commission under applicable Florida Statutes. The fact that Gulf recovers approximately 61 percent of its total revenues through "cost recovery clauses" greatly reduces the risks that Gulf faces, thus rendering its requested 11.0 percent ROE unreasonable and overreaching. Further, the Intervenors' witnesses have provided evidence showing Gulf has overstated its expenses in many areas.

In summary, the combined evidence submitted by the consumer parties in this case shows that Gulf can provide safe, adequate, and reliable service, recover all of its legitimate costs of doing business, and have the opportunity to earn a reasonable rate of return on its investment in property used and useful in serving Gulf's customers, with no base rate increase at all.

D. WALMART'S STATEMENT OF ISSUES AND POSITIONS

Walmart provides this statement of positions on the issues set forth in the Issues List distributed by the Commission Staff on February 14, 2017, in accordance with Section VI.A of the Order Establishing Procedure.

<u>Legal/Threshold Issues</u>

<u>New Issue (OPC)</u>: In the event federal legislation is passed and signed into law between now and a reasonable period after new base rates become effective that results in a change in the corporate income tax rate to which Gulf is subject, or changes in the depreciation allowance for tax purposes associated with plant additions incorporated in test year rate base, what adjustments or provisions, if any, should the Commission make to address such changes? Should the Order in this case require a limited reopening within a reasonable period after new base rates become effective to address income tax expense as well as the accumulated deferred income taxes in the capital structure in the event such legislation is passed that would impact Gulf's revenue requirements?

WALMART'S POSITION: The Commission should make appropriate and definitive provision for a prompt proceeding to reflect the reduction in income tax expense that would likely occur if corporate tax rates are reduced as is presently being discussed at the federal level.

ISSUE 1: Should the Commission address Gulf's requests related to electric vehicle charging stations in this case (Issue 13 and Issue 22)?

WALMART'S POSITION: No position at this time.

Test Year Period and Forecasting

ISSUE 2: Is Gulf's projected test year period of the 12 months ending December 31, 2017 appropriate?

WALMART'S POSITION: Walmart does not oppose the use of calendar year 2017 as the test year for this case.

ISSUE 3: Are Gulf's forecasts of Customers, kWh, and kW by rate class, for the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 4: Are Gulf's forecasts of billing determinants by rate schedule for the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 5: Are Gulf's estimated revenues from sales of electricity by rate class at present rates for the projected 2017 test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 6: What are the appropriate inflation, customer growth, and other trend factors for use in forecasting the 2017 projected test year budget?

WALMART'S POSITION: No position at this time.

Quality of Service

ISSUE 7: Is the quality and reliability of electric service provided by Gulf adequate?

WALMART'S POSITION: No position at this time.

Depreciation and Dismantlement

ISSUE 8: What are the appropriate capital recovery schedules?

WALMART'S POSITION: No position at this time.

ISSUE 9: What are the appropriate depreciation parameters (remaining life [including the production unit retirement date or life span and the interim retirement ratio for production plant accounts], net salvage percentage [including interim net salvage percent for production plant accounts], and reserve percentage) and resulting depreciation rates for each production unit and each production plant account?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 10</u>: What are the appropriate depreciation parameters (average service life, remaining life, net salvage percentage and reserve percentage) and resulting depreciation rates for each transmission, distribution, and general plant account?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 11</u>: Based on the application of the depreciation parameters that the Commission has deemed appropriate to GPC's data, and a comparison of the theoretical reserves to the book reserves, what are the resulting imbalances, if any?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 12</u>: What, if any, corrective depreciation reserve measures should be taken with respect to the imbalances identified in Issue 11?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 13</u>: What is the appropriate depreciation rate for Gulf's electric vehicle charging stations?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 14</u>: What is the appropriate recovery period for the regulatory asset related to the retirement of Plant Smith Units 1 and 2 approved in Docket No. 160039-EI?

<u>WALMART'S POSITION</u>: No position at this time.

ISSUE 15: What is the appropriate current total estimated cost of dismantling Gulf Power Company's generation fleet?

WALMART'S POSITION: No position at this time.

ISSUE 16: What, if any, corrective dismantlement reserve allocations should be made?

WALMART'S POSITION: No position at this time.

ISSUE 17: Based on the decisions in Issues 15 and 16, what is the appropriate annual accrual for dismantlement?

WALMART'S POSITION: No position at this time.

ISSUE 18: What should be the implementation date for revised depreciation rates, capital recovery schedules, dismantlement accruals, and amortization schedules?

WALMART'S POSITION: No position at this time.

Rate Base

ISSUE 19: Should the Commission allow recovery through retail rates of the portion of Scherer Unit? If so, what adjustments, if any, should be made to the treatment of Scherer Unit 3 in the Company's filing?

