Susan D. Ritenour Secretary and Treasurer and Regulatory Manager

One Energy Place Pensacola, Florida 32520-0781

Tel 850.444.6231 Fax 850.444.6026 SDRITENO@southernco.com



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November 8, 2007

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

Dear Ms. Cole:

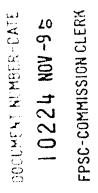
Re: Docket No. 070299-EI

Enclosed is the original and seven copies of Gulf Power Company's Motion to Reope Record, to be filed in the above referenced Storm Hardening docket.

Sincerely,

Susan D. Ritenous

CMP 2 COM ____ CTR ÆCR bh GCI Ø Enclosures OPC Beggs & Lane cc: RCA Jeffrey A. Stone, Esq. SCR 11-2 M S- M 20 SGA _____ SEC OTH _____



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, FAC, submitted by Gulf Power Company

Docket: 070299-EI Date: November 8, 2007

GULF POWER COMPANY'S MOTION TO REOPEN RECORD

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby files this motion requesting that the Florida Public Service Commission ("Commission") reopen the record in Docket 070299-EI for the limited purpose of admitting into the record Gulf Power Company's Amended Storm Hardening Plan dated August 14, 2007. As grounds for the relief requested by this motion, the Company would respectfully show:

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

Jeffrey A. Stone Russell A. Badders Steven R. Griffin Beggs & Lane P. O. Box 12950 Pensacola, FL 32591 Susan D. Ritenour Secretary and Treasurer Gulf Power Company One Energy Place Pensacola, FL 32520-0780

2. Pursuant to Commission Order PSC-07-0043A-FOF-EU, Gulf Power filed a storm hardening plan on May 7, 2007. On August 14, 2007, Gulf filed an amended storm hardening plan with the Commission. The amended storm hardening plan is entitled "Gulf Power Company's Amended Storm Hardening Plan 2007-2009" and is listed as Document Number 07160-07 by the Commission Clerk's office. All parties of record in Docket 070299-EI were served a copy of Gulf's amended storm hardening plan.

DOCUMENT NUMBER-DATE

FPSC-COMMISSION CLERK

3. To facilitate the Commission's deliberations related to Gulf Power's storm hardening plan, Gulf requests that the Commission reopen the record in Docket 070299-EI for the limited purpose of admitting into the record the document discussed herein above entitled "Gulf Power Company Amended Storm Hardening Plan 2007-2009" which is attached to this pleading. Further, Gulf requests that this document be entered into the record as Hearing Exhibit 54.

4. No party of record will be prejudiced by the relief sought through this motion.
The parties to Docket 070299-EI have relied on Gulf Power Company's Amended Storm
Hardening Plan both in testimony and in post-hearing briefs. The positions of the parties
of record and Gulf are based on Gulf Power Company's Amended Storm Hardening Plan.

5. The undersigned counsel has contacted all parties of record and can affirmatively state that no party of record objects to this motion.

WHEREFORE, Gulf Power Company respectfully requests the Commission to reopen the record in Docket 070299-EI for the limited purpose of admitting into the record the document entitled "Gulf Power Company Amended Storm Hardening Plan 2007-2009". In addition, Gulf requests that this document be entered into the record as Hearing Exhibit 54.

JEFFREY A. STONE Florida Bar No. 325953 RUSSELL A. BADDERS Florida Bar No. 007455 STEVEN R. GRIFFIN Florida Bar No. 0627569 Beggs & Lane P. O. Box 12950 Pensacola, FL 32591 (850) 432-2451 Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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IN RE: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, Florida Administrative Code, submitted by Gulf Power Company

Docket No.: 070299-El Date Filed: November 8, 2007

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by regular U. S. mail, all this 8th day of November, on the following:

Embarq Florida, Inc. Susan S. Masterton

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Mailstop: FLTLHO0102 1313 Blair Stone Rd. Tallahassee, FL 32301

Verizon Florida LLC

Mr. David Christian 106 East College Avenue, Suite 710 Tallahassee FL 32301-7721 AT&T Florida

J.Meza/E.Edenfield/J. Kay c/o Ms. Nancy H. Sims 150 S. Monroe Street, Ste. 400 Tallahassee FL 32301-1556

Katherine Fleming Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee FL 32399-0850 Akerman Law Firm Beth Keating Akerman Senterfitt 105 East College Avenue Tallahassee FL 32301

City of Panama City Beach & PCB Comm. Redevelop. Agcy. & Munic. Underground Utilities Cons. Robert Scheffel Wright John T. LaVia, III Young van Assenderp, P.A. 225 S. Adams Street, Ste. 200 Tallahassee FL 32301

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JEFFREY A. STONE Florida Bar No. 325953 RUSSELL A. BADDERS Florida Bar No. 007455 STEVEN R. GRIFFIN Florida Bar No. 0627569 BEGGS & LANE P. O. Box 12950 Pensacola FL 32591-2950 (850) 432-2451 Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Order No. PSC-07-0043A-FOF-EU

GULF POWER COMPANY

AMENDED STORM HARDENING PLAN 2007 - 2009

August 14, 2007



DOCUMENT NUMBER-DATE 10224 NOV-95 FPSC-COMMISSION CLERK

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APPENDICES

- Appendix 1 Map of Northwest Florida with Extreme Wind Loading Standards
- Appendix 2 Proposed Overlashing Policy
- Appendix 3 Attachment Standards and Procedures Outline
- Appendix 4 Attachment Permit and Overlashing Notification Procedure
- Appendix 5 Overhead Storm Hardening Specifications
- Appendix 6 Underground Storm Hardening Specifications
- Appendix 7 Estimated Gulf Power Costs and Benefits Summary

1.0 Overview

Gulf Power Company offers the following Storm Hardening Plan in response to the Commission's request for each investor-owned electric utility to file plans and estimated implementation costs and benefits for storm hardening as set forth in FPSC Order No. PSC-07-0043A-FOF-EU in Docket Nos. 060172-EU and 060173-EU. This proposed Storm Hardening Plan, consisting of 12 sections and 7 appendices, is intended to address the rule requirements set forth in the Order.

Gulf Power views this plan as a starting point of an ongoing process to identify ways to minimize future storm damages and customer outages. Gulf plans to build on what works well and to improve in areas that do not work as well as intended. Gulf is committed to continuous improvement by building on its experiences and is supportive of research to address the potential benefits of initiatives, such as hardening transmission and distribution facilities, which could lead to less-frequent outages and improved continuity of service during major storm-related events.

Gulf Power's Storm Hardening Plan incorporates the 10-Part Storm Preparedness Plan initiatives in Section 2.0 that were originally filed and approved under Docket No. 060198-EI. These initiatives have been updated to reflect approved FPSC changes and the latest company information. In Section 3.0, Gulf describes its wood pole inspection process approved by the FPSC to meet storm hardening requirements. Performance data for Sections 2.0 and 3.0 initiatives are currently filed as a part of the annual March 1 Distribution Reliability Report. These initiatives comprise the foundation of Gulf's Storm Hardening Plan.

In Sections 4.0 through 9.0, Gulf addresses each of the new requirements contained in the storm hardening rules 25-6.0341 and 25-06.0342. Gulf will exceed National Electric Safety Code by proposing a transition to Grade B construction for all new construction, major projects and maintenance work.

Section 5.0 addresses the adoption of extreme wind loading for distribution facilities. Gulf's proposed plan contains projects totaling \$1.6 million for three years. Since Gulf lacks the data to support the benefits associated with these hardening initiatives, it was decided to focus on critical infrastructure facilities and major thoroughfares. As storm forensic data is gathered to help determine the benefits, Gulf will review its plan to address new construction, major planned work, including expansion, rebuilding, or relocation of existing facilities.

Section 10.0 summarizes Gulf's incremental cost estimates and benefits contained in the plan. The details are provided in Appendix 7.

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Sections 11.0 and 12.0 address storm hardening items concerning joint-use and Third-Party Attachers contained in the rules.

In summary, Gulf Power Company continues to maintain that although the items contained in this plan will certainly result in some mitigation of major storm damage, it will take years to determine their true effect and resulting benefits.

In respect to overhead versus underground construction, Gulf Power Company's position does not favor one over the other as long as Gulf is able to recover associated costs. As data continues to be gathered and research progresses, it will enable Gulf to determine the best approach to storm hardening.

Gulf recognizes the need to address the concerns expressed by both its customers and the FPSC to find ways to storm harden its system. At the same time, Gulf is obligated to balance storm hardening with the need to maintain reasonable costs and still achieve the expected results.

2.0 Ten-Part Storm Preparedness Plan Initiatives

2.1 Vegetation Management Plan

In accordance with FPSC Order No. PSC 06-0351-PAA-EI, Gulf Power assessed the feasibility of a three-year vegetation management cycle and proposed an alternative approach to hardening the distribution systems against future storm caused outages. This proposal was subsequently approved by the Commission.

Gulf Power is incorporating additional enhancements to its reliabilitybased vegetation management program to improve the program's performance in relation to hardening the distribution system against future storms while continuing to insure day-to-day reliability of the system. These program enhancements enable Gulf Power to establish a cyclical approach to segments of its vegetation management program while retaining the flexibility necessary to target resources on the areas where the greatest cost benefit will be recognized.

Gulf's Vegetation Management program consists of the following items:

- A three year trim cycle on all main line feeders
- An annual inspection and corrective action program for main line feeders not treated by cyclical or other work types to ensure preparedness for storm season

Sections 11.0 and 12.0 address storm hardening items concerning joint-use and Third-Party Attachers contained in the rules.

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Gulf's Vegetation Management program consists of the following items:

- A three year trim cycle on all main line feeders
- An annual inspection and corrective action program for main line feeders not treated by cyclical or other work types to ensure preparedness for storm season

- A program for removing hazard trees located outside the normally maintained pruning zone with heavy emphasis placed on main line feeders
- Increased storm hardening of new distribution lines by modifying initial vegetation clearing practices during construction
- Local coordination with code enforcement officials where customerowned trees threaten Gulf's facilities but the customer refuses to assist in remediation of the problem
- Forensic forestry following storms
- Public education
- Lateral distribution lines managed on a reliability-based management program to achieve a cycle of six years.

While Gulf is in the first year of program implementation, this program will achieve an effective cycle of less than three years and will expand the scope of Gulf's past vegetation management activities by addressing trees located outside the normally maintained pruning zone which pose a threat to the distribution system under storm conditions.

Vegetation on main line feeders will be managed on a three year cycle. Each year, one third of the main line feeders will be systematically pruned, while the remaining two-thirds are either inspected with followup pruning to correct deficiencies or inspected and worked for hazard tree removal. This will focus program resources on the areas where tree-caused outages have the greatest impact on Gulf's customers.

Lateral distribution lines will be managed through the use of reliabilitybased vegetation management. Circuits will be categorized based on tree-caused outages and customer density. Field inspections will determine the amount and type of vegetation management needed to improve reliability. This program will maintain the flexibility to allow work on heavily forested areas that are experiencing reliability issues more frequently than sparsely forested areas where reliability is acceptable.

Laterals that do not present themselves as problem areas in the reliability statistics will be inspected a minimum of once every six years to ensure no unknown hazardous vegetative conditions exist. This provides a safety net by insuring that every lateral is either pruned or inspected with follow-up corrective action a minimum of once every six years.

Gulf is also incorporating an education component into its proposed program. Educational material on planting trees to avoid power outages will be developed and made available to our customers. Gulf's arborists are actively working with the municipalities we serve to educate public officials on the need for hazard tree removal and overall management of street trees with a goal of reducing storm damage to power lines and other public infrastructure.

