

**Consumers Union Public Comment on Docket 160186-EI, Petition for rate
increase by Gulf Power Company**

January 26, 2017

Before the Florida Public Service Commission

My name is Shannon Baker-Branstetter, and I am pleased to offer public comment on behalf of Consumers Union, the policy and mobilization arm of Consumer Reports.

Consumer Reports is an independent, nonprofit organization. We serve consumers by providing unbiased product testing and ratings, research, journalism, public education, and advocacy. We do not accept outside advertising. Consumer Reports has more than 7 million subscribers to our magazine, website, and other publications, and we have about 100,000 members here in Florida. Recently, 668 of our members in Gulf Power's service territory signed a petition opposing its plan to hike fixed charges.

Gulf Power's proposed rate increase relies on a 155% increase to its fixed customer charge. Under Gulf Power's proposal, a customer's minimum bill would increase from \$19 to \$48, before they even flipped on a light switch, meaning that a residential customer would pay nearly \$30 more per month.

At \$18/month, Gulf Power already has a higher fixed charge than most utilities in the region, which are at or under \$10/month. Increasing fixed charges further is unreasonable, inequitable and unfair to Gulf Power customers. Fortunately, many utility commissions around the country have recognized the problems with higher fixed charges and have rejected most proposals to increase them. We urge the Florida PSC to do the same.

No one wants to waste energy or money, and yet Gulf Power's proposal punishes those who choose to be thrifty with their energy use, as well as those who have no choice but to ration their electric usage to fit their budget. Gulf Power's proposal to increase fixed charges takes away even this modest degree of control over their own finances and self-sufficiency. Forcing low-usage customers to heavily subsidize high users is regressive and this problem is not sufficiently addressed by Gulf Power's proposed subsidies.

In the spring of last year, Consumers Union issued a report with analysis conducted by Synapse Energy Economics that identified several problems that fixed charges create for consumers. These problems include: 1) reducing customer control over bills, 2)

shifting a larger burden on low-usage customers, 3) disproportionately impacting low-income customers, and 4) increasing electric system costs. I will provide a written copy of this report and a longer public comment in written form.

But in the interest of time, I will conclude by saying Consumers Union strenuously opposes Gulf Power's proposal to dramatically increase fixed charges because high fixed charges are an inequitable and inefficient means of rate recovery that prevents consumers from lowering their utility bills and saving money needed for other important household expenses. Thank you for your time and for considering our views.