



Gulf Power®

March 21, 2019

Mr. Adam Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Re: Docket No. 20190038-EI – Petition for limited proceeding for recovery of incremental storm restoration costs related to Hurricane Michael by Gulf Power Company

Dear Mr. Teitzman:

Attached for electronic filing is Gulf Power Company's response to Staff's First Data Request in Docket 20190038-EI.

Sincerely,

C. Shane Boyett
Regulatory Issues Manager

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Attachments

cc: Gulf Power Company
Russell Badders, Esq., VP & Associate General Counsel
Beggs & Lane
Florida Public Service Commission
Kristen Simmons, Office of General Counsel
Sevini Guffey, Division of Economics

1. Paragraph 19 of the petition states the settlement provides recovery of storm costs will begin 60 days following the filing of the petition. The petition was filed on February 6, 2019, and the 60th day would be April 7, 2019. Please explain Gulf's proposed effective date of the Interim Storm Restoration Recovery Charge as it relates to this language in the settlement.

RESPONSE:

On March 13, 2019, Gulf submitted a request to the Commission for suspension of the 60-day timeframe set forth in its 2017 Stipulation and Settlement Agreement from the date of the request until June 6, 2019, such that the 60-day time frame ends on July 1, 2019. Pending approval from the Commission, Gulf Power anticipates implementing the Interim Storm Restoration Recovery Charge beginning with the first billing cycle of July 2019 which begins on July 1, 2019.

2. Paragraph 20 of the petition proposes to initiate Gulf's Interim Storm Restoration Recovery Charge beginning with the first billing cycle of April 2019. Please state the exact start date of the April billing cycle.

RESPONSE:

April 1, 2019.

3. Please discuss how and when Gulf will inform its customers of this proposed charge, including the methods of customer communication regarding the proposed increase in bills. Please provide copies of customer notifications for staff review and approval.

RESPONSE:

Gulf Power began notifying its customers of the proposed storm surcharge as soon as it filed the Petition on February 6, 2019, by:

1. Issuing a news release on February 6, 2019, that was sent to all news media in Gulf Power's service area.
2. Posting a news release to the Company's news site, GulfPowerNews.com.
3. Making phone calls to the Company's largest commercial and industrial customers.

Upon approval of the 2019 Interim Storm Restoration Recovery Surcharge, Gulf Power will begin notifying customers using the following channels:

1. Send out a news release to all news media in Gulf Power's service area.
2. Post news release to the Company's news site, GulfPowerNews.com.
3. Make personal phone calls to the Company's largest commercial and industrial customers.
4. Send an official rate notification bill insert to all customers through their electricity bills in the next available bill cycle.

See pages 2 – 3 for the customer notification.

Proposed Bill Insert

Important Customer Rate Information – Storm Restoration Recovery Surcharge beginning July 2019

Gulf Power filed a request with the Florida Public Service Commission to recover costs associated with restoring power to more than 136,000 customers and rebuilding the power grid following Hurricane Michael in October 2018, the strongest hurricane in history to hit the Florida Panhandle. The Company requested a storm restoration surcharge of \$8 per month for a residential customer using 1,000 kWh. Commercial and industrial customer rates would increase between 3 to 8 percent on average.

Gulf Power estimates the proposed surcharge will remain in effect for approximately five years to collect eligible Hurricane Michael-related restoration costs. Following approval, the temporary storm restoration surcharge will be included as part of the energy charge on customers' bills as of July 1, 2019.

Standard Rates¹

Rate Schedule	Existing Energy Charge (¢ per kWh)	Storm Surcharge (¢ per kWh)	Approved Energy Charge (¢ per kWh)
RS	7.597	0.800	8.397
GS	7.584	0.920	8.504
GSD/GSDT	4.017	0.453	4.470
LP/LPT ²	2.364	0.302	2.666
PX/PXT	2.330	0.229	2.559

Time-of-Use Rates¹

Rate Schedule	Time-of-Use Period	Existing Energy Charge (¢ per kWh)	Storm Surcharge (¢ per kWh)	Approved Energy Charge (¢ per kWh)
RSTOU	On-peak	24.572	0.800	25.372
	Off-peak	4.278	0.800	5.078
RSVP	Low	4.472	0.800	5.272
	Medium	6.546	0.800	7.346
	High	15.063	0.800	15.863
	Critical	73.872	0.800	74.672
GSTOU	Summer On-peak	21.584	0.453	22.037
	Summer Intermediate	9.447	0.453	9.900
	Summer Off-peak	5.223	0.453	5.676
	Winter (all hours)	6.425	0.453	6.878

1. The Energy Charge that appears on customer bills includes the applicable base rate energy charges, environmental compliance costs, purchased power capacity costs, energy conservation program costs plus the interim storm restoration recovery surcharge shown above, except as noted below.
2. Purchased power capacity costs for LP and LPT customers are included in the demand charge, accordingly, the energy charge does not include purchased power capacity costs.

For more information on the residential rate schedules or applicability information, please visit <https://www.gulfpower.com/residential/savings-and-energy/rates-and-billing/rates-rules-and-regulations> or call Gulf Power using the number shown on your electricity bill.

For more information on the commercial rate schedules, or if you require assistance in determining rate applicability and the most economic rates for you, please visit <https://www.gulfpower.com/business/savings-and-energy/rates-and-billing/rates-rules-and-regulations> or call Gulf Power using the number shown on your electricity bill.

4. Please show each step of the calculation that calculates the allocation factors shown in columns (3) through (8) in Exhibit E, Page 2 of 2. In your response, please refer to the MFR schedule that shows the percentage allocation of plant share in Docket No. 20160186-EI.

RESPONSE:

To calculate the allocation factors shown in columns (3) through (8) on page 2 of Exhibit E, Gulf first calculated the functional weights by taking each function's costs presented on Exhibit C, page 1, line 13, and dividing by the total retail incremental processed storm restoration costs (Exhibit C, line 13, column 6).

Functional Weight = Functional Retail Incremental Processed Storm Restoration Costs / Total Retail Incremental Processed Storm Restoration Costs

The functional weight was then multiplied by the percent allocation of gross plant for each rate class to derive a rate class functional allocation.

Rate Class Functional Allocation = Functional Weight X Rate Class Allocation of Gross Plant

The percent allocation of gross plant was calculated for each rate class using the values for production, transmission, distribution, and general plant found on Schedule 2.10 – Analysis of Gross Plant from MFR E-1 filed in Docket No. 20160186-EI. For customer service, the percent allocation was calculated using the values for each rate class on line 163 of Schedule 4.10 – Analysis of Operations and Maintenance Expense from MFR E-1.

Rate Class Allocation of Plant Share = Total Rate Class Plant / Total Retail Plant

The distribution plant allocator was modified to remove FERC Account 373 – Street Lighting from total distribution plant and assigning estimated lighting storm restoration costs directly to Rate Class OS. This modification was performed to provide distribution plant allocation factors that were better aligned with estimated storm restoration costs.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition for limited proceeding for recovery of)
incremental storm restoration costs related to)
Hurricane Michael, by Gulf Power Company)

Docket No.: 20190038-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by electronic mail this 21st day of March, 2019 to the following:

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