In addition to its normal maintenance of existing lines, Gulf is implementing a hazard tree program to address trees located outside the normally maintained and established pruning zone. As noted in earlier filings, most of Gulf's vegetation-caused storm outages result from rightof-way trees falling into its facilities. Gulf will work in cooperation with local municipalities and customers to facilitate the removal of the trees or large overhanging limbs to insure they no longer present a threat to Gulf's facilities. Since it is impractical to remove all trees that have the potential to fall into Gulf's lines, trees will be prioritized based on the level of threat they impose and focus will be on the highest threat first. Gulf will prioritize its distribution feeders based on customer density, forest type, and tree-caused outage data. Initially, trees that pose an imminent threat to high priority circuits will be addressed. Heavy emphasis will be placed on main line feeder sections, but the program may also treat high priority laterals feeding critical infrastructure, such as sewage lift stations.

A large majority of Gulf's distribution lines are on franchise roadside easements, and hazard trees are normally on private property where Gulf does not have pruning rights. In those cases where a tree presents an imminent threat to facilities but the owner refuses to allow corrective action, Gulf will work cooperatively with local code enforcement officials to insure every effort is made to remediate the threat.

Gulf is also modifying its initial clearing of right-of-way for new overhead construction. In the past, Gulf has focused its clearing activities to the franchise-granted portion of the easement. Gulf is now incorporating the removal of hazard trees outside the normally established and maintained right-of-way when initially clearing for new lines. This will ensure the hardening of all new lines from the day they are built. This activity will impact between 20 and 30 miles of new overhead line each year.

With regard to cost and storm outage avoidance, it is estimated this program will reduce storm Customer Minutes of Interruption (CMI) by at least 4,000,000 CMI per storm event. Storm outage avoidance was calculated using the following assumptions and 2005 data:

Number of distribution feeders on system	277
Total Gulf Customers	408,641
Average Customers per feeder	1,475
Average time to remove failed tree	60
Average cost per hazard tree removal	\$300
Trees removed per year	5,000
Assume 1% of removals are avoided outages	50
Avoided CMI @ 1% = 50*60*1,475	4,425,000
Assume 10% avoided outage rate	500
Avoided CMI @ 10% = 500*60*1,475	44,250,000

Every attempt has been made to show a very conservative estimate of avoided outage time and to show the incremental improvement in outage reduction. CMI was used instead of Customer Interruptions (CI) for storm-related outage reduction. Under storm conditions, a feeder may have multiple trees down, so an avoided failure may not prevent an outage from occurring somewhere else on the feeder. However, by reducing the number of failed trees that require removal from Gulf's lines, CMI will be significantly improved.

The removal of hazard trees will have a cumulative positive effect on outage avoidance in subsequent years. Trees removed during year one will continue to represent an avoided outage in year five of the program whereas trees that are pruned on a cyclical basis will grow back and once again represent a potential outage. While the program may have less impact in its early stages, the positive impacts will be significant in future years as the number of hazard tree removals continues to increase.

Avoidance Rate	Year 1 Avoided CMI	Year 2 Avoided CMI	Year 3 Avoided CMI	Year 4 Avoided CMI	Year 5 Avoided CMI
1%	4,425,000	8,850,000	13,275,000	17,700,000	22,125,000
10%	44,250,000	88,500,000	132,750,000	177,000,000	221,250,000

Considered in the context of Hurricanes Ivan and Dennis, this would have resulted in a 20% reduction in CMI for Dennis and 7% for Ivan during year 5 of the program.

This program will also provide an improvement in the day-to-day reliability of the company's distribution system. While data does not exist to allow a full analysis of the impact, it has been determined that a minimum of 15% of Gulf Company's main line feeder interruptions under normal day-to-day operation were caused by tree failures outside the pruning zone.

In order to refine the selection of hazard trees, Gulf will employ the use of forensic foresters in future storms to analyze tree-caused outages. Tree failures will be analyzed to insure the trees being selected for removal fit the characteristics of actual tree failures.

Gulf will evaluate the overall program on an annual basis through the analysis of annual reliability data. In addition, Gulf will monitor vegetation management related research activities for possible program improvements.

2.2 Joint-Use Pole Attachment Audits

Gulf Power Company has in its current joint-use contracts an agreement to conduct a field audit of the joint-use poles every five years. These field audits have been in effect since at least 1991. The field audit includes both poles owned by the electric utility to which other utility attachments are made (i.e., telecommunications and cable) and poles not owned by the electric utility to which the electric utility has attached its electrical equipment. The table below provides an overview of the scope of items collected in the 2006 Joint-Use field audit.

Data Item:	Description:
X,Y Pole Location on Map:	Plot location of poles owned by Gulf Power/BellSouth/Sprint-Florida or poles with Gulf Power / BellSouth / Sprint-Florida attachments on map. The map X,Y will be derived by where the pole is placed relative to the map landbase.
X,Y Pole Location (GPS):	GPS measurements are specified for the location of facilities. Factory-specified 3-10 meter GPS equipment will be utilized to obtain readings (actual accuracy is usually 1-3 meters). The GPS X,Y measurements will be stored as attributes on each pole visited.
Pole Owner:	Verify pole owner from ownership identification matrix to be defined at project start.

(3) or more third party attachments and a manufactured date of twenty (20) or more years to determine whether a pole has sufficient strength to adequately support the attached facilities.

A Pole Strength/Load Assessment will commence in 2007 based on the 2006 Joint-Use Field Audit survey. Gulf Power Company is in the process of sending out the Request for Proposal and Pricing to vendors. Gulf expects to have a contractor in place to begin this work by mid-2007.

Gulf Power recommended and received approval from the Commission for a random sampling for Pole Strength/Load Assessment on 5% of the Gulf-owned joint-use poles meeting the following criteria: pole date of at least twenty (20) years in age and at least three (3) third parties attached.

2.3 Inspection Cycle of Transmission Structures

Gulf Power's current transmission inspection plans meet or exceed the newly-approved 6-year inspection cycle by the FPSC. In 2004, Gulf adopted the Southern Company Transmission Line Inspection Standards as its program. The details of the program have been filed with the Commission per FPSC Order No. PSC-06-0144-PAA-EI in Docket No. 060078-EI. In general, Gulf contracts ground line inspections and uses a combination of company employees and contractors to perform comprehensive walking and aerial inspections. Gulf's transmission structure inspection program is based on two alternating twelve-year cycles, which results in a structure being inspected at least every six years.

Historically, Gulf has not inspected a set number of poles each year. Annual inspection rates have varied as the Company responded to its various needs. Gulf plans to utilize the same flexible approach to ensure the Company completes its inspection cycle as required.

Gulf Power currently inspects all its substations at least once annually. These inspections include visual inspection of all structures, buss work, switches and capacitor banks for defects. Current design standards for new substations include 150 mile per hour wind loading for structures inside the substation.

2.4 Storm Hardening Activities for Transmission Structures

Gulf feels that existing facilities should be governed by the version of the NESC in effect at the time of initial construction; however, to the extent practical and feasible, consideration should be given to upgrading when capital maintenance is performed on existing transmission facilities.

It is Gulf's position that the adherence to current design and construction standards, using generally accepted engineering practices in conjunction with the recommended 6-year structure inspection program, will maintain adequate hardening of the system in all areas.

In 2007, Gulf will continue to:

- 1. Install storm guys on H-frame transmission structures not currently guyed over five (5) years. Estimated capital cost for this total project is \$1.5 million.
- 2. Replace wooden H-frame cross-arms with steel cross-arms over ten (10) years. Estimated capital cost for total project is \$3.0 million.
- 3. Ensure bulk power transmission line design standards have "loss of conductor" contingency for all new construction.

Gulf Power currently designs all new transmission construction using extreme wind loading criteria found in the NESC with 1.1 overload factor.

2.5 Geographic Information System

Gulf Power's Geographic Information System (GIS) is a database for distribution, transmission, and land records across the service area. The distribution side of the system is using **DistGIS**, which is the abbreviation for the company's <u>Dist</u>ribution <u>G</u>eographic Information <u>System</u>. The system is designed to be a complete electronic model of Gulf Power's electrical system overlaid on a representation of the land base. DistGIS is actually a system composed of many parts. The base GIS software is ArcGIS/ArcMap from Environmental Systems Research Institute (ESRI). It also provides consistent, high-quality data to other systems. For example, it feeds data to the outage management systems (TCMS) in place at Gulf Power to ensure optimum response to incidents, such as the recent hurricanes. In addition, the ArcGIS platform serves as an enabling technology for addressing future Gulf Power Company business needs. Transmission uses the same software as distribution to map the GIS data. All data that is mapped on the transmission mapping tools is pulled from the Common Transmission Database (CTDB). Transmission collects data for the CTDB through various means. The method in which the majority of our data is collected is through inspections on field computers using the Transmission Lines Inspection System (TLIS). This data is transferred into the CTDB and then extracted into various mapping programs. Transmission uses Transview, TLIS Maps, and individual ESRI Maps. All updates made to the transmission system are captured in the CTDB and are then available in GIS format. At the current rate of data collection and population of the CTDB, Gulf estimates completing the initial mapping of its transmission system into the GIS within the next six (6) years.

2.6 Post-Storm Data Collection and Forensic Analysis

Gulf Power will employ contractors that will be staged out of harms way and mobilized as soon as it is safe to do so after the storm. Once on the system, the crews will survey a percentage of the lines in the storm damaged areas. Percentages will vary depending on how many miles of distribution lines in the company are affected by the storm. The crews will be spread across hard hit areas to areas with less severe damage to ensure a sampling of data from areas which experienced various wind field strengths. Data will be collected in hand held computers in which system maps have already been stored.

The forensic data collection process will occur independently of, but simultaneously with, the restoration process to facilitate a rapid recovery response. Gulf's asset management coordinator will be responsible for managing the forensic data collection process and will not have additional storm assignments until the forensic data collection process is complete.

Crews will be assigned work by circuit and will inventory all damage on the entire circuit, including main line feeders and laterals. The data will be downloaded into a database for analysis.

Data will be collected on pole location, type and extent of damage, contributing factors to damage, such as pole defects, vegetation conditions, construction type, all materials and equipment on the pole including joint use attachments, conductor sizes and types, fuse sizes, etc.

Since the forensic data collection process has not been utilized or tested at Gulf Power, a dry run is being planned prior to the 2007 storm season.

2.7 Outage Data Differentiating Between Overhead and Underground Systems

Gulf will record the number of overhead (OH) and underground (UG) customers on its system at the end of each year. This will allow Gulf to calculate the SAIDI and SAIFI indices as experienced by overhead and underground customers.

Gulf will also collect the following data on outages as they occur:

- UG cable is:
 - o Direct Buried
 - o Direct Buried but Cable Injected
 - o In Conduit
- Pole type is:
 - o Concrete
 - o Wood

Gulf Power has begun collecting Pole & U/G Cable outage data for future analysis as recommended by the FPSC.

2.8 Coordination with Local Governments

2.8.1 Ongoing Programs

Gulf Power Company currently has several employees that have liaison responsibilities with local governments in NW Florida.

