

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Gulf Power Company	)	DOCKET NO. 891304-EI
for revision of its standby service	)	ORDER NO. 22458
rate schedule.	)	ISSUED: 1-24-90
_____)		

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER

FINAL ORDER APPROVING IN PART AND DENYING IN PART  
PROPOSED STANDBY SERVICE RATE SCHEDULES

BY THE COMMISSION:

On November 16, 1989, Gulf Power Company (Gulf) submitted revised versions of its Standby Service Tariff Sheets Nos. 6.29, 6.30, 6.31 and 6.32.

With regards to Sheets Nos. 6.29 and 6.30, Gulf has proposed deleting the phrase "requesting standby service" from the sentence in the applicability clause which defines who must take standby service. Elimination of the phrase makes the definition more clearly in conformance with Order No. 17159, the order on the generic investigation of standby services rates for electric utilities. Order No. 17159 requires that standby service "tariffs resulting from the proceeding [the generic investigation of standby service] shall be mandatory for all self-generating customers unless there is evidence to demonstrate that their load characteristics resemble those of normal full requirements customers." In re: Generic investigation of standby rates for electric utilities, Docket No. 850673-EU, Order No. 17159, issued on February 6, 1987, at 6. Thus, we find that this revision clarifies the definition of who must take service under standby rates and approve it.

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Gulf's proposed revision of Sheet No. 6.30 requires that the customer notify the company when he has an outage of his generating equipment and provide the company with a written report containing the data necessary to determine the amount of standby service taken. The present tariff requires that the customer notify the company of an outage only if the outage requires standby service. In the determination of the daily standby service KW, the revised tariff uses the customer's maximum generation output between the end of the prior outage and the beginning of the current outage. Currently the utility uses the 15-minute demand interval immediately prior to the outage.

This revised provision for the determination of standby service KW taken conforms more closely with Order No. 17159 than the current tariff because Gulf, and not the customer, will make the determination of whether standby service was taken and, if so, in what amount. Order No. 17159 at 21. This is true because the current tariff requires that the customer notify the company of an outage of his generating equipment only when standby service is required. Thus, the customer can manipulate the rate structure by not notifying the company of the outages when his bill would be lower if he were charged supplemental service charges. (Supplemental service is energy and capacity supplied by the company in addition to that normally provided by the customer's own generating equipment.) Based on the above, we find that Gulf's proposed revisions to Sheet No. 6.30 result in greater conformance with Order No. 17159 and reduce potential rate manipulation and we approve them.

Gulf has also requested the revision of Sheets Nos. 6.31 and 6.32 which: 1) revise the statement of the customer charge, (2) change the definition of the capacity used to determine the applicable local facilities and fuel charges, and (3) clarify the charges and conditions for supplemental service. Gulf has proposed changes to Sheet No. 6.31 that would clarify that a customer who takes both standby service and supplemental service does not pay the customer charge of the supplemental service rate schedule twice. Order No. 17159 requires that when a utility does not have a curtailable rate, it will utilize the customer charge of the otherwise applicable general service large demand rate schedule plus \$25 for the customer charge for standby service. Order No. 17159 at 18. Therefore, the current customer charge of \$58 (the general service demand rate schedule plus \$25) would no longer be applicable to

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those customers who have established that supplemental service is taken under rate GSD or GSDT.

In addition to the clarification just discussed, Sheet No. 6.31 reiterates that all charges and conditions in the rate schedule which have been established in the Standard Contract for Electric Power will be applied to supplemental service. Sheet No. 6.29 requires that a standby service customer execute a Standard Contract for Electric Power, which identifies the supplemental service capacity required to be maintained by Gulf and establishes a rate schedule for the supplemental service.

Order No. 17159 requires that supplemental service be offered to self-generating customers under the same rates that would apply if they were non-generating customers. We find that this means the rate schedule the customer would qualify for on the basis of the load characteristics of his supplemental service usage only. Gulf says that this is the basis on which the rate schedule applicable to supplemental service has been established for its four self-generating customers. However, the Standard Contract for Electric Power requires the listing of the capacity to be maintained by Gulf and does not distinguish between supplemental and standby service capacity. The addition of the paragraph on monthly charges for supplemental service could indirectly result in nonconformance with Order No. 17159's requirements if the combined standby and supplemental capacity on the contract resulted in the customer being charged on a different rate schedule than he would be served under based on supplemental demand alone. Therefore, we deny this revision to Sheet No. 6.31.

The third revision to Sheet No. 6.31 is a change from the use of the contracted standby service capacity to the use of the customer's total capacity requirement in the determination of the applicable local facilities demand charge for standby service. The same change in capacity was made on Sheet No. 6.32 to determine applicable fuel charges. Order No. 17159, states that, "the costs of dedicated local facilities... of standby customers shall be recovered through a charge consisting of the distribution unit cost, calculated using 100% ratcheted billing KW as the billing determinant, for the class to which the customer would otherwise belong." Order No. 17159 at 17. As discussed above, the class to which the customer would otherwise belong is the rate class associated

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with the KW of standby service alone, i.e., if the customer uses 5,000 KW of standby service and 15,000 KW of supplemental service the demand charge is based on 5,000 KW, not 20,000 KW.

This leads us to the conclusion that the current tariff's paragraph on the local facilities charges is in conformance with Order No. 17159 and the revision should be denied. The basis for determining the applicable rate class for fuel charges should be the same as that used for the local facilities charge. That being the case, we also deny Gulf's proposed change to Sheet 6.32.

Based on the above, it is

ORDERED By the Florida Public Service Commission that the requested revisions to Gulf Power Company's Standby Service Rate Schedule (SS) Sheet Numbers 6.29 and 6.30 which clarify the applicability of the standby service rate schedule and the determination of the standby service KW for billing purposes are hereby approved. It is further

ORDERED that the requested revisions to Gulf Power Company's Standby Service Rate Schedule (SS) Sheet Numbers 6.31 and 6.32 which revise the statement of the customer charge, change the definition of the capacity used to determine the applicable local facilities and fuel charges, and clarify the charges and conditions for supplemental service are hereby denied. It is further

ORDERED that this docket be closed after the time has run in which to file a petition for reconsideration or notice of appeal if such action is not taken.

By Order of the Florida Public Service Commission  
this 24th day of JANUARY, 1990.

STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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by: Kay Helton  
Chief, Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.