

One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111



December 28, 2001

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 010949-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Notice of Intent to Request Confidential Classification to item number 3 of Staff's Second Set of Interrogatories, Nos. 2-42, in the above docket.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosure

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

This docketed notice of intent was filed with Confidential Document No. 15912-01. The document has been placed in confidential storage pending timely receipt of a request for confidentiality.

DOCUMENT NUMBER-DATE
15911 DEC 21 01
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Request for Rate Increase by Gulf
Power Company

Docket No.: 010949-EI
Date: December 18, 2001

NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION

1. Notices and communications with respect to this Notice should be
addressed to:

Jeffrey A. Stone, Esquire
Russell A. Badders, Esquire
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32576-2950

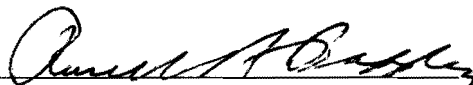
Susan D. Ritenour
Assistant Secretary and Assistant Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

2. Gulf Power Company ["Gulf Power", "Gulf", or "the Company"], by and
through its undersigned attorney's and pursuant to Rule 25-22.006, Florida Administrative Code,
hereby gives notice that it intends to request confidential classification for portions of Gulf
Powers's response to Staff's Second Set of Interrogatories to Gulf Power Company (Nos. 2-42).
A copy of the interrogatories is attached hereto as exhibit "A".

3. Gulf Power Company's response to interrogatory number 3 contains
proprietary and commercially sensitive information which, if disclosed publically, would cause
irreparable harm to the competitive interests of one or more of Gulf's customers. Gulf asserts
that this information meets the requirements of §366.093(3)(a) and (e), Florida Statutes. A
formal request for confidential classification will be filed within the time period specified in Rule
25-22.006(3)(a), Florida Administrative Code, if the Staff determines that the information will be

retained by the Commission and not returned to Gulf Power Company within the specified time period. In the event the Staff determines that it will retain this information, Gulf Power Company requests to be notified, through the undersigned counsel, prior to the expiration of the period specified in Rule 25-22.006(3)(a).

Respectfully submitted,


JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 007455
Beggs & Lane
P. O. Box 12950
(700 Blount Building)
Pensacola, FL 32576-2950
(850) 432-2451
Attorneys for Gulf Power Company

In re: Request for rate increase
by Gulf Power Company.

DOCKET NO. 010949-EI
DATED: NOVEMBER 9, 2001

STAFF'S SECOND SET OF INTERROGATORIES TO
GULF POWER COMPANY (NO. 2 - 42)

The Staff of the Florida Public Service Commission, by and through its undersigned attorney, propounds the following interrogatories, pursuant to Rule 1.340, Florida Rules of Civil Procedure, to Gulf Power Company. These interrogatories shall be answered under oath by you or your agent, who is qualified and who will be identified, with the answers being served as provided by the Rules of Civil Procedure. As provided by Rule 1.340(a), Florida Rules of Civil Procedure, each interrogatory shall be answered separately and fully in writing under oath unless it is objected to. Each answer shall be signed by the person making it.

Give the name, address and relationship to Gulf Power Company of those persons providing the answers to each of the following interrogatories.

If an interrogatory contained herein asks for information that has already been provided or is in the process of being provided to the Commission through a Commission audit, please so state, indicating the date provided and the audit document/record request number.

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INTERROGATORY

2. Please provide the number of the twelve monthly Gulf system peak hours by year that the OS-I and OS-II lights were burning for the years 1996 through 2000; also provide the number of hours upon which the 2003 projected test year 12 CP demands for OS-I and OS-II were based.

3. Please rerun the two cost of service studies filed in MFR E-1 by rate schedule for all rates, as required by the instructions to Schedule E-1., i.e. show as separate rate classes all those rate classes currently aggregated as "Major Accounts".

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4. Please provide a detailed explanation of each of the adjustments made to the 12 CP and NCP demands derived from the 1999 test year load research results that were made to arrive at the historical test year 1999 12 CP and NCP demands shown in MFR schedule E-14.

5. Please provide a detailed explanation of the methodology and calculations showing the derivation of the 12 CP and NCP demands for OS-III and OS-IV as shown in MFR schedule E-14 for both 1999 and 2003.