District Managers are located in Pensacola, Ft. Walton, and Panama City. Local Managers, who report to the District Managers, are located in Milton, Crestview, Niceville, and Chipley. These positions interact with city and county personnel on a daily/weekly basis regarding numerous issues, including emergency preparedness as needed. These Gulf Power employees are also actively involved in joint government and business committees that focus on emergency preparedness needs in NW Florida. Examples of those include:

• Executive Board Member of BRACE (Be Ready Alliance for Coordinating for Emergencies). BRACE is an Escambia County organization unique to Florida but part of a federal

government directive that encourages communities to develop more effective preparedness programs for various types of disasters. The federal government organization is called COAD (Communities Organized and Active in Disasters). BRACE meets on a monthly basis.

- Member of Okaloosa County Emergency Management Committee. This Committee is a coordinated effort between government and business to address emergency preparedness issues on a monthly basis.
- Member of Walton County Mitigating Committee. This Committee provides an interactive dialogue between Walton County officials and businesses in order to coordinate efforts on many issues, including emergency preparedness and infrastructure needs.

Gulf Power's Line Clearance Specialists and Forest Services Technicians communicate on a daily basis with local governmental officials, community groups, and homeowner associations to ensure local area involvement and communications regarding vegetation management projects are effectively maintained.

Gulf Power representatives are assigned to County Emergency Operations Centers (EOCs) in NW Florida. The EOC representatives assist city and county agencies and officials during emergencies that warrant activation of the County EOCs. Gulf Power provides extensive coverage throughout the duration of the EOC activation.

Gulf Power will provide ongoing communications, pre-storm communications, and post-storm communications through the Corporate Communications Department. Company news releases are delivered to the County EOCs at least twice daily during storm restoration events to keep local government agencies and officials apprised of the latest company restoration activities.

2.8.2 Proposed Program Survey

As a new program, annual survey questions will be sent to the NW Florida County EOC Directors at the end of each year to gauge Gulf Power's cooperation and coordination with local governments. Gulf will submit the results of the annual survey to the FPSC by March 1 of each year as a part of the Reliability and Storm Hardening Initiatives Report. Survey questions include the following:

- 1. Did Gulf Power participate in all county hurricane drills during the year? How many were held?
- 2. Is Gulf Power responsive to emergency operation requests for critical facility restorations?
- 3. Does Gulf Power have an ongoing presence in the Emergency Operation Center when a hurricane threatens?
- 4. Has Gulf Power identified specific personnel as contacts for the county EOC?
- 5. Does Gulf Power participate in public information releases and press briefings with the county during hurricane operations?
- 6. How do you rate Gulf Power's storm and restoration coordination efforts -- poor, good or outstanding?
- 7. In what areas do you think Gulf Power can improve its coordination with local government?

Responses to the following quantitative metrics will also be submitted in Gulf's March 1 Reliability Report to help gauge the Company's coordination efforts with local governments:

- 1. How many emergency operations drills were conducted by local government in the previous year? How many did Gulf Power actively participate in?
- 2. How many Community Leader Forums did Gulf Power participate in the past year?

2.9 Collaborative Research

Gulf Power is supportive of a collaborative effort to conduct research and development (R&D) on the effects of major hurricanes on the electrical systems throughout the state of Florida. The Public Utility Research Center (PURC) located at the University of Florida is qualified to provide the leadership necessary to serve as the R&D coordinator. PURC already has a strong working relationship with Florida's investorowned utilities, cooperatives and municipals.

Gulf Power is participating in the process for the R&D effort that PURC has initiated. This process involves utility managers and hazard research professionals discussing means to prepare Florida's electrical infrastructure to better withstand and recover from hurricanes.

As stated above, Gulf Power believes that PURC's position allows it to

locate the resources necessary and otherwise unknown to the state of Florida utilities. However, Gulf plans on continuing to participate as appropriate within Southern Company and its own R&D efforts in this and other areas of its business. Gulf may choose to also engage in R&D through a local university in Northwest Florida.

2.10 Disaster Preparedness and Recovery Plan

2.10.1 Gulf's Storm Recovery Plan

Gulf Power Company uses the plans described in its Storm Recovery Plan to respond to any natural disaster that may occur within its service area. These plans have proven to be very effective during 2004 and 2005 in recovering from the multiple storms that have impacted Gulf Power and its customers. As part of its annual operations, Gulf Power has developed and refined its planning and preparations for the possibility of a natural disaster within the area Gulf serves. This planning is updated annually to build on what works well and to improve in areas that do not work as well as intended. In these updates, Gulf strives for continuous improvement by building on its experiences while working recovery efforts within its own service areas and when serving to assist other utilities that have suffered weather-related natural disasters. In the past, Gulf's plan has been encapsulated within a detailed and proprietary Storm Recovery Procedure Manual. Gulf has pulled this information together in a separate document which forms the basis for its Storm Recovery Plan. The Manual follows the guidelines and philosophy set forth in the Storm Recovery Plan.

2.10.2 Gulf's Storm Recovery Preparations

All Gulf Power employees are given a specific storm assignment as a part of the planning process. The Company Emergency Management Center (CEMC) specialist works with Human Resources to ensure that each restoration area is staffed with the appropriate number of employees and that every employee has the proper skill set to perform their storm assignments. In many cases, employees have a storm assignment which may be significantly different from their normal job. Storm training handbooks are updated and distributed as needed. Additionally, training is conducted to ensure that employees are competent to perform the job to which they are assigned. Prior to the storm season, informational meetings are held and internal communications focus on storm preparedness.

Members of the CEMC leadership team attend conferences each year in an effort to benefit from lessons learned by others. In the past, these have included: the Southeastern Electric Exchange (SEE) Mutual Assistance meetings, the National Hurricane Conference, and the Governor's Hurricane Conference. Gulf Power also participates in the yearly statewide storm drill under the direction of the State Emergency Operations Center (SEOC).

In the logistics and support areas, contracts are negotiated and confirmed with vendors for services such as food, lodging, materials, transportation, fuel, and other support functions. Staging sites are secured, and if needed, agreements are negotiated and signed. Gulf Power's Supply Chain Management department ensures that materials on hand, along with available supplies from the material vendors, are sufficient to meet the anticipated demands of the storm season.

2.10.3 Gulf Power Company Emergency Management Center (CEMC)

The objective of the CEMC is to provide overall direction in the restoration of electric service to Gulf's customers as quickly as possible, while protecting the safety of everyone involved. In order to provide a coordinated response and to maximize the restoration effectiveness, the Company organizes into three major restoration areas headquartered in Pensacola, Fort Walton Beach, and Panama City. The CEMC consists of functional teams which provide support to Power Generation, Transmission and Distribution as they restore their respective systems. The three primary leaders working in the CEMC are the CEMC Manager, the Resource Director, and the Logistics Director, who report directly to the Power Delivery General Manager. On a daily basis, these three leaders work with each other to insure the CEMC is providing the proper administration and support necessary for the restoration efforts in the field. The functional teams that are represented in the CEMC and that report to the CEMC manager are as follows: CEMC Staff; Distribution; Distribution Operations Center; Transmission, System Control, and System Protection; Power Generation; Contractor Coordination; Logistics; Aircraft Operations; Supply Chain Management; Customer Service; EOC Coordination; Corporate Security and Risk Management; Safety and Health;

3.0 Wood Pole Inspection Plan

Gulf Power has been evaluating its distribution poles through ground-line inspection since the early 1990's. Gulf's distribution pole inspection program was based on a ten-year cycle, completing its first cycle in 2002. The inspection methodology utilized sound and bore with excavation to a depth of 18 inches. Decayed wood was removed from the outside of the pole, and measurements were taken to determine the poles remaining strength. The poles were then treated with preservatives. Reject poles were scheduled for replacement or reinforcement.

Gulf Power rate of rejection for distribution wood poles has fallen from approximately 15% on its first inspection cycle to approximately 5% on it second inspection cycle.

In order to provide additional protection, Gulf Power is moving from its past ten-year cycle to an eight-year cycle beginning in 2007. Historically, Gulf has not inspected a set number of poles each year. Annual inspection rates have varied as the Company responded to its various needs. Gulf plans to continue this flexible approach to ensure the Company completes its next inspection cycle within eight years, while also insuring other programs meet the needs of our customers each year.

Based on the lessons learned during it first pole inspection, Gulf has refined its pole inspection process for distribution wood poles. During its first inspection cycle, Gulf inspected all Creosote and Penta poles, but also excavated and bored a sample of CCA poles to determine if these poles required excavation and boring. Gulf learned that CCA poles provide superior decay resistance when compared to Creosote and Penta poles. Based on the findings of these inspections, Gulf refined its inspection process and developed an inspection matrix based on pole age, treatment type, and condition. This matrix also brought all CCA poles into the inspection process.

Under this matrix, all poles (Creosote, Penta, and CCA) receive a visual inspection with sounding, boring and excavation as appropriate.

	Visual	Sound	Bore Inspection	Partial Excavate	Full Excavate	Type of Treatmen
Inaccessible poles	Yes	No	No	No	No	No
Concrete poles	n/a	n/a	n/a	n/a	n/a	n/a
Metal Poles, towers, or structures						
OpCo-owned transmission poles with distribution facilities attached	Yes	Yes	No	No	No	No
CCA 0-14 yrs old	Yes	Yes	Sel	No	No	No
Non-CCA 1-4 yrs since prior treatment	Yes	Yes	Sel	No	No	No
CCA 0-14 yrs old	Yes	Yes	Sel	Yes	If Need	Ex
CCA 15-25 yrs old						
CCA 25 yrs or older with prior treatment						
Non-CCA 1-4 yrs since prior treatment	Yes	Yes	Sel	Yes	If Need	Ex
Non-CCA 5 yrs or greater since prior treatment						
CCA 25 yrs or older with no prior treatment	Yes	Yes	Sel	Yes	If Need	Ex
Non-CCA with no prior external treatment	Yes	Yes	Man	No	Yes	Ex
Non-CCA - relocated						
Riser Pole, CCA 0-14 yrs old	Yes	Yes	Sel	No	No	No
Excavatable Riser Pole, CCA 0-14 yrs old	Yes	Yes	Sel	No	IF Need	Ex
Excavatable Riser Pole, CCA 15 yrs or older	Yes	Yes	Sel	No	No	Fu
Excavatable Riser Pole, Non-CCA	Yes	Yes	Sel	No	If Need	Ex
Non-Excavatable Riser Pole, CCA 0-14 yrs old	Yes	Yes	Sel	No	No	Fu
Non-Excavatable Riser Pole, CCA 15 yrs or older	Yes	Yes	Sel	No	No	Fu
Non-Excavatable Riser Pole, Non-CCA	Yes	Yes	Yes	No	No	Ex, Fu
Non-Excavatable Pole	Yes	Yes	Man	No	No	Fu
Poles unable to excavate minimum 75%	Yes	Yes	Man	Yes	No	Fu
Previously reinforced pole	Yes	Yes	Man	No	Yes	Ex, In, Fi
Pole with obvious internal sapwood decay						
Foreign owned pole	n/a	n/a	n/a	n/a	n/a	n/a

Pole Inspection & Treatment Matrix for Gulf Power Company

Gulf will continue to incorporate a sampling on non-excavated poles into its present inspection process to insure on-going statistical validity of its inspection matrix. A sample of poles that would not normally qualify for full excavation under the present matrix will be fully excavated and inspected to determine if any modifications need to be made to the present inspection process.

In order to ensure proper oversight of its pole inspection program, Gulf has hired an Asset Management Coordinator (AMC) to oversee the entire pole inspection program. The AMC will insure program enforcement is accomplished through random spot checks of inspected poles to insure the inspection process meets Gulf's specifications. The AMC will also insure annual reporting on pole inspection activities are accurately completed in accordance with PSC requirements.

