



Gulf Power®

July 24, 2019

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

Re: Docket No. 20190000-OT

Dear Mr. Teitzman:

Attached is Gulf Power Company's response to Staff's Second Supplemental Data request concerning Gulf's 2019 Ten Year Site Plan.

Sincerely,

C. Shane Boyett
Regulatory, Forecasting and Pricing Manager

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Attachments

cc : Florida Public Service Commission
Douglas Wright, Division of Engineering
Gulf Power Company
Russell Badders, Esq., VP & Associate General Counsel
Beggs & Lane

QUESTION:

Forecasting

With respect to the forecasting methodology, procedure, and accuracy associated with Gulf's forecast of "Total Sales to Ultimate Customers," please specify all the differences/modifications/ improvements, if any, between Gulf's 2018 TYSP and 2019 TYSP.

RESPONSE:

Actual sales for 2019 are unavailable at this time so Gulf Power cannot determine the accuracy of the sales forecast in its 2019 TYSP.

Residential energy sales forecast

Compared to Gulf's 2018 TYSP, the short-term residential model used in Gulf's 2019 TYSP incorporated refinements to the model specifications, which include extending the historical period to 13 years from 12 years and changes to some of the monthly binary variables. Also, the economic projections used in Gulf's short-term and long-term residential models were provided by IHS Markit, whereas economic projections used in previous Ten Year Site Plan forecasts were developed by Moody's Analytics. No other changes were made to the forecasting methodology or procedures.

Commercial energy sales forecast

Compared to Gulf's 2018 TYSP, the short-term commercial models used in Gulf's 2019 TYSP incorporated refinements to the model specifications which included extending the historical period to 13 years from 12 years and incorporating the same energy efficiency variable used in the residential model, which is based on changes in minimum efficiencies for HVAC equipment; prior commercial models used an efficiency variable based on changes in lighting equipment efficiencies. Also, the economic projections used in Gulf's short-term and long-term commercial models were provided by IHS Markit, whereas economic projections used in previous Ten Year Site Plan forecasts were developed by Moody's Analytics. No other changes were made to the forecasting methodology or procedures.

Industrial energy sales forecast

Compared to Gulf's 2018 TYSP, no changes were made to Gulf's 2019 TYSP industrial sales forecast methodology or procedures.

Outdoor lighting energy sales forecast

Compared to Gulf's 2018 TYSP, no changes were made to Gulf's 2019 TYSP outdoor lighting sales forecast methodology or procedures.

Wholesale energy sales forecast

Compared to Gulf's 2018 TYSP, the wholesale model used in Gulf's 2019 TYSP incorporated refinements to the model specifications which include shortening the historical period to 10 years from 20 years, using total non-agricultural employment instead of population, adjusting certain binary variables, and using the same weather variables used in the residential regression model. The current weather variables are calculated using the 12-hour moving average temperature and segmented into temperature bins, whereas the previous weather variables were calculated using the instantaneous hourly temperature and interacted with monthly binaries. Also, the economic projections were provided by IHS Markit, whereas Moody's Analytics provided the economic projections used in previous Ten Year Site Plan forecasts. No other changes were made to the forecasting methodology or procedures.

QUESTION:

Flood Mitigation

Please explain the Utility's planning process for flood mitigation for current and proposed power plant sites and transmission/distribution substations.

RESPONSE:

Gulf Power designs and constructs new infrastructure to comply with applicable codes, including flood protection requirements. The company continuously monitors existing infrastructure – which was previously built to applicable codes – and makes necessary adjustments to ensure reliable delivery of electricity to customers.