

169 FERC ¶ 61,023  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, DC 20426

October 17, 2019

In Reply Refer To:  
Gulf Power Company  
Docket No. ER18-1953-003

Van Ness Feldman LLP  
1050 Thomas Jefferson Street, NW  
Seventh Floor  
Washington, DC 20007

Attention: Douglas W. Smith, Esq.  
Attorney for Gulf Power Company

Dear Mr. Smith:

1. On June 20, 2019, in the above-referenced proceeding, you filed an Offer of Settlement (Settlement) on behalf of Gulf Power Company (Gulf Power). On July 10, 2019, Commission Trial Staff filed comments stating they do not oppose the Settlement. No other comments were filed. On August 21, 2019, as amended on August 23, 2019, the Settlement Judge certified the Settlement to the Commission as an uncontested settlement.<sup>1</sup>

2. The Settlement addresses Gulf Power's new stand-alone Open Access Transmission Tariff (OATT) which will take effect following the consummation of NextEra Energy, Inc.'s acquisition of Gulf Power from the Southern Companies.

3. Article II of the Settlement provides that, effective January 1, 2019, the base ROE will be reduced from 10.50 to 10.25 percent, and that the Transmission Revenue Requirement produced by Gulf Power's Formula Rate will be adjusted each year. This Annual Revenue Requirement Adjustment, or ARRA, which will equal \$908,306 for 2019, will be deducted from Gulf Power's Transmission Revenue Requirement. For each year after 2019, the ARRA will be adjusted by two hundred percent of the percentage change in the Consumer Price Index for All Urban Consumers (i.e., the CPI-U) from the unadjusted CPI-U as of April 2019.

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<sup>1</sup> *Gulf Power Co.*, 168 FERC ¶ 63,025 (2019).

4. Section 3.5 of the Settlement states that:

[t]he standard of review the Commission shall apply when acting on proposed modifications to this Settlement Agreement under section 205 or 206 of the FPA shall be the “just and reasonable” standard of review.

5. The Settlement resolves all issues set for hearing in this proceeding. The Settlement appears to be fair and reasonable and in the public interest, and is hereby approved. The Commission’s approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

6. This order terminates Docket No. ER18-1953-003.

By direction of the Commission.

Nathaniel J. Davis, Sr.,  
Deputy Secretary.