Gulf will continue to require quality control programs from its inspection contractors as a standard part of its contract for pole inspection services.

4.0 Compliance with the National Electric Safety Code (NESC) in regards to Storm Hardening.

4.1 Distribution

Gulf Power's distribution system complies with all applicable sections of the National Electric Safety Code and will exceed the NESC by transitioning to Grade B construction on all new construction, major projects and maintenance work. In addition, Gulf plans on applying the extreme wind criteria to targeted facilities serving critical loads.

4.2 Transmission

Gulf Power's transmission system complies with all applicable sections of the National Electric Safety Code.

4.3 Substation

Gulf Power uses the ASCE 7 extreme wind criteria for structure design and selection, which complies with the National Electric Safety Code extreme wind loading requirements for Gulf's service area.

5.0 Adoption of Extreme Wind Loading standards specified by Figure 250-2(d) of the 2007 Edition of the NESC for Distribution Facilities.

Appendix 1 shows the communities within Gulf's service area and the extreme wind loading standards as specified by figure 250-2(d) of the NESC. Gulf Power will exceed the National Electric Safety Code by transitioning to Grade B construction on all new construction, major projects and maintenance work. In addition, Gulf Power Company intends to apply the extreme wind loading standards to targeted facilities serving critical loads. As a part of this process, Gulf solicited input from the County Emergency Operating Centers to help determine where to begin focusing its storm hardening efforts.

Gulf feels it is prudent to move cautiously into the application of the extreme wind loading standards until it is able to determine the cost and outage benefits. Since Gulf lacks the data to support the benefits associated with applying extreme wind loading standards to distribution poles, it was decided to focus first on critical infrastructure facilities and major thoroughfares. As storm forensic data is gathered to help determine the benefits and effectiveness of the targeted storm hardening initiatives, Gulf will review its plan to address new construction and major planned work, including expansion, rebuilding, or relocation of existing facilities.

The chart below shows the planned projects for applying extreme wind loading to distribution facilities. Gulf's plan focuses on those feeders which serve

critical loads, such as hospitals, major sewage treatment plants, fuel depots, and storm hardening Interstate road crossings.

2007	District	Critical Load	Feeder ID	Total Main Miles	Estimated Cost
	Central	Hospital	8162	0.27	\$34,038
	Eastern	I-10 Crossings	Various	N.A.	\$52,000
	Central	I-10 Crossings	Various	N.A.	\$45,500
	Western	Sewage Plant	5912	0.37	\$46,645
	Western	Sewage Plant	7402	1.36	\$171,453
	Western	Fuel Depot	6522	1.38	\$173,974
TOTAL 2007					\$523,610
2008	District	Critical Load	Feeder ID	Total Main Miles	Estimated Cost
	Central	Hospital	9132	1.13	\$142,457
	Central	Fuel Depot	9252	2.83	\$356,772
TOTAL 2008			.		\$499,229
2009	District	Critical Load	Feeder ID	Total Main Miles	Estimated Cost
	Western	Hospital	7512 & 7522	1.06	\$133,633
	Central	Sewage Plant	9342	2.43	\$306,346
	Western	I-10 Crossings	Various	N.A.	\$123,500
TOTAL 2009			· · · · · · · · · · · · · · · · · · ·		\$563,479
	Company	Three Year Plan Totals			\$1,586,318

6.0 Mitigation of Damage to Underground Facilities and Supporting Overhead Transmission and Distribution Facilities due to Flooding and Storm Surges

6.1 Distribution

Gulf Power has developed overhead and underground storm hardening specifications (Appendices 5 and 6) to address minimization of this type of damage in areas subject to flooding and storm surges. Gulf recognized and piloted underground system storm hardening design changes in response to lessons learned from Ivan in 2004. These specifications will continue to evolve as Gulf continues to seek out best practices and learns from the review of gathered forensic data. Gulf will be systematically training engineering personnel on the application of these new specifications in 2007.

6.2 Transmission

Gulf Power transmission utilizes overload and strength factors greater than or equal to those required in Section 26 of the National Electric Safety Code. Gulf's loading criteria for new line design is derived from Section 25 of the National Electric Safety Code. At this time, Gulf is not designing transmission for any type of storm surge or flooding damage.

All future Gulf Power underground transmission projects located within the possible storm surge area will be engineered to consider the impact of flooding or storm surge from weather events. Gulf Power does not currently have any such new projects planned.

7.0 Placement of New and Replacement Distribution Facilities so as to Facilitate Safe and Efficient Access for Installation and Maintenance

Gulf Power has always recognized that accessibility to distribution facilities is essential to safe and efficient maintenance and storm restoration. Therefore, Gulf continues to strive to promote placement of facilities adjacent to public roads; to use easements, public streets, roads and highways; obtain easements for underground facilities; and to use road right-of-ways for conversions of overhead to underground.

8.0 Other Key Elements

8.1 Feeder Patrols

By June 1 of every year, all critical lines will be inspected up to the first protective device for loose down guys, slack primary and leaning poles.

8.2 Infrared Patrols

Annually, infrared inspections of critical equipment on main line three phase feeders will be performed by June 1. This data will be utilized in repairing feeder switches, capacitors, regulators and automatic over current protective devices.

8.3 Wind Monitors

Gulf Power believes Forensic Data Analysis will be critical to determining the effectiveness of the Storm Hardening Plan. A key part to the data gathering is obtaining "granular" storm wind speeds at strategic locations which would otherwise be unavailable from the National Weather Service. Gulf plans on installing a total of 19 monitors in this three year plan: 6 in 2007, 6 in 2008 and 7 in 2009. These monitors will be strategically located at substations nearest to the planned projects for applying the extreme wind loading standards. The wind speed data gathered from these monitors, along with forensic data gathered after a major storm event, will help determine the effectiveness of these storm hardening projects.

9.0 Storm Plan Deployment Strategy for Distribution, Transmission and Substation

9.1 Description of the facilities affected, including technical design specifications, construction standards, and construction methodologies employed

9.1.1 Distribution

Gulf Power has developed overhead and underground storm hardening specifications which are contained in Appendices 5 and 6. These specifications will continue to evolve as Gulf continues to seek out best practices and learns from the review of gathered forensic data. In addition, Gulf will transition to Grade B construction, which will exceed NESC, on all new construction, major projects and maintenance work. Gulf will systematically train engineering personnel on the application of these new specifications during 2007. Gulf Power will apply these specifications to areas subject to flooding and storm surges.

In respect to applying extreme wind loading standards, Gulf's plan focuses first on those main feeders which serve critical loads such as hospitals, major sewage treatment plants and fuel depots, and storm hardening Interstate road crossings. The chart below lists the projects, the district locations and estimated number of poles to be impacted from the proposed critical infrastructure hardening projects.

2007	District	Critical Load	Feeder ID	Total Main Miles	# of poles - assuming 150 Ft. spacing
	Central	Hospital	8162	0.27	9
	Eastern	I-10 Crossings	Various	N.A.	16
	Central	I-10 Crossings	Various	N.A.	14
	Western	Sewage Plant	5912	0.37	13
	Western	Sewage Plant	7402	1.36	48
	Western	Fuel Depot	6522	1.38	49
TOTAL 2007					149
2008	District	Critical Load	Feeder ID	Total Main Miles	# of poles - assuming 150 Ft. spacing
<u></u>	Central	Hospital	9132	1.13	40
	Central	Fuel Depot	9252	2.83	100
TOTAL 2008					140

2009	District	Critical Load	Feeder ID	Total Main Miles	# of poles - assuming 150 Ft. spacing
	Western	Hospital	7512 & 7522	1.06	37
	Central	Sewage Plant	9342	2.43	86
	Western	I-10 Crossings	Various	N.A.	38
TOTAL 2009					161
	Company	Three Year Plan Totals			450

The total estimated poles which may be subject to replacement based on applying the extreme wind loading standards and possible impact from Joint-Use Assessments are as follows:

Year	Extreme Wind Loading	Joint-Use Assessments	Total Estimated Poles Impacted
2007	149	500	649
2008	140	500	640
2009	161	500	661

9.1.2 Transmission

Gulf Power transmission utilizes overload and strength factors greater than or equal to those required in Section 26 of the National Electric Safety Code. Gulf's loading criteria for new line design is derived from Section 25 of the National Electric Safety Code. These design criteria are used on all new installation and complete rebuild projects throughout Gulf's service area.

9.1.3 Substation

Once information is gathered from the SLOSH program, each substation on Gulf's system which could be affected by storm surge will be evaluated to determine any corrective or hardening measures that may be required.

9.2 Communities and areas affected and critical infrastructure as illustrated by Gulf Power Company Area Territory/DistGIS maps

9.2.1 Distribution

Please see Appendix 1.

9.2.2 Transmission

The storm hardening steps of installing storm guying on un-guyed structures and the replacement of wooden cross arms with steel cross arms on H-frame structures will be implemented on the entire Gulf Power transmission system.

10.0 Gulf Power Company's Estimate of Incremental Costs and Benefits

The total estimated incremental cost for Gulf Power's Three-Year Storm Hardening Plan is approximately \$16.7 million. The 10 initiatives described in Section 2.0, along with the eight year wood pole inspection initiative discussed in Section 3.0, represent a \$10.8 incremental cost.

As discussed in Section 4.0, Gulf will be transitioning to Grade B construction. Section 5.0 and Section 8.0 address the adoption of extreme wind loading for distribution facilities and other key elements. Gulf's proposed extreme wind loading plan projects, feeder patrols and wind monitors are expected to cost approximately \$2 million from 2007 through 2009.

Gulf has calculated preliminary high level estimates of possible benefits for its Vegetation Management Plan, transitioning to Grade B construction and its Critical Infrastructure and major thoroughfare projects. These are contained in Appendix 7. Since Gulf has no forensic data from past storms, these estimates are based on using what Gulf has determined to be reasonable assumptions and available data from its Trouble Call Management System. Gulf Power cannot estimate all of the reductions in storm restoration cost and outages that will result from the proposed storm hardening initiatives. The effectiveness of the proposed Storm Hardening initiatives will be evaluated through the proposed forensic data gathering process, following future major storm events to better make those beneficial determinations.

See Appendix 7 for an itemized summary of Gulf's incremental storm hardening costs.

11.0 Impact to Collocation Facilities

11.1 Distribution

Several elements will be revised in Gulf Power's approach to attachments made to its poles, towers, and structures in order to provide better storm hardening for the future. These changes include:

- Pole Strength and Loading Engineering calculations will be performed and provided before any pole, tower or structure is attached to, or any existing cables are upgraded or overlashed. The results of these engineering calculations may show that increased pole loading capacity would be required, resulting in consideration of pole modification possibilities.
- A new process will be required to provide for pre-notification by Attacher of plans to attach, upgrade, or overlash cables to any Gulf Power poles, towers, or structures. This new process will include:

- o Pre-inspection
- Make-ready considerations and measurements, pole strength and loading calculations, and work order preparation
- Post-inspection required of all work. The Attacher planning to attach, upgrade, or overlash shall be responsible for the costs of post-inspection and timely corrective actions, if any.
- Expanded language to cover the above revisions may be added to affected specification plates.
- Gulf Power desires to collaborate with Attachers to develop an identification tag that would be placed on the Attachers' existing cables if they do not already have one. This retro-fit tagging and labeling of existing cables with the owners' name is for ease of contacting the Attachers when supporting poles or facilities are damaged and the Attacher is needed to help remove, clear the right-of-way, or transfer their cables to a new pole in emergencies, such as storm restoration.
- Clarification of language in agreements under the "Interference" section in the future will include wording that prevents cables, conductors, and equipment from encumbering (boxing or bracketing) a pole, tower, or structure on both sides. This practice inhibits Gulf from providing reliable service and considerably slows down the restoration process by encumbering the climbing space and the ability to straighten a leaning pole in a timely manner.

