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June 1, 2015



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

Re: Docket No. 150086-EG – Petition for approval of demand-side management plan
of Gulf Power Company

Dear Ms. Stauffer:

Attached for electronic filing is Gulf Power Company's response to Staff's Second Data Request pertaining to Gulf's petition for approval of its demand-side management plan.

Sincerely,

A handwritten signature in black ink, appearing to read "RLMCGEE, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

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Attachments

cc: Florida Public Service Commission
Lee Eng Tan, Senior Attorney, Office of General Counsel
Beggs & Lane
Jeffrey A. Stone, Esq.

1. Please discuss the company's methodology used to estimate administrative costs.

RESPONSE:

Gulf has estimated its administrative costs based upon historical program costs adjusted for participation projections in the proposed DSM Plan. For programs involving outside vendor services, Gulf has estimated these administrative costs based on previous contracts. New contractual agreements have not been executed given that Gulf's proposed DSM Plan has not yet been approved.

2. Please list all items (i.e. salaries, computer programs, etc.) that are included in administrative costs.

RESPONSE:

Gulf's administrative costs are made up of the following expenses: Depreciation, return and property tax on capital investment; employee payroll and benefits; materials and supplies (including computers and computer programs); outside services; advertising; and vehicles and travel expenses.

3. Please discuss any efforts the company has made to reduce administrative costs associated with its DSM programs.

RESPONSE:

Gulf continuously evaluates the resources necessary to deliver its DSM Plan and all of its components in order to meet the Plan goals, and with the reduced level of goals that it will have to meet going forward, Gulf has carefully considered the appropriate level of administrative resources. In the past, Gulf has reduced advertising and vendor expenses and revised management processes to reduce administrative costs. Moreover, the development of an online program enrollment process eliminated the handling of paperwork in many instances. In addition, after rigorous review, Gulf reduced the number of field verifications for some program installations in order to reduce cost but maintain required inspection rates and high confidence in program compliance.

4. Please complete the table below summarizing actual and projected administrative costs for the company's DSM plan.

Year	Administrative Costs (Nominal \$)	
	Actual	Projected
2005		
2006		
2007		
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

RESPONSE:

Year	Administrative Costs (Nominal \$)	
	Actual	Projected
2005	\$8,824,054	
2006	\$9,535,173	
2007	\$9,075,272	
2008	\$9,125,625	
2009	\$10,388,987	
2010	\$9,643,321	
2011	\$12,635,461	
2012	\$14,312,219	
2013	\$16,800,526	
2014	\$12,592,982	
*2015		\$11,265,587
2016		\$11,326,837
2017		\$11,438,087
2018		\$11,660,587
2019		\$11,959,337
2020		\$12,831,401
2021		\$13,641,591
2022		\$14,399,905
2023		\$15,133,845
2024		\$15,855,284

*2015 Administrative Cost projected based upon 2015 Proposed DSM Plan.