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May 15, 2015

Ms. Carlotta Stauffer, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 150112-EI - Request by Gulf Power Company to modify its
Underground Residential Differential Tariffs

Dear Ms. Stauffer:

Attached for electronic filing is Gulf Power Company's response to Staff's Second Data Request in the Underground Residential Differential docket.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." in a cursive script.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

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Attachments

cc: Beggs & Lane
Jeffrey A. Stone, Esq.
Florida Public Service Commission
Sue Ollila, Division of Economics

1. Please refer to the tables below and discuss qualitative characteristics about your distribution system and service territory that would contribute to the difference in operating cost/net present values when compared to Tampa Electric Company for 210-lot and 176-lot subdivisions.

For reference, please see 1) Florida Power & Light's (FPL) response to Staff's Second Data Request, No. 1, filed July 14, 2014 in Docket No. 140066-EI, FPL's Petition for approval of amendment to underground residential and commercial differential tariffs, and 2) Duke Energy's response to Staff's Second Data Request, No. 4, filed June 6, 2014 in Docket No. 140067-EI, Duke Energy's Petition for approval of revised underground differential tariffs.

210-Lot Subdivision	Gulf Power Company Docket No. 150112-EI (\$)			Tampa Electric Company Docket No. 150103-EI (\$)		
	<u>OH</u>	<u>UG</u>	<u>Diff.</u>	<u>OH</u>	<u>UG</u>	<u>Diff.</u>
Total Labor + Materials	1,715	2,307	592	1,269	2,127	858
Operating Cost/NPV	626	436	(190)	1,390	906	(484)
Total Per Lot Charge	2,341	2,743	402	2,659	3,033	374
176-Lot Subdivision	Gulf Power Company Docket No. 150112-EI (\$)			Tampa Electric Company Docket No. 150103-EI (\$)		
	<u>OH</u>	<u>UG</u>	<u>Diff.</u>	<u>OH</u>	<u>UG</u>	<u>Diff.</u>
Total Labor + Materials	1,331	1,895	564	979	1,638	659
Operating Cost/NPV	317	274	(43)	1,044	432	(612)
Total Per Lot Charge	1,648	2,169	521	2,022	2,070	48

RESPONSE:

Gulf Power does not have the necessary information of Tampa Electric Company's systems and operations to perform a comparative analysis. A qualitative review of the operating cost values shown in the tables for Gulf Power and Tampa Electric provides an indication that our differing system characteristics influence operating cost calculations.

There are a variety of factors that can contribute to these differences. Such factors include, but are not limited to the following:

- Vegetation management
- System design
- Customer density
- Effects of storms
- Life cycle periods
- Age of materials