11.2 Expansion, Rebuild, or Relocation of Distribution Facilities

See Appendix 3 for Gulf Power Company's Attachment Standards and Procedures Outline, and Appendices 2 and 4 for information governing safety, reliability, pole loading capacity and engineering standards and procedures for third party attachments. Each Attacher should refer to the contract they have with Gulf Power Company for details on notification protocol and construction coordination. Gulf Power Company uses the National Joint Use Notification System (NJUNS) for joint-use notifications and coordination of construction with affected parties as necessary.

12.0 Third Party Attachers' Estimate of Costs and Benefits

12.1 Seeking Input from Attachers

Gulf Power sought input from numerous Third Party Attachers in the development of its Storm Hardening Plan. The following five Attachers

immediately requested to participate in Gulf's plan upon issuance of the final rules:

- Embarq
- Cox Communications
- Comcast Cable
- Bright House Communications
- Florida Cable Telecommunications Association (FCTA)

Gulf Power then sent out letters seeking input from other Attachers with whom Gulf has a signed agreement with for placing and attaching facilities on the Company's distribution poles, towers, and structures. This letter was sent to the following Attachers:

- AT&T
- Knology
- Fairpoint Communications
- Springfield Cable
- Mediacom SE
- City of Valparaiso
- Madison River Communications
- Southern Light
- Cambellton Cable
- TelCove/Level 3
- Santa Rosa County
- Florida Dept. of Transportation
- Verizon
- Walton County
- City of Pensacola
- Escambia County School System

In response to the letter above, Gulf Power received an additional five (5) requests from the following Attachers to participate in the Storm Hardening Plan development:

- AT&T
- Knology
- Fairpoint Communications
- Verizon
- Walton County Dept. of Public Works

As indicated above, a total of ten (10) Attachers participated in the development of Gulf's Storm Hardening Plan. Three draft plans were forwarded to those Attachers from March 29, 2007, to April 19, 2007, to solicit their input and comments. Gulf requested that each Attacher provide an estimate of costs and benefits they expected as a result of the

proposed plan. Gulf received constructive and timely comments and suggestions from the participating Attachers via several letters, a conference call, and telephone conversations during this time period.

12.2 Input Received from BellSouth/AT&T

Formal comments to Gulf's draft Storm Hardening Plan were received from BellSouth/AT&T in a letter dated April 30, 2007. The following BellSouth/AT&T input was based on the following assumptions from Gulf's Storm Hardening Plan:

- 2007 Gulf to replace 162 joint-use poles related to the proposed critical infrastructure hardening projects and replace approximately 500 joint-use poles based on the results of its Pole Strength Assessments described in Section 2.2.
- 2008 Gulf to replace 139 critical infrastructure joint-use poles and 500 joint-use poles as part of pole strength assessments.
- 2009 Gulf to replace 169 critical infrastructure joint-use poles and 500 joint-use poles as part of pole strength assessments.

12.2.1 Estimated AT&T Costs

AT&T cannot accurately estimate costs without knowing how many attachments would be impacted and the type of work that would need to be performed on those attachments, but they did provide the following rough estimates. AT&T assumed it would have aerial facilities on 100 of the 162 poles to be hardened, and that the transfers would cost \$500 per pole (\$50,000). AT&T estimated that its transfer costs arising from Gulf's proposal to replace an additional 500 poles as a result of the 2007 pole strength assessments would be \$250,000, for a total 2007 estimated cost of \$300,000. Using these same guidelines for the proposed pole replacements for 2008 and 2009, AT&T estimated its transfer costs to be approximately \$293,000 and \$302,000, respectively.

12.2.2 Estimated AT&T Benefits

AT&T stated the most significant benefit they may recognize from Gulf's Storm Hardening Plan would be from the potential reduction of commercial power outages. As a customer of Gulf Power, AT&T relies on electric service to power its remote terminals. AT&T cannot quantify this potential benefit as it would be difficult to determine how many remote terminals are served by the circuits that will be hardened at this time.

12.2.3 Other AT&T Comments

AT&T's input was limited by the scope of the information provided and the timeframe in which AT&T had to respond.

AT&T looks forward to continuing a dialogue with Gulf Power regarding its hardening efforts so that the most accurate cost information and feedback can be provided to the FPSC prior to its review of the Hardening Plan. Gulf Power agrees with AT&T that a continuing dialogue on the details of these issues is critical to the success of the storm hardening program.

12.3 Input Received from FCTA

Formal comments to Gulf's draft Storm Hardening Plan were received from FCTA in letters dated March 20, 2007; April 6, 2007; April 27, 2007; and May 2, 2007. In addition, FCTA participated in a conference call with Gulf Power on April 13, 2007 to discuss comments to the draft plan.

12.3.1 Estimated FCTA Costs

FCTA's cost estimates and underlying assumptions and comments for the specified Gulf program are as follows:

Gulf's Pole Inspection Program:

- Estimated 240 pole replacements per year (2007, 2008, and 2009) that will impact CATV
- \$100 transfer cost per pole for CATV
- Estimated impact of \$24,000 per year for 2007, 2008, and 2009
- 3-Year cost impact = \$72,000

Gulf's Proposed Extreme Wind Load Projects:

- Estimated pole replacements that impact CATV include 149 poles in 2007, 140 poles in 2008, and 161 poles in 2009
- \$100 transfer cost per pole for CATV
- Estimated cost impact of \$14,900 in 2007, \$14,000 in 2008, and \$16,100 in 2009
- 3-Year cost impact = \$45,000

Gulf's Third-Party Attachment Audits:

- Gulf will conduct engineering assessments of pole strength and loading on 500 poles per year.
- FCTA is unable to determine a cost impact at this time due to insufficient data.
- FCTA stated that pole strength and loading calculations are not necessary or not normally done on every pole for new attachments and certainly not on every pole for all overlashing.

Gulf's Permitting Requirements for Attachers (Pre-inspections, Post-inspections, etc.) for New and Modified Attachments:

- FCTA stated that cost impacts are impossible to quantify at this time but will be many times historical costs. The delay of time to deliver services to consumers may be the greatest cost.
- FCTA further stated that Gulf's intentions outlined in Section 11.0 of its storm hardening plan are excessive beyond what is reasonably necessary to manage joint use attachments.

12.3.2 Estimated FCTA Benefits

FCTA stated in their April 27, 2007 comments that the greatest benefits to CATV operators will be a result of the increased level of pole inspection and replacement of rotten or damaged poles and defective guy wires. FCTA suggested that additional, cost-effective benefits to a very significant number of poles can be gained if Gulf adds storm guying to poles where practical within its identified storm hardening zone. In addition, FCTA stated that increased vegetation management will improve power reliability and pole line integrity.

12.3.3 Other FCTA Comments

FCTA stated that their members would like to work with Gulf to ensure that distribution pole infrastructure is hardened to withstand stronger winds and to improve storm restoration. FCTA members strongly believe that continued open lines of communication in which additional storm hardening details are provided would significantly contribute to the state's efforts to ensure the availability of power and communication services in extreme weather conditions. Gulf agrees with FCTA that a continuing dialogue on the details of these issues is critical to the success of the storm hardening program.

12.4 Input Received from Embarq

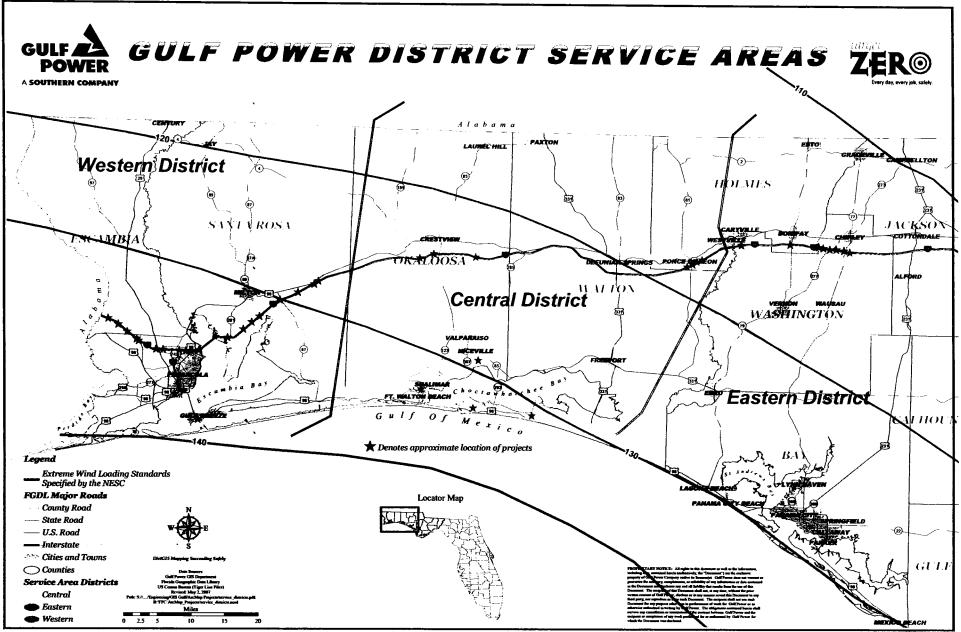
The following comments to Gulf's draft Storm Hardening Plan were received from Embarq in a letter dated May 2, 2007.

12.4.1 Estimated Embarq Costs

Embarq estimated its cost impact from Gulf's proposed Storm Hardening Plan to be approximately \$394,000 over the 3-year period from 2007 to 2009. This estimated cost would be for transfers of the Embarq facilities on approximately 1,970 Gulf poles that may be replaced over this time period. Embarq further noted that a more targeted estimation of cost and benefits would be supplied as additional details are provided regarding specific storm hardening activities.

12.4.2 Estimated Embarg Benefits

Embarq stated in its May 2, 2007 comments that the greatest benefit will be possibly reducing the amount of damage to their facilities, thereby reducing the number of customer outages and reducing the time to restore service. Embarq further stated the extent of this benefit will not be known until the next storm and cannot be readily quantified in dollar savings at this time.



Gulf Power Company

Overlashing Policy

Overlashing

Overlashing is the process of wrapping a new cable or fiber around an existing cable. Attachers who have pole attachment agreements with Gulf Power ("third-party attachers) normally use overlashing to deploy new services faster and/or to avoid vertical clearance problems that may require costly make-ready.

For purposes of determining whether a given pole or pole line is of sufficient strength to accommodate an overlashed cable or fiber, Gulf Power is requiring thirty (30) days advance notice of all overlashing. This allows Gulf Power or its contractor to perform the pole strength and loading analysis that Gulf Power is requiring prior to all new burdens on the pole to ensure, as far as is reasonably practicable, that third-party attachers' facilities do not impair electric safety and reliability or exceed pole loading capacity. *See Florida Administrative Code*, Rule 25-6.0342(5). The cost of the pole strength and loading analysis will be paid by the company who gives notice of proposed overlashing. Regardless of its implications on pole attachment rental rates, overlashing presents a burden on the pole in much the same way as any other new attachment or other stressor on the pole. For this reason, it must be pre-engineered. The only way pre-engineering can occur is through advance notice.