WALMART'S POSITION: No. Scherer 3 was never needed and is not now needed to meet the electric requirements of Gulf's retail electric customers. Rate base, accumulated depreciation, and expense items relating to Scherer 3 should be set to zero.

ISSUE 20: Should costs currently approved by agreement and stipulation for recovery through the Environmental Cost

Recovery Clause associated with Scherer Unit 3 be included in base rates for Gulf? If so, what adjustments, if any, should be made?

WALMART'S POSITION: No.

ISSUE 21: Are there any capital costs currently being recovered by Gulf through cost recovery clauses that should be moved from the cost recovery clauses to base rates? If so, what capital costs should be moved to base rates and what adjustments should be made, if any?

WALMART'S POSITION: No position at this time.

ISSUE 22: What is the appropriate amount, if any, to include in Plant in Service for Gulf's electric vehicle charging stations?

WALMART'S POSITION: No position at this time.

ISSUE 23: What is the appropriate amount of Plant in Service for Gulf's Transmission Capital Additions?

WALMART'S POSITION: No position at this time.

ISSUE 24: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Environmental Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 25: Has Gulf made the appropriate test year adjustments to remove from rate base costs recovered under the Energy Conservation Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 26: Should the Commission allow recovery through rates of the costs associated with the proposed new Gulf Smart Energy Center? What adjustments, if any, should be made to the Gulf Smart Energy Center costs included in the 2017 projected test year?

WALMART'S POSITION: No position at this time.

ISSUE 27: Are Gulf's projected capital expenditures associated with maintenance outages for 2016 and 2017 appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 28: Is Gulf's requested level of Plant in Service for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No.

ISSUE 29: Is Gulf's requested level of Accumulated Depreciation for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No.

ISSUE 30: Is Gulf's requested level of Construction Work in Progress for the 2017 projected test year appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No.

ISSUE 31: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year, including the North Escambia site, appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No. The North Escambia site, which has already been rejected by the Commission, should be excluded. The maximum amount of PHFFU is $1,666,000.

ISSUE 32: Is Gulf's requested level of Property Held for Future Use for the 2017 projected test year appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No. $1,666,000.

ISSUE 33: Should any adjustments be made to Gulf's fuel inventories for the projected 2017 test year?

WALMART'S POSITION: No position at this time.

ISSUE 34: What is the appropriate treatment of the remaining equipment inventory balance resulting from the closure of Plant Scholz?

WALMART'S POSITION: No position at this time.

ISSUE 35: Is Gulf's proposed Deferred Return on Transmission Investments and the amortization thereof consistent with the terms of the 2013 Settlement Agreement in Docket No. 130140-EI, correctly calculated, and appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No position at this time.

ISSUE 36: Is Gulf's December 19, 2016 pension contribution impacting the 2017 projected test year appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No position at this time.

ISSUE 37: Is Gulf's proposed level of Working Capital for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No.

ISSUE 38: Is Gulf's requested rate base for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No.

Cost of Capital

ISSUE 39: What is the appropriate amount of accumulated deferred taxes to include in the capital structure for the 2017 projected test year?

WALMART'S POSITION: No position at this time.

ISSUE 40: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure for the 2017 projected test year?

WALMART'S POSITION: No position at this time.

ISSUE 41: What is the appropriate cost rate for customer deposits for the 2017 projected test year?

WALMART'S POSITION: 2.30%.

ISSUE 42: What is the appropriate cost rate for short-term debt for the 2017 projected test year?

WALMART'S POSITION: 3.02%.

ISSUE 43: What is the appropriate cost rate for long-term debt for the 2017 projected test year?

WALMART'S POSITION: 4.40%.

ISSUE 44: What is the appropriate cost rate for preference stock for the 2017 projected test year?

WALMART'S POSITION: 6.15%.

ISSUE 45: What is the appropriate capital structure for the 2017 projected test year?

WALMART'S POSITION: 50% equity from investor-provided capital.

ISSUE 46: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement?

WALMART'S POSITION: Agree with FEA that the appropriate ROE is 9.20%.

ISSUE 47: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure for the 2017 projected test year? (Fallout Issue)

WALMART'S POSITION: No position at this time.

Net Operating Income

ISSUE 48: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 49: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Energy Conservation Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 50: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 51: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause?

WALMART'S POSITION: No position at this time.

ISSUE 52: Is Gulf's projected level of Total Operating Revenues for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No.

