

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building
101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

APRIL 10, 1990

TO: STEVE TRIBBLE, DIRECTOR
DIVISION OF RECORDS AND REPORTING *MTW*

FROM: DIVISION OF ELECTRIC AND GAS (DEAN, SLEMKEWICZ) *J.W.D. JS RET*
DIVISION OF LEGAL SERVICES (PALECKI) *MP*

RE: DOCKET 891345-EI - APPLICATION OF GULF POWER COMPANY FOR A RATE INCREASE

AGENDA: APRIL 17, 1990 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

PANEL: FULL COMMISSION

CRITICAL DATES: NONE

ISSUE: Should the Commission investigate Gulf Power Company in respect to the activities of its appliance sales division?

RECOMMENDATION: Staff recommends that the activities of Gulf Power Company's appliance division be investigated pursuant to the current rate case Docket No. 891345-EI.

DISCUSSION: At the recent service hearing in Panama City certain concerns were brought to the Commission's attention about Gulf Power selling electric appliances. These sales are occurring under Gulf Power's corporate sponsorship.

Staff believes that potential conflicts exist surrounding

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cross-subsidization, conflicts with a strict interpretation of the Florida Energy Efficiency and Conservation Act, and use of corporate logos and sponsorship and, such potential conflicts should be investigated. Docket No. 891345, the current rate case docket, is the recommended vehicle to conduct such an investigation. There are other dockets potentially available to pursue the matter. These would include Docket 900090-EG, the docket reviewing Gulf's conservation plan, and possibly Docket 900002-EG, the on-going conservation cost recovery docket. In addition, the Commission could open a separate docket to review the matter.

Staff, however, recommends that because of the overlapping issues such as cross-subsidization and corporate sponsorship, the rate case docket is the proper forum for the Commission to conduct its review.