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GULF POWER
A SOUTHERN COMPANY

July 9, 2010

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

Dear Ms. Cole:

RE: Docket 100265-EI

Attached are the original and five copies of Gulf Power Company's responses to Staff's First Data Request, mailed by FedEx in the above-referenced docket.

Sincerely,

Susan D. Ritenour

vm

enclosures
cc w/encl: Beggs & Lane
Jeffrey A. Stone, Esq.
Florida Cable Telecommunications Association, Inc.
David Konuch
Florida Public Service Commission
Melissa L'Amoreaux – Division of Economic Regulation
Lisa Bennett – Office of the Public Counsel

COM ____
APA ____
ECR 3
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SSC ____
ADM ____
OPC ____
CLK ____

1. Gulf proposes to shorten its trim cycle for lateral lines to four years from the current six-year trim cycle. In addition, Gulf also proposes to reduce the emphasis on danger tree removal in residential areas.

   a. Please clarify if this change will increase or decrease the total costs associated with storm hardening.

   b. What is the estimated target for danger tree removal for each of the years 2010, 2011, and 2012?

   c. What is the estimated cost for danger tree removal for each of the years 2010, 2011, and 2012?

   d. Please clarify why customer acceptance towards danger tree removal has not been positive.

ANSWER:

   a. The proposed vegetation management changes within the 2010-2012 Storm Hardening Plan will not increase or decrease total costs associated with storm hardening. Gulf plans to decrease spending on danger tree removal and use that money to increase spending on lateral trimming. The overall cost will not change, but money will be shifted between program elements.

   b. Gulf has not targeted a specific number of danger tree removals for the years 2010 through 2012. As stated in Gulf's Storm Hardening Plan, 65% of tree-related main line outages are now being caused by failure of large over-hanging limbs. Gulf plans to place greater emphasis on removal of large over-hanging limbs which are located outside the normal trim zone. Gulf feels this will provide storm hardening benefits as well as an improvement in day to day reliability.

      Since removal of these limbs will require major pruning on private property, Gulf will still have to negotiate their removal with customers. If Gulf is successful in negotiating removal of a large number of over-hanging limbs, this may be more advantageous than removing danger trees. Gulf feels that by committing to a specific number of danger tree removals, it would lose the flexibility necessary to ensure resources are committed where they will provide the greatest benefit to storm hardening and reliability.

      Gulf will evaluate reliability data at the end of each year to determine if this program is successful in improving system performance.

c. There is no specific danger tree cost allocation. Rather, danger trees will be removed as part of the overall Vegetation Management Plan.

d. The 2007-2009 Storm Hardening Plan targeted trees which recent hurricanes had rendered dead, dying, or defective. Customers could easily accept the need to remove the trees which appeared unhealthy, especially with the memory of recent hurricanes fresh in their minds. Today, the need for tree removals is not readily apparent to customers since there have been no storms since 2005 and the trees have recovered from past storms and now appear to be generally healthy. Customers now view removal of these trees as a loss in the value of their property. Gulf's lines are predominately located on public right-of-way and these trees are located on private property. Gulf does not have the legal right to remove trees on private property if a customer refuses.

2. In section 2.3, Gulf states "Historically Gulf has not inspected a set number of poles each year." Please explain why Gulf does not project an annual number of poles to inspect.

ANSWER:

Gulf's target is to inspect one-sixth of the poles each year. However, due to the availability of qualified inspectors and weather, the actual number of poles inspected annually may be more or less than the target. Overall, Gulf annually adjusts available resources to ensure compliance with the Commission-approved six-year inspection cycle for all transmission facilities as set forth in Order PSC-06-0781-PAA-EI.

3. Gulf states that an inventory process will take place during 2010-2012 in order to obtain a more accurate count of its transmission system.

   a. Please explain how often this process takes place.

   b. Please describe how this process will be conducted.

   c. Please clarify why Gulf believes this process is necessary.

ANSWER:

   a. There is no set frequency as to how often this inventory process takes place.

   b. The inventory process will be conducted by helicopter.

   c. Gulf's most recent inventory revealed some data discrepancies. The 2010-2012 inventory process will be used to verify the status of transmission storm hardening initiatives with regards to wood cross arm replacements and guying of H-frame structures.

4. What evidence does Gulf have that its DistGIS system enhances reliability and service quality?

ANSWER:

The Distribution Geographic Information System (DistGIS) is designed to be a complete electronic model of Gulf's electrical system which is super-imposed on a representation of the land base. Gulf's industry and system experience supports the fact that a DistGIS enhances reliability and service quality.

Some examples which Gulf believes demonstrate this are as follows. DistGIS is the data base used in several key computer applications for outage management and planning reviews. Gulf's Trouble Call Management System (TCMS) is an outage management system which enables Gulf to efficiently troubleshoot and perform repairs of its system after major storms. Gulf has several computer applications that are dependent upon the DistGIS data base to operate. These applications are used to analyze the distribution system based on the electrical models created from DistGIS. They provide the information to determine where system improvements are needed. DistGIS is critical to Gulf's asset management programs such as the Wood Pole Inspection Plan and Joint-Use Pole Attachment Audits. In addition, DistGIS is a key tool in providing up to date maps of Gulf's system for an efficient storm restoration process and to be able to do post storm data collection and forensic analysis.

5. Please refer to page 13, section 2.6. During 2008, data collection and the transfer process were tested for forensic analysis. Please explain if there were any complications.

ANSWER:

There were no complications in the data collection and transfer process from the handheld computers to the final destination of the analysis agent.

6. Please provide a description of the training procedures used for forensic collection.

ANSWER:

Gulf Power's Asset Management Coordinator spent time with the forensic data collection crews reviewing what data would be collected, how to enter the data into the hand held computer and how to transfer the data from the team leader to headquarters. Forensic crews then recorded sample information with their handheld computers as a part of the training process.

7. Gulf states the total estimated costs for the 2010-2012 storm hardening plan is approximately $108 million.

   a. Please indicate the total costs for the 2007-2009 storm hardening plan.

   b. Please describe what accounts for any increases or decreases in cost for the 2010-2012 proposed storm hardening plan, such as proposed initiatives, changes in labor costs, etc.

ANSWER:

   a. The total "estimated" cost for the 2007-2009 Storm Hardening Plan filing was approximately $60 million. The total "actual" cost for the 2007-2009 Storm Hardening Plan was approximately $89 million.

   b. In addition to the labor and material cost increases, the key drivers that account for the increase in cost for Gulf's 2010-2012 proposed Storm Hardening Plan include the following:

      - Major planned expansion, rebuild, or relocation of distribution facilities to be strengthened to Grade B construction standards.
      - Additional proposed storm hardening initiatives which include the conversion of 4KV distribution feeders, distribution automation, automated overhead faulted circuit indicators and the distribution supervisory control and data acquisition system.

      These proposed projects are estimated to cost approximately $47 million in the 2010-2012 Storm Hardening Plan (See Appendix 6).