ISSUE 53: Is Gulf's proposed electric vehicle charging station expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 54: Is Gulf's proposed tree trimming expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 55: Is Gulf's proposed pole inspection expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 56: Is Gulf's proposed production O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 57: Is Gulf's proposed transmission O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 58: Is Gulf's proposed distribution O&M expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 59: Is Gulf's proposed Incentive Compensation (also referred to by Gulf as variable pay or at-risk pay) included in the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 60: Are Gulf's proposed employee levels and salary and wage expenses included in the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 61: Is Gulf's proposed Pension Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 62: Is Gulf's proposed Other Post Employment Benefits Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 63: Is Gulf's proposed employee benefit expenses for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 64: Is Gulf's proposed annual storm damage accrual for the 2017 projected test year appropriate? If not, what is the appropriate amount?

WALMART'S POSITION: No. Gulf's storm damage accrual should remain at its present level.

ISSUE 65: Is Gulf's property damage reserve target appropriate? If not, what is the appropriate property damage reserve target?

WALMART'S POSITION: Gulf's property damage reserve target should remain at its present level.

ISSUE 66: Is Gulf's proposed expense related to Directors and Officers Liability Insurance appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 67: Is Gulf's proposed Rate Case Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 68: Is Gulf's proposed Bad Debt Expense for the 2017 projected test year appropriate? If not, what adjustment should be made?

WALMART'S POSITION: No position at this time.

ISSUE 69: Is Gulf's proposed Customer Accounts Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 70: Is Gulf's proposed Customer Service & Information Expenses and Sales Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 71: Is Gulf's proposed Administrative and General Expenses for the 2017 projected test year appropriate? If not, what adjustments should be made?

WALMART'S POSITION: No position at this time.

ISSUE 72: What adjustment, if any, should be made to account for affiliated activities/transactions for the 2017 projected test year?

WALMART'S POSITION: No position at this time.

ISSUE 73: Is Gulf's requested level of O&M Expense for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No position at this time.

ISSUE 74: What is the appropriate amount of depreciation and fossil dismantlement expense for the 2017 projected test year?

WALMART'S POSITION: No position at this time.

ISSUE 75: What is the appropriate amount of Taxes Other Than Income Taxes for the 2017 projected test year? (Fallout Issue)

WALMART'S POSITION: No position at this time.

ISSUE 76: Should the current amortization of investment tax credits (ITCs) and flow back of excess deferred income taxes (EDITs) be revised to reflect the approved depreciation rates and amortizations?

WALMART'S POSITION: No position at this time.

ISSUE 77: Is it appropriate to make a parent debt adjustment per Rule 25-14.004, Florida Administrative Code? If so, what adjustment should be made?

WALMART'S POSITION: Yes.

ISSUE 78: What is the appropriate amount of Income Tax expense for the 2017 projected test year? (Fallout Issue)

WALMART'S POSITION: No position at this time.

ISSUE 79: Is Gulf's requested level of Total Operating Expenses for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No position at this time.

ISSUE 80: Is Gulf's projected Net Operating Income for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No position at this time.

Revenue Requirements

ISSUE 81: What are the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf? (Fallout Issue)

WALMART'S POSITION: No position at this time.

ISSUE 82: Is Gulf's requested annual operating revenue increase for the 2017 projected test year appropriate? If not, what is the appropriate amount? (Fallout Issue)

WALMART'S POSITION: No. As demonstrated by the witnesses for the Citizens of the State of Florida, the Federal Executive Agencies, and Walmart, Gulf bears the burden of demonstrating that it requires any additional revenues in order to provide safe, reliable service, and Gulf has not met this burden. Accordingly, no revenue increase is appropriate.

Cost of Service and Rate Design

ISSUE 83: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate?

WALMART'S POSITION: No position at this time.

ISSUE 84: What is the appropriate treatment of production costs within the cost of service study?

WALMART'S POSITION: Walmart neither supports nor opposes the Company's proposed production cost allocation methodology.

ISSUE 85: What is the appropriate treatment of transmission costs within the cost of service study?

WALMART'S POSITION: No position at this time.

ISSUE 86: What is the appropriate treatment of distribution costs within the cost of service study?

WALMART'S POSITION: No position at this time.

ISSUE 87: How should any change in the revenue requirement approved by the Commission be allocated among the customer classes?

WALMART'S POSITION: No position at this time.

ISSUE 88: Should Gulf's proposed new methodology to design the residential base and energy charges for the residential rate schedules RS, RSVP, FLAT-RS, and RSTOU that results in an increase from $0.62 to $1.58 per day, or approximately $48 per month, in the base charge and corresponding reduction in the energy charge be approved?

<u>WALMART'S POSITION</u>: No.

<u>ISSUE 89</u>: Is the proposed new optional Residential Service - Demand (RSD) rate schedule appropriate?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 90</u>: Is the proposed new optional Residential Service - Demand Time-of-use (RSDT) rate schedule appropriate?

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 91</u>: Is the proposed new optional Customer Assistance Program Rider (Rate Rider CAP) appropriate? (Moot if Issue 88 is not approved)

<u>WALMART'S POSITION</u>: No position at this time.