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8. Please provide and show the calculation of 12 CP and NCP load factors for each rate class based on the following:
 - a. 1999 Load Research Results 12 CP and NCP demands and kwh adjusted for unbilled (for classes for which load research results were reported);
 - b. Historical test year 1999 12 CP and NCP demands and kwh adjusted for unbilled shown in MFR schedule E-14;
 - c. Projected test year 2003 12 CP and NCP demands and kwh adjusted for unbilled shown in MFR schedule E-14;

9. Please provide the total dollars allocated to the OS-I/OS-II rate classes for the maintenance of fixtures (appropriate accounts in the 580-598 series plus A&G).

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10. Please provide the derivation of the 15.709% fixed charge rate used to develop Gulf's proposed lighting fixture charges.

11. How many customers will be offered the opportunity to participate in Gulf's FlatBill Pilot Program?

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12. What criteria will Gulf use to determine which of the eligible customers will be given the option of participating in the FlatBill Pilot Program?

13. What is the target number of residential FlatBill Pilot Program participants?

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14. What is the target number of small commercial FlatBill Pilot Program participants?

15. Please describe in detail the methodology to be used to estimate a customer's kwh usage for the 12-month contract period under the FlatBill program, including the adjustments made for normal weather and customer behavior.

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16. Please provide a sample calculation of a FlatBill customer's fixed monthly charge based on Gulf's currently tariffed rates.

17. Please explain in detail how Gulf proposes to credit revenues associated with Flatbill customers to the Fuel Adjustment and other cost recovery clauses (i.e. will the clauses be credited at then-current tariffed adjustment clause rates or at the rates used to establish the Flatbill monthly charge). Also will the credit be based on the customer's actual metered kwh usage or on the estimated kwh usage used to establish the Flatbill monthly charge.

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18. Will customers who complete the full 12 months under the Flatbill Pilot Program be required to make up any shortfall between their actual usage at tariffed rates and the bill paid under the pilot program?

19. Has Gulf Power received any requests for budget billing from RTP, PX, and PXT customers? If yes, how many such requests have been received?

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22. With respect to Gulf's proposed GSTD, LPT, and PXT rates, please list all costs that are recovered through the:

- a. The on-peak and off-peak non-fuel energy charges
- b. The maximum billing demand charge
- c. The on-peak demand charge

23. The Rate Design Workpapers filed with the Commission indicate that Gulf proposes to maintain for the proposed GSDT rate the same ratio of the on-peak demand charge to the maximum demand charge as contained in Gulf's present GSDT rate. Please explain how the current ratio was determined.

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24. The Rate Design Workpapers filed with the Commission indicate that Gulf proposes to maintain for the proposed LPT rate the same ratio of the on-peak demand charge to the maximum demand charge as contained in Gulf's present LPT rate. Please explain how the current ratio was determined.

25. Please state whether the GSDT and GSTOU rates use the same type of meter as the GSD rate. If not, please state the difference in the cost of the meters and explain why the proposed customer charge for the GSD, GSDT, and GSTOU rates is \$40.

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26. In the Rate Design Workpapers for the GSD/GSDT class, page 2 of 6, Gulf states that the Distribution Demand Unit Cost from MFR E-8b for the GSD/GSDT Rate Class is \$2.09. MFR E-8b as shown in Section E of the MFRs, Volume 2, at Bates stamp page 21, indicates that the distribution demand unit cost is \$1.89/kW. Please reconcile the difference between the two numbers.

27. In the Rate Design Workpapers for the LP/LPT class, page 2 of 7, Gulf states that the Distribution Demand Unit Cost From MFR E-8b for the LP/LPT Rate Class is \$1.52. MFR E-8b as shown in Section E of the MFRs, Volume 2, at Bates stamp page 21, indicates that the distribution demand unit cost is \$1.50/kW. Please reconcile the difference between the two numbers.

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28. Witness J. I. Thompson in his Prepared Direct Testimony filed with the Commission on September 10, 2001, discusses at page 5, lines 6 -12, the proposed SBS rate. Please explain in detail:

- a. Why the current SBS rate is difficult for customers to understand;
- b. Why Gulf believes that the proposed SBS rate will be easier for customers to understand.

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29. Please provide a hypothetical monthly bill calculation (excluding taxes and franchise fees) for an SBS customer with the following characteristics:

Total customer load: 10,000 kW

Customer generation: 4,000 kW

Contracted Standby Service Capacity: 4,000 kW

Contracted Supplementary Service Capacity: 6,000 kW

Maximum demand for the billing month: 8,000 kW

Assume that the customer experiences no partial or full outage of the customer's generation during the billing month. Please show all steps of the bill calculation separately. If additional assumptions are necessary, please state them.

