

Jeffrey Stone

From: Jeffrey Stone
Sent: Thursday, November 30, 2006 2:06 PM
To: 'Betty Gardner'; 'Martha Brown'
Cc: 'John Slemkewicz'; 'Cheryl Bulecza-Banks'; 'Michael Springer'; 'Brock, Ricky E.'; 'sdriteno@southernco.com'; 'rgliving@southernco.com'; Russell Badders
Subject: Docket No. 050381-EI
Importance: High

Ms. Gardner and Ms. Brown,

This correspondence is submitted on behalf of our client, Gulf Power Company, for the purpose of confirming, in writing, the Company's agreement with the staff's recommendation as stated in Ms. Gardner's e-mail below. Specifically, with regard to Gulf Power Company's Request for Partial Modification of the Depreciation Rates and Dismantlement Accruals Approved in Order No. PSC-06-0348-EI filed on October 9, 2006, and based on its review of the amended depreciation study attached thereto, staff is recommending that Gulf's fossil dismantlement and depreciation expenses be decreased by \$647,417 and \$6,879,574, respectively. This will be an overall decrease totaling \$7,526,991. The Company accepts and agrees with staff.

A copy of this correspondence will be submitted to the clerk's office for filing in the docket file. If you have any questions, please do not hesitate to contact me.

Very truly yours,
/s/ Jeffrey A. Stone

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-----Original Message-----

From: Betty Gardner
Sent: Thursday, November 30, 2006 11:26 AM
To: Brock, Ricky E.
Cc: John Slemkewicz; Cheryl Bulecza-Banks; Michael Springer
Subject:

The attached spreadsheets for the amended depreciation study for Plant Crist, Smith, and Smith Unit 3 Combined Cycle is attached for your review. A change occurred for Plant Crist due to rounding the average remaining life from 22.3 to 22 for staff's recommendation. Based upon the review of the company's amended depreciation study, staff's is recommending to decrease fossil dismantlement and the depreciation expense in the amount of \$647,417 and \$6,879,574, respectively. This will be an overall decrease in the amount of \$7,526,991. The company must provide in writing if they agree or disagree with staff. If you have any questions or concerns please feel to contact me.