

Robert L. McGee, Jr.  
Regulatory & Pricing Manager

One Energy Place  
Pensacola, Florida 32520-0780

Tel 850.444.6530  
Fax 850.444.6026  
RLMCGEE@southernco.com



May 10, 2016

Ms. Carlotta Stauffer  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0868

Re: Docket No. 160090-EI – Petition of Gulf Power Company for limited extension of experimental Large Business Incentive Rate Rider, Medium Business Incentive Rate Rider, and Small Business Incentive Rate Rider

Dear Ms. Stauffer:

Attached is Gulf Power Company's response to Staff's First Data Request in the above-referenced docket.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." The signature is fluid and cursive.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

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Attachments

cc w/att.: Beggs and Lane  
Jeffrey A. Stone, Esquire  
Office of General Counsel  
Suzanne Brownless  
Division of Economics  
Sevini K. Guffey

1. During the period January 1, 2014 to date, how many customers (that provided the 79 FTEs referenced in paragraph 7) have taken service under the Company's small, medium, and large Business Incentive Rate Riders?

RESPONSE:

Two customers have taken service under the Small Business Incentive Rate Rider since January 1, 2014.

2. What type of customers currently take service under the small, medium, and large Business Incentive Rate Riders, e.g., manufacturing, industrial, light industrial, office park, and retail?

RESPONSE:

Both of the customers are retail establishments. The facilities these companies occupy were vacant and required several months of renovations prior to opening for business.

3. Has the Company terminated services to any customers under the Business Incentive Rate Riders for failure of not maintaining the employment requirement, not purchasing load amount specified in the Riders or not meeting the capital investment requirement?

RESPONSE:

No, both customers are currently receiving the SBIR. Both have achieved the required demand of 200 kW+ and Gulf will be reviewing the number of jobs added once they have completed one year of service under the rider. The same process will occur in each subsequent year as well.

4. Please state the total discounted dollar amount (difference between Rider rates and otherwise applicable rates) for the period from January 1, 2014 to date.

RESPONSE:

As of April 1, 2016, the total cumulative credit applied is \$9,513. The new revenue brought by these two new customers during this same time period, even though it is discounted per the tariff, is an incremental benefit to all customers. The total cumulative new revenue (non-fuel clause revenue and discounted base rate revenue) is \$75,735.

5. Please explain whether Gulf reports its economic development expenses (e.g., marketing expenses) on its earnings surveillance reports per Rule 25-6.0426(5), F.A.C.

RESPONSE:

Yes. Gulf reports economic development expense adjustments, in accordance with Rule 25-6.0426(5), on its surveillance report schedules as shown below. Additionally, as noted in response to item 6 below, Gulf does not treat the Business Incentive Rider credits as economic development expenses to be recovered under Rule 25-6.0426(5).

**Surveillance Schedule**

Schedule 2, 2 of 3

Schedule 2, 3 of 3

Schedule 3, 2 of 3

Schedule 3, 3 of 3

6. Please explain whether Gulf is currently recovering the discount amount provided to Rider customers. If not, state if Gulf will seek recovery of the discount amounts in its next rate case.

RESPONSE:

No. Gulf is not treating the credits associated with the Business Incentive Riders as economic development "expenses" to be recovered under Rule 25-6.0426(5) and will not be seeking recovery of them as such in future rate proceedings.

7. How does Gulf verify that Rider customers are maintaining the required number of FTEs over the five year contract period?

RESPONSE:

Gulf has prepared an annual form that each customer receiving the Business Incentive Rider must complete before receiving additional year credits. Customers are also asked to obtain verification, through the Florida Department of Economic Opportunity, that they have maintained the required number of FTEs during each year.