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30. Please provide a hypothetical monthly bill calculation (excluding taxes and franchise fees) for an SBS customer with the following characteristics:

Total customer load: 10,000 kW

Customer generation: 4,000 kW

Contracted Standby Service Capacity: 4,000 kW

Contracted Supplementary Service Capacity: 6,000 kW

Maximum demand for the billing month: 8,000 kW

Assume that the customer experiences a partial outage of the customer's generation during the billing month. The partial outage results in the customer's generation to drop to 2,000 kW. Please show all steps of the bill calculation separately. If additional assumptions are necessary, please state them.

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31. Please refer POD No. 17 and provide an explanation of the derivation for the Local Facilities Charges for the SBS rate. Address each charge separately.

32. Please provide a list of all the costs the Local Facilities Charge is designed to recover.

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35. Please explain whether Gulf's proposed SBS rate is in compliance with Order No. 17159, issued February 6, 1987, in Docket No. 850673-EU, Generic Investigation of Standby Rates for Electric Utilities (standby order). Please address each rate component (customer charge, local facilities charge, on-peak demand charge, reservation charge, non-fuel energy charge) separately. If the design of a rate component differs from the rate design specified in the standby order, please explain why Gulf believes it is appropriate to use a different design.

36. Please state whether each of the proposed non-fuel energy charges of the SBS rate is set equal to the proposed non-fuel energy charge of the otherwise applicable rates. If not, please explain why the energy charge contained in the SBS rate does not equal the energy charge of the otherwise applicable rate.

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37. Please provide an analysis showing the impact of Gulf's proposal to eliminate the SE Rate Rider on each customer currently taking service under the Rider. Specifically, for each customer that currently takes service under the SE Rate Rider, please show by month for the latest available 12-month period: (1) the customer's actual electric bill (excluding taxes, fees, etc.), and (2) the customer's bill by month for the same 12-month period, assuming that the customer does not take service under the SE Rate Rider.

38. Please explain whether Gulf will limit the number of customers that will be able to take service under the GSTOU rate. If yes, please explain the basis for Gulf's proposed limit on the availability of the GSTOU rate.

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39. Please refer to POD No. 20 and provide an explanation of the derivation of the proposed GSTOU energy-demand charges.

40. Please refer to POD No. 21 and provide an explanation of the basis for Gulf's determination of the summer months and the winter months contained in the proposed GSTOU rate.

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41. Please refer to POD No. 21 and provide an explanation of the derivation of the summer time periods (on-peak, intermediate, off-peak) as contained in the GSTOU rate.

42. Please provide the derivation of a monthly fixed charge carrying rate to be applied to the installed costs of OS additional lighting facilities for which there is no tariffed monthly charge using updated assumptions regarding e.g., capital structure, depreciation rates, taxes, etc.

Marlene K. Stern

MARLENE K. STERN
Staff Counsel
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6230

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for rate increase
by Gulf Power Company.

DOCKET NO. 010949-EI
FILED: NOVEMBER 9, 2001

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and one copy of Staff's Second Set of Interrogatories (Nos. 2 - 42), have been served via U.S. MAIL upon Ms. Susan D. Ritenour, One Energy Place, Pensacola, Florida 32520-0780, on behalf of Gulf Power Company, and that a true and correct copy thereof has been furnished by U.S. Mail, this 9th day of November, 2001, to the following:

Office of Public Counsel
Charles Beck/Jack Shreve/Rob
Vandiver
c/o The Florida Legislature
111 W. Madison St., #812
Tallahassee, FL 32399-1400

Florida Cable Telecommunications
Assoc., Inc.
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246 East 6th Avenue, Suite 100
Tallahassee, FL 32303

Florida Industrial Power
Users Group
c/o McWhirter Law Firm
Vicki Gordon Kaufman, Esq.
117 South Gadsden Street
Tallahassee, FL 32301

Federal Executive Agencies
c/o AFCESA/Utility Litigation
Team
Douglas Shropshire/Al
Erickson
139 Barnes Drive
Tyndall Air Force Base, FL
32403

Marlene K. Stern

MARLENE K. STERN
Staff Counsel
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850
(850) 413-6230

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for rate increase by)
Gulf Power Company)
_____)

Docket No. 010949-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 18th day of December 2001 by U.S. Mail to the following:

Marlene Stern, Esquire
Staff Counsel
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

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Tallahassee FL 32399-1400

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