Gulf Power recognizes the competitive concerns that may arise through advance notification of an existing third party attachers plans to overlash. To this end, Gulf Power is committed to maintaining strict confidentiality of the advance notice. The information provided by a prospective overlasher will be used by Gulf Power or its contractor solely for the purposes of conducting the necessary pre-engineering (pole strength and loading analysis) and make-ready engineering, if necessary. The identity of the entity providing advance notice of overlashing will be circulated within Gulf Power or among its contractor only on a "need-to-know" basis, and all persons receiving such information will be advised of the importance of maintaining confidentiality.

Gulf Power is committed to working with attachers and overlashers to implement other reasonable means of protecting confidentiality of overlashing plans or other information deemed commercially sensitive by the attacher and/or overlasher.

Gulf Power Company

Attachment Standards and Procedures Amended Outline

Gulf Power Company's Attachment Standards and Procedures are designed to govern safety, reliability, pole loading capacity, and engineering standards and procedures for third-party attachments. Gulf Power Company's attachment standards and procedures are comprised of, and for future storm hardening initiatives will be, a combination of its:

- Current contracts with telephone companies and third party attachers
- Overlashing Policy
- Attachment Permit & Overlashing Notification Procedure
- Gulf Power joint-use spec plates

Going forward, Gulf Power Company intends to move to an even more managed pole attachment process. This will include engineered pole strength and loading calculations, make ready inspections, pre- and post-inspections of all new attachments, and other functions vital to the integrity of our system.

Some of the key items which are currently part of Gulf Power's contracts with third-party attachers, and which will remain as parts of the attachment process are the following:

- Application and Permits for Pole attachments and Service Drops
- Attachment Identification
- No Interference Provision
- Requirement of following Rules and Procedures
- Order on the Pole
- Process for Make Ready, Substitutions, Changes and Rearrangements
- Use of Qualified Employees and Contractors
- Damage to Facilities

Attachment Permit & Overlashing Notification Procedure

Gulf Power district engineering offices will receive forms called "APPLICATION AND PERMIT FOR POLE ATTACHMENT" ("Permit") and "OVERLASHING NOTIFICATION" ("ON") from attaching companies. For illustration, see *Examples One and Three*. These will consist of a one-page form and a drawing(s) of the pole location(s) or line to which the attaching company wishes to make attachments or overlashing. The following is the step-by-step method of how to progress through these procedures.

I. Assign the Permit

Select the next available "Permit #" on the ATTACHMENT PERMIT RECORD (APR). Write in the attaching company's abbreviated name under column 1, "No. of Pole attachments" under column 2, and the date that the Permit was received (Date App. Received) under column 3 on the APR.

Lastly, appropriately fill in the "Permit No:" and "Number of Pole Attachments:" on the original Permit (Example One or Exhibit B) received from the attaching company at the bottom right-hand corner.

Overlashing does not require a Permit, but does require submission of an ON not less than thirty (30) days prior to the proposed overlashing. Upon receipt of the ON form, verify the completeness of the form, note the date of receipt on the form, and proceed directly to Step III below.

II. Prepare "JETS Job"

Input the "JETS Job" as follows:

- a) Fill in the "headquarters" and "engineer".
- b) "Applicant Name": Fill in the attaching company name.
- c) "Job Description": Fill in the number of poles and the Permit number.
- d) "Address": Fill in the location of the work given on the Permit.
- e) "Type": Fill in <u>C03</u>,
- f) "Type Customer": Fill in commercial.
- g) Change "Type Service" to "None".
- h) Give a copy of the "JETS Job" and the Permit (with the attachers drawing) to the appropriate engineer.

III. Engineer Field Checks the Permit or ON

A Gulf Power engineer or Gulf Power contractor will decide if the attachment location described on the Permit has appropriate clearances (meets all NESC and Gulf Specifications etc.) and whether poles are of sufficient strength to support the proposed attachments or overlashing. <u>Each new Permit and ON</u>



APPENDIX 4 Attachment Permit & Overlashing Notification Procedure

will require a strength and loading analysis, the cost of which will be paid by the attaching company. The pole strength and loading analysis for proposed overlashing should be completed as soon as practicable, but not later than thirty (30) days from receipt of the ON.

The engineer will make one of the following three choices:

a) No-Work-Required (NWR)

The Engineer states that it is safe (no NESC or Gulf Specification violations and pole is of sufficient strength) for the attaching company to attach <u>or</u> <u>overlash</u>.

- 1. APR (ATTACHMENT PERMIT RECORD)
 - (a) Fill in a <u>NO</u> under column 4 on the APR.
 - (b) Fill in the <u>Date</u> that the Permit is mailed back to the attaching company under column 10 on the APR.
 - (c) Not necessary for ON.

2. Permit or ON

- (a) Check the "No make ready required" box.
- (b) Fill in the date on the "Permit granted on" or "Engineering completed on" line (next to the "No make ready required" box).
- (c) Make sure that engineer signed (Signature, Printed Name and Title) the Permit or ON where it says "Signature" at the bottom left corner of the page under "Gulf Power Company".
- (d) Fill-in the cost of performing the pole strength and loading analysis to be paid by the attaching company in the blank provided on the Permit or ON.
- 3. Copies
 - (a) Send the original Permit to Corporate Accounting, Bin #732. DO NOT SEND ONS TO CORPORATE ACCOUNTING.
 - (b) Send 1 copy of the Permit or ON to the attaching company (this is the attaching company's notification to proceed, and notification of the amount payable for the strength and loading analysis).
 - (c) Stamp completed on Gulf Power's copy and file it in the "Completed Attachment Permit File" or "Completed Overlashing Notification File."

b) Make-Ready Needed (DSO)

If line work on Gulf's poles is needed for the attaching company to safely attach <u>or overlash</u>, then the Engineer will promptly prepare a DSO. If line work is needed to safely accommodate a proposed overlashing, prepare a DSO and proceed directly to Step III.b.3. below.



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Attachment Permit & Overlashing Notification Procedure

1. APR (ATTACHMENT PERMIT RECORD)

- (a) Write in <u>YES</u> under column 4.
- (b) Write in the <u>DSO #</u> under column 5.
- (c) Write in the <u>DSO Amount</u> under column 6.
- (d) Write in the <u>Date</u> that the attaching company was actually notified of the make-ready amount under column 7 (Gulf Power will fax or mail a copy of the Permit and/or the drawing if requested).
- (e) Place a copy of the Permit with the DSO (which will be put in the suspense file) and hold the original Permit until payment is received.

(f) After Payment is Received and Permit is Signed:

- (1).Write in the date that the check is received on the APR under column 8.
- (2).Release DSO to the Line Department to work,

(g) After the DSO is completed:

- (1) Write in the <u>date</u> the DSO was completed on the APR under column 9.
- (2) Write in the <u>date</u> that the attaching company was notified that it can attach to Gulf Power poles on the APR under column 10.
- (3) Complete the Permit as explained below.

2. Permit

Fill out the Permit as described below after columns 8, 9 and 10 of the APR have been filled in.

- (a) Write in the <u>date</u> where it says, "Permit granted on _____". This date must be the same date that is in column 10.
- (b) Write in the dollar amount of the DSO on the "\$ _____" line.
- (c) Write in the <u>DSO number</u>.
- (d) Make sure the engineer's *supervisor* signed the Permit where it says "Signature" at the bottom of the page under "Gulf Power Company".
- (e) A copy of the Permit, copy of the check, and a copy of the DSO (face sheet, material sheet and drawing) must be placed in the "Attachment Permit Completed" file.
- (f) The original Permit must be mailed to Corporate Accounting (Bin #732).



3 of 9

ermit #	CO Name COX. CS. MC. SL. TC. BH	<u>No.</u> of Pole Attachments	<u>Date</u> App. Received	Make Ready <u>Yes/No/</u> <u>Denied</u>	<u>DSO #</u>	DSO Amt. (Send to Treas. with copy of Face Sheet Bin #781)	Date Notified (Of make ready Amt.)	Date Check Rec. (Release DSO to Line Dept.)	Date Comp. (DSO)	Date CATV Notified to attach
olumn #	1	2	3	4	5	6	7	8	9	10
S07-1	、 、					\$				
S07-2						\$				
507-3						\$				
507-4						\$				
507-5						S				
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507-16	<u> </u>					\$		· · · ·		
507-17						\$				
507-18						\$				
507-19	1					\$				
S07-20						\$				

Attachment Permit & Overlashing Notification Procedure **APPENDIX 4**

SECTION V OVERHEAD STORM HARDENING

Gulf Power Company Electrical Distribution Facilities shall be storm hardened to the extent practical using the methods described or shown in the specification plates in this section.

The definition of "Storm Guying" is as follows and is used throughout this section:

Storm type down guys are additional down guys and anchors, positioned perpendicular to the path of conductors. These storm type down guys are not normally needed for support of the structure but provide support in the event of high winds. They are installed in pairs with as much anchor lead as possible and have the same requirements as any other down guy as far as insulating and grounding.

The following storm hardening methods shall be utilized:

Main feeder lines shall be located as far away as practical from the source of any storm surge and shall have storm guys on every pole where practical. The use of laterals from the main feeder to the coastline is highly encouraged.

Any controls for OCRs, capacitor banks, voltage regulators shall be placed as high as practical to avoid flooding with a storm surge. The use of wireless accessing is encouraged.

Any poles with OCRs, voltage regulators, capacitor banks, and underground riser poles shall be storm guyed where practical.

Pole Foreman shall be utilized to determine proper pole selection and proper anchoring. Emphasis needs to be placed upon the correct lead lengths for anchoring.

SUBJECT OV	ERHEAD DISTRIBUTION			
DETAIL STO	RM HARDENING			
Date	SUPERSEDES 07DATE	SHEET 1 OF 1 SHEETS	Gulf Power	A- OZZ-I
		OZZ-I		

SECTION V OVERHEAD STORM HARDENING

Continued from plate OZZ-1.

Poles set in flood prone/storm surge areas shall be set using Pole Foam to strengthen the base to lessen leaning after the flooding. This is commodity number 05-5014-8 and is located in JETS under Misc. UG.

In these areas, shorter spans should be utilized to strengthen the system. This involves the use of more poles especially in main line construction.

As a means to strengthen existing poles, Osmose or equivalent pole bracing can be used.

In a flood/storm surge prone area, customers must install meters and metering equipment above the expected maximum flood level. Where this results in meters or metering equipment being above the standard specified heights above the ground, the customer will need to build permanent platforms and stairs to allow reading and servicing of the meters and equipment, unless the location of the equipment coincides with existing porches or platforms with ready access by Gulf Power employees. The platform must extend at least three feet out from the wall and at least 18" to either side of the metering equipment. Refer the customer to the local building inspector for other requirements for the platform and stairs.

Under normal circumstances, rear lot line construction shall be avoided and metering equipment shall not be placed on the rear of buildings.

SUBJECT	OVERHE	AD DISTRIBUT			 	 	
DETAIL	STORM HAP	RDENING			 	 	
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SECTION V OVERHEAD STORM HARDENING

Joint-Use attachments

Third party attachers shall use proper anchoring and guying techniques to ensure that strength and integrity of the system is maintained.

