

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for authority) DOCKET NO. 931044-EI
to implement a replacement rate) ORDER NO. PSC-94-0721-FOF-EI
schedule for standby electric) ISSUED: June 10, 1994
service by Gulf Power Company.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER SETTING FOR HEARING

BY THE COMMISSION:

On October 28, 1993 Gulf Power Company (Gulf or the utility) filed a petition requesting Commission approval to replace its existing Standby Service (SS) rate schedule with a new revised schedule titled Standby and Supplemental Service (SBS) rate schedule. On December 21, 1993, Monsanto Company, Stone Container Corporation, and Champion International Corporation filed a Petition to Intervene. Intervention was granted by Order No. PSC 94-0019-PSO-EI, issued January 5, 1994. By Order No. PSC-94-0030-FOF-EI, issued January 10, 1994, the Commission suspended the SBS tariff sheets in order to grant staff sufficient time to perform discovery and fully investigate the tariff filing.

The governing language and rate design in the current SS rate schedule is consistent with the provisions established in PSC Order No. 17159, issued February 6, 1987, in Docket No. 850673-EU - Generic Investigation of Standby Rates for Electric Utilities. This order prescribes the cost allocation and rate design methodology to be used by Florida's investor-owned electric utilities for standby and supplemental service rates.

Gulf Power has provided standby electric service under the SS rate schedule to four customers since approximately 1988. A fifth customer began taking service under the SS rate schedule in August 1993. Based on its experience with the SS rate schedule and concerns expressed by its standby customers, Gulf states that the current standby billing arrangement is inadequate to serve the needs of its customers. Gulf has summarized what it considers to

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be the weaknesses of the current arrangement into three categories: 1) the subjectivity involved with "sorting" electricity consumed into standby and supplemental billing determinants, 2) the unnecessary administrative costs placed on both the company and the customer in the form of communications and reporting requirements, and 3) the overall complexity of the rate schedule. The proposed SBS rate schedule represents a collaborative effort between Gulf and its standby service customers, some of whom are intervenors, to address these concerns.

Gulf and the intervenor customers maintain that for customers who take both standby and supplemental power sorting the monthly billing determinants into standby and supplementary service is subjective and administratively burdensome. The customers' monthly billing determinants must be sorted into standby and supplemental service because different charges apply to the two types of service.

Several complex issues have been raised as a result of some provisions in Gulf's tariff filing. These issues relate to: 1) Coordinated Maintenance Months; 2) Option A and the Annual Review of "Option A" Daily Demand Charge; 3) Possible Manipulation of Contract Demands; and 4) Applicability of Rate Charges. After considerable discussion at the Agenda Conference held June 7, 1994, the utility made two modifications to its tariff filing. The utility's first modification is to put in a provision which limits the number of times the standby and supplemental contract demands can be renegotiated to two times a year. The second utility modification is to include a tariff provision that will have primary voltage level charges for the non PX/PXT customers, the smaller primary voltage customer.

While we agree that these modifications are important, there are other remaining issues for which we do not have sufficient information to make a reasoned decision. Therefore, we decline to take action and upon our own motion we are setting Gulf's petition for authority to implement a replacement rate schedule for standby electric power, as modified by Gulf, for formal hearing on August 1, 1994, pursuant to Section 120.57(1), Florida Statutes. In the interim, without the Commission taking action, this tariff as modified will go into effect by operation of law.

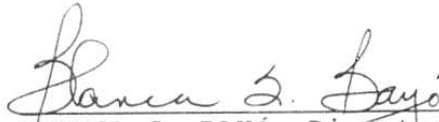
It is therefore

ORDERED that on the Commission's own motion, a hearing has been scheduled to determine whether issuance of a final order approving the tariff revisions requested by Gulf Power Company is in the public interest.

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ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 10th
day of June, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 Section 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.

The Commission has not reached any decision on this tariff. The Commission has allowed this tariff to go into effect by operation of law. This tariff is interim in nature. On the Commission's own motion, a hearing has been scheduled to determine whether issuance of a final order approving the tariff revisions is in the public interest.

After the hearing described above, when the Commission issues a final order, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of

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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 of the date this Order become final, 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.