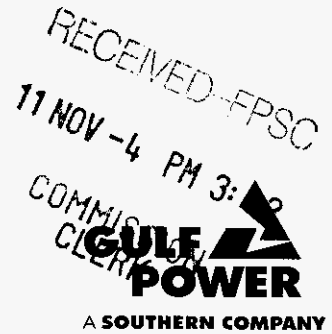


Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



November 3, 2011

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

Re: Docket No. 110000-OT-Undocketed Filings-2012 FEECA
Report Data Collection

Dear Ms. Cole:

Enclosed for official filing are an original and five copies of Gulf Power Company's responses to Staff's Third Data Request in regard to the 2012 FEECA Report Data Collection.

Regards,

nm

Enclosures

COM _____
APA _____
ECR 1
GCL 2
NAD 2
SRC _____
ADM _____
OPC _____
CLK _____

cc w/encl.: Mr. Lawrence D. Harris
Office of General Counsel
Mr. Jeffrey Stone
Beggs & Lane

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DOCUMENT NUMBER-DATE
08176 NOV-4 =

FPSC-COMMISSION CLERK

Ms. Ann Cole
Florida Public Service Commission
November 3, 2011
Page 2

bc w/encl.: C. L. Rivera
R. W. Dodd
J. M. Floyd
R. G. Livingston
R. L McGee
S. D. Ritenour
J. L Todd
T. W. Wilbert

1. The table below compares the 2010 goals established by the Commission (Order No. PSC-09-0855-FOF-EG) against Gulf's 2010 annual achievements (Gulf's 2010 DSM Progress Report, Savings at the Generator, filed March 1, 2011).
 - a. Please verify that the demand and annual savings values are accurate.
 - b. Please provide an explanation for Gulf's failure to achieve its residential winter demand goal.
 - c. Please provide an explanation for Gulf's failure to achieve its residential summer demand goal.
 - d. Please provide an explanation for Gulf's failure to achieve its residential annual energy goal.
 - e. Please provide an explanation for Gulf's failure to achieve its commercial/industrial annual energy goal.

Gulf	Winter(MW)		Summer(MW)		Annual (GWH)	
	Goal	Savings Achieved	Goal	Savings Achieved	Goal	Savings Achieved
Residential	5.9	-1.0	7.5	-0.6	35.0	-0.1
Commercial/Industrial	0.5	3.1	1.2	5.9	3.2	2.0
Total	6.4	2.1	8.7	5.3	38.2	1.9

GULF'S RESPONSE:

- a. Yes. The demand and annual savings values in the table are accurate.
- b. As required by Rule 25-17.0021(4), Florida Administrative Code, Gulf Power filed a demand-side management (DSM) plan on March 30, 2010 in response to the 2010 goals established by the Florida Public Service Commission in Order No. PSC-09-0855-FOF-EG issued on December 30, 2009. The goals established by the Commission represented an unprecedented change. Appropriately, the review and approval of the associated DSM plans required close scrutiny and analysis resulting in delays which were longer than anyone envisioned. Gulf's DSM plan was not approved by the Commission until February 2011 (Order No. PSC-11-0114-PAA-EG) and the associated program standards were not approved until April 2011. Because the vast majority of programs included in Gulf's DSM Plan were completely new to the Company, additional time was

DOCUMENT NUMBER-DATE

08176 NOV-4 =

FPSC-COMMISSION CLERK

needed following approval of the program standards to finalize arrangements with vendors, contractors and other resources. Gulf's new DSM plan began deployment in June 2011. Consequently, Gulf did not have a DSM plan in place during 2010 which equipped the Company to meet the aggressive¹ goals established by the Commission in 2009.

As a result of the above-referenced circumstances, Gulf relied in 2010 on its DSM plan which was approved in 2005. The 2005 DSM plan relied on three programs for residential goal achievement: EnergySelect, GoodCents Home/ENERGY STAR and Geothermal Heat Pump. Other factors outside the Company's control which affected these programs also contributed to Gulf's lack of goal achievement.

From January through December 2010, 1,070 installations of Energy Select were completed. During the same period, 1,433 removals were experienced yielding a net reduction of 363 participants. The removals are primarily associated with the legacy Energy Select equipment's dependence on landline telephones. Beginning in April of 2011, Gulf Power initiated procurement of new Energy Select equipment that does not require a landline telephone, but instead utilizes a customer's broadband internet connection.

Participation in Gulf's GoodCents Home/ENERGY STAR program was below projections primarily due to the dramatic downturn of new home construction in Gulf's service area. Also, many customers adopted some, but not all, of the energy efficiency measures necessary to enable them to participate in the program. Gulf's new DSM Plan includes incentives for individual measures providing more flexibility to customers building new homes as well as customers improving existing homes. Gulf has already seen an increase in customer participation through the new programs.

Gulf's Geothermal Heat Pump program was also affected negatively by the economy. The eventual rebound of the economy and new home construction will also increase the potential market for these programs.

¹ Gulf's ten year cumulative GWh goal (at the meter) for the 2005-2014 period was 51 GWh (Order No. PSC-04-0764-PAA-EG). For the period 2010 – 2019, Gulf's ten year cumulative GWh goal (at the meter) was set by the Commission at 526 GWh representing an increase of more than ten times.

Gulf's new DSM plan was designed to provide program offerings that meet the Commission goals while at the same time, providing our customers a much broader variety of programs. Gulf expects that the new DSM plan will reach more of Gulf's customers and ultimately reduce impacts on the Company's goal achievement by unforeseen issues in an isolated number of programs.

- c. See response to item (b).
- d. See response to item (b).
- e. See response to item (b) for background regarding timing issues relative to the Commission's 2011 approval of Gulf's DSM plan designed to meet the aggressive DSM goals established by the Commission in 2009, goals that represented an unprecedented change to prior DSM goals established by the Commission for Gulf Power. Because Gulf's DSM plan to meet the new goals set in 2009 was not approved until 2011, Gulf relied in 2010 on the DSM plan approved in 2005. The 2005 DSM plan relied on three commercial/industrial programs for goal achievement: GoodCents Commercial Buildings, Commercial Geothermal Heat Pump and Energy Services.

Similar to the residential market, Gulf's GoodCents Commercial Buildings and Commercial Geothermal Heat Pump programs were affected negatively by the sharp downturn in the economy. In Gulf's approved DSM plan, these programs are replaced with alternatives that offer customers very similar measures including incentives to help offset the capital outlay required to implement the measures in their business.

The Energy Services program includes custom energy efficiency projects for commercial and industrial customers. By nature, the number and size of these projects vary from year to year.