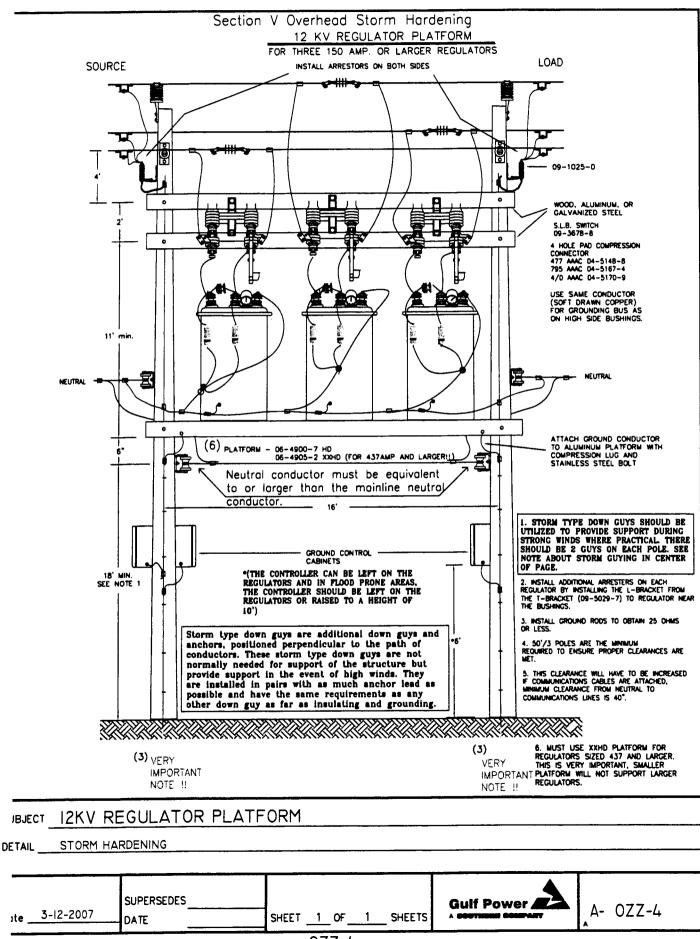
Proper installation techniques shall be used. EX. Stringing of messengers shall be done between anchors.

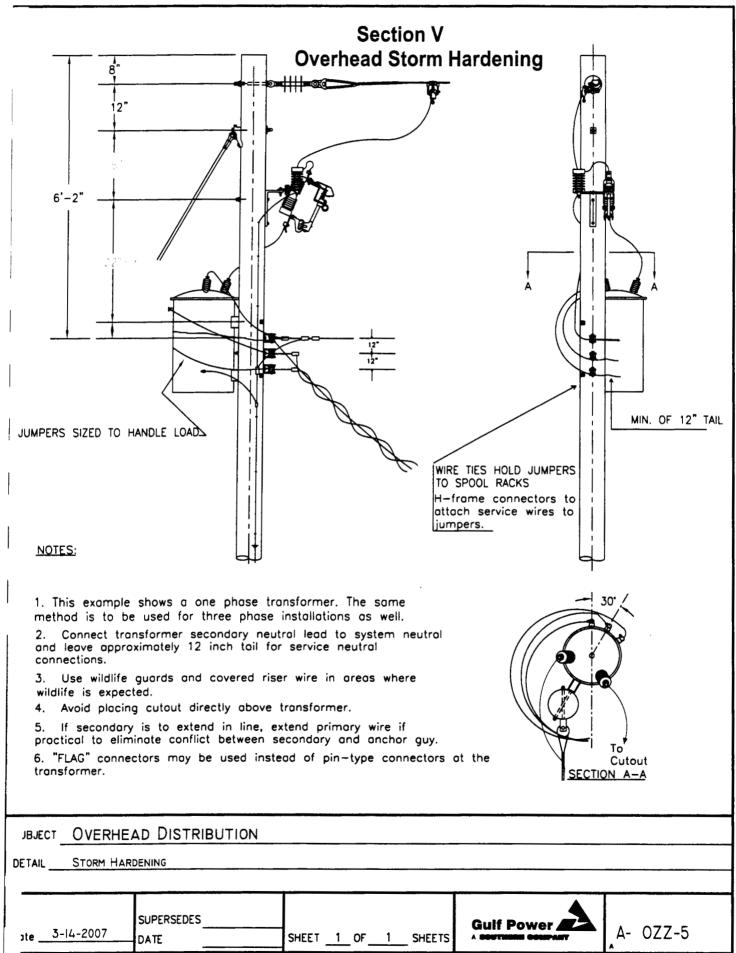
Third party anchors shall be no closer than 4' from Gulf Power Company anchors to ensure integrity of the soil surrounding the anchors.

SUBJECT OVERHEAD DISTRIBUTION

DETAIL STORM HARDENING

SUPERSEDES Dote 3-14-2007 DATE SHEET	Gulf Power	A- OZZ-3
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Underground Storm Hardening

Gulf Power's Underground Distribution Facilities shall, where practical, be storm hardened to the extent ractical using the methods described in this section.

Inderground circuits and feeders shall, where practical, be designed and built in the road right-of-way. In a ...ood/storm surge prone area, customers must install meters and metering equipment above the expected maximum flood level. Where this results in meters or metering equipment being above the standard specified eights above the ground, the customer will need to build permanent platforms and stairs to allow reading and servicing of the meters and equipment, unless the location of the equipment coincides with existing porches or platforms with ready access by Gulf Power employees. The platform must extend at least three feet out rom the wall and at least 18" to either side of the metering equipment. Refer the customer to the local building inspector for other requirements for the platform and stairs.

Inder normal circumstances, rear lot line construction shall be avoided and metering equipment shall not be placed on the rear of buildings.

.'admounted equipment that utilize (primary) live front connections and/or air break switches shall not be used in areas prone to flooding.

Consideration should be given to installing switchgear below grade, inside boxes or vaults. Consideration should also be given to anchoring these boxes or vaults with pilings.

Underground feeders, especially those with large conductors (600 amp or 900 amp systems), utilizing a duct system, should be concrete encased and should be installed as far as practical from seacoasts, lakes, rivers, ays and other low lying areas to protect them from washouts and flooding. If possible the feeder should be built several blocks from these areas and the use of laterals, from the main feeder, should be used to serve ne seacoast.

Padmounted equipment (such as transformers, pedestals, feed-thru cabinets, etc) should be located in places nat naturally provide storm surge protection. Examples include: behind buildings, behind trees, high areas, etc.

Ø transformers serving Gulf Front condo's, motels, restaurants, etc., shall, where practical, be installed on the opposite side of the building to the Gulf and as close to the center of the building as practical. The ansformer should never be installed between two buildings, due to the extreme erosion of sand during a torm surge.

Vhere practical, underground circuits should be looped.

JBJECT UNDERGROUND STORM HARDENING

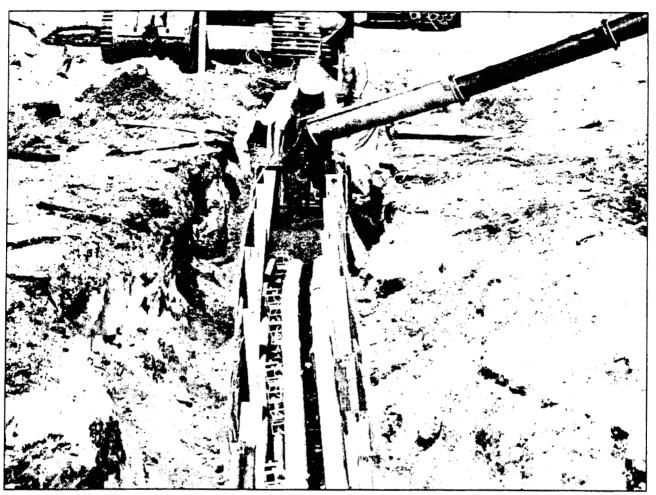
TAIL GENERAL STATEMENTS





A- UZZ-I

Concrete Duct Banks



600/900 amp circuits shall be designed with concrete encased duct banks in order to better protect these circuits from storm surges.

The concrete used should be 1:3:5 mix with 1/2 inch or smaller gravel or crushed stone aggregate. This mix should have a nominal compressive strength of 3000 psi. All concrete should be poured within 1-1/2 hours of mixing.

When placing concrete around the conduit adjust the delivery chute so that the fall of the concrete into the trench is as short as possible. Use a splash board to divert the flow of the concrete away from the trench sides to avoid dislodging soil.

(Con't on next sheet)

JUBJECT UNDERGROUND STORM HARDENING

CONCRETE DUCT BANKS ETAIL

03-14-07 *i*ate

DATE

SHEET 1 OF 2 SHEETS





Concrete Duct Banks (con't)

Use a vibrator (one inch maximum), slicing bar or equivalent to work the concrete down the sides of the conduit bank and between the conduits. It should be possible to see the concrete flowing along the of the trench just ahead of the point where the concrete falls from the chute.

The trench can be back filled any time after the concrete has been poured and leveled. The concrete should be covered with a minimum of six inches of selected backfill. Spoils from the trench can be used for the remaining backfill.

On warm sunny days, if the concrete can not be covered immediately after leveling, one or two inches of fine soil or sand should be placed over the concrete. This cover prevents rapid evaporation of water from the surface of the concrete, allowing the concrete to cure properly.

When necessary to stop construction, plastic plugs should be used to temporarily seal the conduit end against mud, dirt, and debris. If conduit is to be left uncovered over night, tie down only at one end.

Duct banks should be inspected by an operating Company representative before being covered with backfill or encased in concrete.

JUBJECT UNDERGROUND STORM HARDENING

ETAIL CONCRETE DUCT BANKS

Anchoring Vaults



Consideration should be given to anchoring vaults/boxes with two 10' pilings.

These pilings should be installed on the front left and back right corners of the vault/box.

Pilings shall be 10' long and can be made out of 10" conduit filled with concrete or any preformed circular or square concrete at least 10" in diameter or square. After piling has been installed the area around the piling shall be filled with concrete to unitize the structure and vault/box.

