



March 27, 1997

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

960623-EI

Dear Ms. Bayo:

Enclosed are an original and fifteen copies of Gulf Power Company's comments requested at the March 20, 1997 workshop on underground rulemaking. If you have any questions, please give me a call at (904) 444-6231 or Wayne Jordan at (904) 444-6590.

Sincerely,

Susan D. Cranmer

Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

- ACK _____
- AFA _____
- APP 1 _____
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Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE

03239 MAR 28 97

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FILE COPY

Gulf Power Company's Post Workshop Comments on
Proposed Rules for Filing URD Tariffs

The following are Gulf Power Company's ("Gulf", "Gulf Power") comments requested by the Florida Public Service Commission staff at a workshop on March 20, 1997. Gulf Power Company agrees with most of the draft rule and forms for filing and reporting the Overhead/Underground Residential Differential Cost Data which were presented by Staff at the workshop. The comments herein will supplement those filed by Gulf Power Company on September 5, 1996.

The draft rule does not incorporate the proposal of the utilities to change the filing frequency of the underground tariff to three years. The comments filed previously by Gulf Power Company on September 5, 1996 detail the reasons supporting such a change. These comments will be directed at the alternative proposed at the workshop by Florida Power and Light. The proposal incorporates a three-year filing requirement with annual estimated updates. Gulf supports this as an alternative to annual filings. The proposal has a threshold percentage that triggers a full filing if it is reached in an annual estimated update. The threshold should be set so as not to trigger a full filing unless a significant change has occurred in the amount of the differential. A threshold of 15% should be sufficient. During the workshop Staff expressed concern about notice to the Staff whether a utility had reached the threshold and was filing a full underground. The utilities should determine internally when to perform the annual estimated update. The results of that update should be communicated to the Staff no later than October 15th of each year. This would allow Staff to allocate its resources and the utilities the flexibility to perform the annual estimated update at a time when the utilities have the necessary data. Setting the deadline for notifying the Staff too early may result in the utilities not having updated cost and/or labor information that is used to derive the annual estimated update. The annual estimated update in addition to the three-year filing, in lieu of only a three-year filing would cost the utilities more, but not significantly more in Gulf Power's case unless the annual estimated update required all or a substantial amount of the data provided in the current annual filing.

The final comment that Gulf has is in regard to the proposed forms accompanying the proposed rule changes. Gulf supports the proposed changes in the forms as they appear in the draft circulated at the workshop on March 20, 1997. The Staff indicated that language would be added to the forms to permit a utility to answer "not applicable" to a form and not provide it where that utility does not have the data or utilize the information sought on that form. This would provide flexibility to the utilities. It is Gulf's understanding that Staff is not attempting to require the utilities to file their underground tariffs in a certain way through the forms, but rather to have the utilities file the information that they use to support their underground filings in a standardized format.

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The utilities have provided information on the savings that would result from changing to a three-year filing requirement and that information is incorporated herein by reference. These comments are directed at the alternative proposed by Florida Power and Light. The costs associated with performing the annual estimated update do not appear to be substantial at this time. It is difficult to determine the cost since it has yet to be determined what data would be required in the update. The closer the annual estimated update is to the full three-year filing in terms of the data requested, the more it would cost to perform.