<u>ISSUE 92</u>: Is Gulf's proposal to remove the critical peak option for the General Service Demand Time-of-use (GSDT) rate schedule appropriate?

<u>WALMART'S POSITION</u>: No.

<u>ISSUE 93</u>: Is Gulf's proposed new Extra-Large Business Incentive Rider (Rate Rider XLBIR) appropriate?

<u>WALMART'S POSITION</u>: No position.

<u>ISSUE 94</u>: Are Gulf's proposed changes to its small, medium, and large Business Incentive Riders appropriate?

WALMART'S POSITION: No position.

ISSUE 95: What are the appropriate base charges?

WALMART'S POSITION: No position at this time.

ISSUE 96: What are the appropriate demand charges?

WALMART'S POSITION: No position at this time.

ISSUE 97: What are the appropriate energy charges?

WALMART'S POSITION: No position at this time.

ISSUE 98: What are the appropriate transformer ownership discounts?

WALMART'S POSITION: No position at this time.

ISSUE 99: What are the appropriate lighting charges?

WALMART'S POSITION: No position at this time.

ISSUE 100: Should the Commission approve the following modifications to the Outdoor Service (OS) tariff and lighting pricing methodology that have been proposed by Gulf:

a) Remove certain fixtures from the tariff;
b) Close all Metal Halide, 21 High Pressure Sodium, and 16 LED fixtures for new installations;
c) Revisions to the pole options; and
d) Modification to the Outdoor Service Lighting Pricing Methodology contained in Form 4.

WALMART'S POSITION: No position at this time.

ISSUE 101: What is the appropriate effective date for Gulf's revised rates and charges?

WALMART'S POSITION: Since the evidence shows that Gulf does not need additional revenues in order to provide safe, adequate, and reliable service, no rate increase is necessary. If any revisions to Gulf's rates are approved in this docket, they should not be effective for service before July 1, 2017.

Other Issues

ISSUE 102: Should the Commission approve Gulf's proposed modifications to the existing residential HVAC Improvement program in its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

WALMART'S POSITION: No position at this time.

ISSUE 103: Should the Commission approve Gulf's proposed modifications to the existing Residential Building Efficiency program in its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

WALMART'S POSITION: No position at this time.

ISSUE 104: Should the Commission approve Gulf's proposed new residential Insulation Improvement program to be added to its Demand-Side Management Plan? (Moot if Issue 88 is not approved)

WALMART'S POSITION: No position at this time.

ISSUE 105: Should the Commission approve the following modifications to the Critical Peak Option for the Large Power Time-of-Use (LPT) rate schedule:

a) Establish the Critical Peak Option as a Demand-Side Management Program;
b) Reduce the minimum critical peak demand notification from one business day to one hour;
c) Eliminate the restrictions on the frequency and duration of the critical peak period.

WALMART'S POSITION: No.

PROPOSED NEW ISSUE 106 (WALMART): Should the Commission require Gulf to initiate a stakeholder process involving Gulf and its customers with the purpose of collaboratively developing additional energy supply options for Gulf and its customers, with particular emphasis on renewable energy measures and initiatives?

WALMART'S POSITION: Yes. The Commission should require Gulf to initiate a stakeholder process with the purpose of developing and proposing to the Commission additional energy supply options, with particular emphasis on renewable measures. Additional renewable energy measures and programs will promote economic development in Gulf's service area for the benefit of all customers and will further promote sustainable economic growth and enhanced energy independence for Florida. Gulf should be directed to begin the collaborative process with interested customers and customer parties within 60 days following the Commission's order in this case, and Gulf should report on proposed new energy supply options within six months following the issuance of the Commission's order. (Chriss)

ISSUE 106: Should Gulf be required to file, within 90 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case?

WALMART'S POSITION: Yes.

ISSUE 107: Should this docket be closed?

WALMART'S POSITION: Yes, after the time to file an appeal of the Commission's final order has expired, this docket should be closed.

E. STIPULATED ISSUES

None at this time.

F. PENDING MOTIONS OR OTHER MATTERS

None at this time.

G. WALMART'S REQUESTS FOR CONFIDENTIAL CLASSIFICATION

None.

H. REQUIREMENTS OF PREHEARING ORDER

There are no requirements of the Prehearing Order with which Walmart cannot comply.

I. OBJECTIONS TO WITNESSES' QUALIFICATIONS

Walmart does not expect to challenge the qualifications of any witness to testify, although Walmart reserves all rights to question witnesses regarding their qualifications as related to the credibility and weight to be accorded their testimony.

J. SEQUESTRATION OF WITNESSES

Walmart takes no position on the sequestration of witnesses in this proceeding.

Respectfully submitted this 21st day of February, 2017.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 21st day of February 2017, to the following:

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