JUBJECT UNDERGROUND STORM HARDENING

ETAIL ANCHORING VAULTS/BOXES





A- UZZ-4

Rule 25-6.0.942 Gulf Power Company Storm Gardening Plan

					Estimated Benefits to Utility Customers											Estimated Benefits to Third Party Attachers							
					Actual/Estima	aed Utility Cos	ts		Impact on	Storm Restor	ation Costs	Impact or	n Storm Cause avoided CM	•	Other Estimated Company Benefits			Impact on Storm Restoration Costs				Storm Cause	
	Activity	Docket No.	2004	2005	2006	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2019	2007	2008	2009
(a)	Wooden Pole Inspections.	060078-EL	\$288,109	\$988,971	\$595,146	\$8,30,000	\$850,000	\$850,000	See Note 7	See Note 7	See Nutr 7	See Note 7	See Note 2	See Note 7	See Note 7	See Note 7	See Note 7	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11
	Ten Storm Hardening Initiatives.	060198-E1																					
	A Three Year Vegetation Management Cycle for																		Sec Note 11	See Note 11	See Note 11	Sec.Note 11	See Note 11
(h)	Distribution Circuits		\$2,821,245	\$3,617,018	\$2,180,416	\$4,638,139	\$4,907,005	\$4,906,189	\$500,000	\$500,000	\$500,000	4,425,000	8,850,000	13,275,000	See Note 2	See Note ?	Ser Note 7	Sec Note 11	Sec Note 11	Set Note U	See Drafe 11	Ser pole 11	Ser pear 11
(c)	2 An Audit of Joint-Use Attachment Agreements	See Note 6	\$0	\$ 0	\$0	\$384,000	\$420,000	\$460,000	See Nute 2	See Note 2	See Nide 2	Ser Nule Z	See Note 2	See Nute 2	See Note 2	See Note 2	See Note 2	Sec Note 11	See Note 11	See Note 13	See Nike 11	See Note 11	Sec Note 11
	A Six-Year Transmission Structure Inspection																	See Note 12	See Note 12	See Note 12	See Note 12	See Note 12	Net Note 12
(d)	Program		\$330,974	\$78,346	\$245,181	\$475,552	\$481,335	\$485,086	See Note 2	hee Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 12	See Note 12	See Note 12	See Note 12	See Dole 1.	See pore 12
(c)	4 Hardening of Existing Transmission Structures		\$1,797,840	\$2,052,497	\$1,829,361	\$3,900,000	\$3,000,000	\$3,000,000	See Note 2	Sec Note 2	See Nide 2	See Note 2	Nee Note 2	Nee Nute 2	See Note 2	Nee Nule 2	See Note 2	See Note 12	See Note 12	Sec Note 12	See Note 12	Ser Note 12	See Note 12
	5 Transmission and Distribution GIS																				See Note 13	Ser Note 11	See Note 11
(f)			\$0	\$0	\$0	\$75,000	\$75,000	\$75,000	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	See Note 2	Sec Note 2	Sec Note 2	See Note 11	See Note 11	See Note 11	our mole 11	ser mole 11	See mule 11
(g)		See Note 5	\$0	\$0	\$0	\$205,000	\$100,000	\$100,000	0	0	See Nuke 1	See Note 7	See Note 7	Sec Note 1	See Note 2	hee Note 2	See Note 2	See Note 11	See Note 11	See Note 13	See Note 11	See Note 11	See Note 11
	Collection of Detailed Outage Data Differentiating					1																	1
(h)	7 Between the Reliability – Performance of Overhead and Underground Systems		50	so so	\$0	\$ 0	\$0	\$0	See Note 7	Ser Note 7	See Note 7	See Note 7	Sec Nute 7	See Nate 7	See Note 2	See Note 2	See Note 2	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11
(,	8 Increased Utility Coordination with Local																						1
(i)	8 Governments		\$0	\$ 0	\$0	\$0	\$0	\$0	See Note 7	See Note 1	See Nike 7	See Note 7	See Note 7	See Note J	See Note 2	See Note /	See Note 2	See Note 11	See Note 11	Nor Note 11	Ner Nor 11	See Note 11	See Note 11
(i)	9 Collaborative Research on Effects of Hurricane Winds and Storm Surge		\$0	50	50	\$15,000	\$17,000	\$17,000	See Note 7	See Note 7	Sec Note ?	See Note 7	See Note 7	Ser Note 1	See Note 2	See Noter 2	See Note 2	See Note 11	See Note 13	See Note 11	See Note 11	See Note [1	See Note 11
(k)	10 A Natural Disaster Preparedness and Recovery		50	50	50	50	\$0	\$0	See Note 7	See Note 7	See Note 7	Ser Note 7	See Note 7	See Note 7	See Note 2	Ser Note 2	See Note 2	Sec Note 11	Sec Note 11	Spec Note 11	Scc Note 11	See Note 11	See Note 11
	Compliance with National Electric Safety Code's	· · · ·		· · ·						<i>*</i>													
	adoption of Extreme Wind Londing Standards.	070aaa-El											·····			r	1	1					· · · · · ·
(1)	New Distribution Facilities - incremental	Ser Note 8	0	0	0	\$30,400	\$121,500	\$121,500	\$611,891	\$611,891	\$611,891	35,975	35,975	35,975	See Note 2	See Note 2	See Note 2	See Note 11	See Note 11	Set Note 11	See Note 11	Sce Note 11	See Note 11
	Base anyount		\$4,583,494	\$4,995,443	\$5,594,281	\$4,558,770	\$4,152,510	\$4,145,850	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applie 64c	Not Apple also	Not Applicable
	Major planned expansion, rebuild, or relocation of																1						i -
(т)		See Note 8	0	0	0	\$25,900	\$103,500	\$103,500	\$510,241	\$510,241	\$510,241	30,646	30,646	30,646	See Note 2	See Noti 2	See Note 2	See Nor H	See Note 11 Not Applicable	See Note 11 Not Applicable	Sci Noti 41 Not Applie 3 Je	Sur Note 11 Net Applicable	Sec Non-11 Not Apple able
	Base amount		\$2,802,490	\$3,884,056	\$4,930,651	\$2,159,000	\$3,978,000	\$4,108,000	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Nor Appluside	Not Applicable			Set Applie at at	Sur Note 11	See Note 11
(n)	3 Critical infrastructure and major thoroughfares	See Note 10	0	0	0	\$523,610	\$499,229	\$563,479	\$271,180	\$254,800	\$293,020	23,095	21,700	24,955	See Note 2	See Note 2	See Note 2	See Note 11	See Note 11	Ser Note 11			
	Wind Monitors to provide needed wind data		0	0	0	\$43,000	\$36,000	\$45,000	See Note 7	See Note 7	See Note 7	Sec Note 7	See Note 7	See Note 7	See Note 2	See Note 2	See Note 2	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11	See Note 11
	Miligating flood and atorm surge damage to underground and supporting overhead facilities.	070xxx-151																					
(0)	Transmission		Sec Note 3										Size Nuter 4	Ser Note 1	See Note 4	See Nate 4	Sri Ner 4	See Note 11	Sec Note 11	See Note 11	See Note 11	See Note 11	N. March
(բ)		Sec Note 4	\$0			\$181,000 \$1,143,733	\$100,000	\$100,000	See Note 4 See Note 7	See Note 4 See Note 7	See Note 4 See Note 7	See Nute 7	See Note 4	See Note 1 See Note 1	See Note 4	See Note 4	Ser Nor 4	Size Note 11	See Nor 11	Ser Net 11	See Note 11	Ser Note 13	See Nove 11
	Distribution use of SS equipment Placement of new and replacement distribution	Sec Note 9	3993,355	a1,057,308	51,380,338	\$1,143,733	\$1,195,755	\$1,140,733	are poir 7	ALC LAURE 1	ver (uar /						•						
	Pracement of new and replacement distribution facilities to facilitate safe and efficient access for																						
(q)		070xxx EI	See Note 1																				
						1 10 210 C	\$20,106,312	C 101 145 C 1-		41 976 011	1 015151	4,514,716	8938 271	13,366,576									
	TOTALS		\$13,617,707	\$16,745,319		\$19,218,504		\$20, 145,837	\$1,893,312	\$1,876,932	21212125	4,314,710	6,706,321	11,000,070			K	· · · · · ·					·
SH Cost per customers of 418,892 \$46 per customer																							

Notes:

2 Gulf has always recognized that accessibily to distribution facilities is essential to safe and efficient maintenance and storm restoration. Since this activity is already integral to our construction practices, there is no added cost impact nor can these costs be determined.

There is no incremental cost impact or benefits associated with this activity.

2 Until the program is complete and a storm hits it is not possible to estimate benefits resulting from this activity.

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3 Gulf does not have underground transmission/substation facilities.

4 Gulf recognized and piloted underground system storm hardening design changes in response to lessons learned from Ivan in 2004. Gulf has not determined a methodology at this time for determining the benefits of undergrounding in coastal areas as a storm hardening technique.

5 Cost for 2007 includes setting up the computer code, the database, and testing. Post storm forensic data collection and analysis will initially increase the cost of the storm due to cost associated with collection and analysis of data

System storm hardening improvements identified through data analysis will not occur until improvements can be budgeted the year after the storm strikes and implemented during the year in which they are budgeted. This time lag for initiating

system improvements will be approximately two years after a storm strike. Cost fo Forensic data collection will vary greatly depending on the size of the storm and extent of storm damage.

6 Gulf performs these audits every five years across the system, therefore no dollars are shown for 2004 to 2006.

7 It is not possible to estimate benefits at this time.

8 Transitioning to Grade B construction.

9 Gulf has historically used stainless steel transformers within coastal areas which mitigates damage after a storm surge. Estimates for 07, 08, and 09 based on 3 year average of actuals.

10 Applying Extreme Wind Loading to targeted projects.

11 Estimates to be determined and provided by Third Party Attachers.

Page 2

Gulf Power Company Three Year Storm hardening Plan Summary of Estimated Costs and Benefits

Estimated Section TOTAL COSTS **Estimated** Cost Outage Comments Number INITIATIVE 2007 2008 2009 **Benefits** Benefits Three Year Vegetation Cycle 2.1 \$1,540,000.00 \$1,540,000.00 \$1,540,000.00 **\$**500,000.00 See Section 2.1 2.2 loint-Use Pole Attachment Audits for the Year \$384,000.00 \$420,000.00 \$460,000.00 Unknown Unknown Gulf performs these audits every 5 years across the system. Six Year Inspection Cycle for Transmission Structures 2.3 N.A.C N.A.C N.A.C Unknown Unknown Already in place 24 Storm Hardening Activities for Transmission Structures \$600,000.00 \$600.000.00 \$600.000.00 Unknown Unknown Geographic Information System (GIS) 2.5 \$75,000.00 \$75,000.00 \$75,000.00 Unknown Unknown Better access to data about facilities 2.6 Post Storm Data Collection and Forensic Analysis \$100,000.00 \$100,000.00 \$100,000.00 Unknown Unknown (See Note 1 2.7 Outage Data differentiating between Overhead and Underground Systems N.A.C N.A.Ĉ N.A.C Unknown Unknown 2.8 Increase Coordination with Local Governments N.A.C N.A.C N.A.C Unknown Unknown Add annual EOC survey 2.9 Collaborative Research \$15,000.00 \$17,000.00 \$17,000.00 Unknown Unknown 2.10 Disaster Preparedness and Recovery Plan N.A.C N.A.C Unknown N.A.C. Unknown Minimizes restoration times with an efficient plan. \$830,000.00 \$850,000.00 3.0 Wood Pole Inspection \$850,000.00 Unknown Unknown 4.0 National Electric Safety Code (NESC) Compliance - exceed NESC by \$56,300.00 \$225,000.00 \$225,000.00 \$1,122,132.00 \$66,621.00 transitioning to Grade B construction 5.0 Extreme Wind Loading standards for Distribution \$523,610.00 \$499,229.00 \$563,479.00 \$271,180.00 \$23,095.00 6.0 Mitigation of damage to flooding and storm surges - use of ss steel transformers \$1,143,733.00 \$1,143,733.00 \$1,143,733.00 Unknown Unknown Overhead portion within Section 5.0 \$181,000.00 \$100,000.00 \$100.000.00 Unknown Unknown Piloted Underground Projects 7.0 Placement of distribution facilities to facilitate safe and efficient access N.A.C N.A.C N.A.C Unknown Unknown \$100,000.00 \$100,000.00 \$100,000.00 Unknown Unknown Feeder Patrols 8.1 N.A.C Unknown Unknown N.A.C N.A.C 8.2 Infrared Patrols \$43,000.00 \$36,000.00 \$45,000.00 Unknown Unknown 8.3 Wind Monitors N.A.C N.A.C. N.A.C. Unknown Unknown 9.0 Storm Plan Deployment Strategy

Total Estimated Plan Costs

\$5,410,643.00 \$5,605,962.00 \$5,719,212.00

Note 1 - Cost of forensic data collection will vary greatly depending on the size of the storm and extent of storm damage.

Notes: N.A.C. = No Additional Cost

Gulf Power Company Three Year Storm Hardening Plan Total Costs

\$16,735,817.00