

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of proposed pilot/experimental Real Time Pricing Program and the associated rate schedule by Gulf Power Company.

DOCKET NO. 941102-EI  
ORDER NO. PSC-98-0925-FOF-EI  
ISSUED: July 7, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman  
J. TERRY DEASON  
SUSAN F. CLARK  
JOE GARCIA  
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION  
ORDER APPROVING PROPOSED PROGRAM AND ASSOCIATED RATE SCHEDULE

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

We approved Gulf Power Company's (Gulf's) proposed Real Time Pricing (RTP) Pilot conservation program effective February 7, 1995. The RTP rate schedule provides participating customers with hourly energy prices, and thus allows customers to schedule their usage of electricity in a manner which will minimize their total bill.

Pursuant to Order No. PSC-95-0256-FOF-EI, issued February 23, 1995, Gulf's RTP program is scheduled to terminate on December 31, 1998, at which time customers participating in the program will return to their otherwise applicable standard rate, unless we extend the program by Order. On May 4, 1998, Gulf petitioned to extend participation in the RTP program beyond the December 31, 1998, ending date.

DOCUMENT NUMBER-DATE

07114 JUL-78

FPSC-RECORDS/REPORTING

Gulf's current petition asks that we allow existing customers to continue to take service under the RTP rate schedule after December 31, 1998, "while the Company completes its analysis of the data collected during the pilot study period and while the Commission considers any subsequent request by Gulf Power for continued authority to offer a real time pricing option on either a permanent or modified pilot study basis."

Because Gulf is a summer peaking utility, the hourly prices in the summer months are higher than in other months, and as a result, customers pay higher rates in the summer. This effect is reflected the RTP quarterly reports filed thus far for the RTP pilot. Gulf states that customers feel that they must decide now whether to remain on the rate because the customers want assurance that they will be able to continue to take service during the lower-cost winter months to compensate for the upcoming higher-cost summer months. Gulf feels that if customers are not assured at this time that the rate will be in effect for at least five or six months beyond the scheduled termination date of December 31, 1998, they may withdraw from the program, and Gulf will not be able to collect all the data they need to evaluate the program.

The order approving the RTP pilot program requires Gulf to file quarterly reports with the Commission which show the revenue shortfall or gain experienced under the rate, which is defined as the difference between what the customers would have paid under their otherwise applicable standard rate and the RTP rate. In addition, the report must show the impact of this shortfall on Gulf's earnings. By April 30, 1999, Gulf must file with us a final report describing the program results. Gulf indicates that they expect to file for our approval of a permanent or modified RTP pilot program either on or before this date.

We believe that allowing customers who are on the RTP rate as of December 31, 1998 to continue on the rate until May 31, 1999 address Gulf's concerns about the collection of sufficient data to evaluate the RTP program. If Gulf does not act to further modify the RTP program or to make it permanent before May 31, 1999, the program shall be terminated on that date. By granting this Petition, we note that Gulf will have had the benefit of a full data set and Gulf's customers will have had the benefit of taking service under the RTP program through the off peak (non summer) seasons of 1998-1999. Gulf's amended tariff sheets shall be administratively approved.

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Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's Petition for Approval of Proposed Pilot/Experimental Real Time Pricing Program and the Associated Rate Schedule is approved. It is further

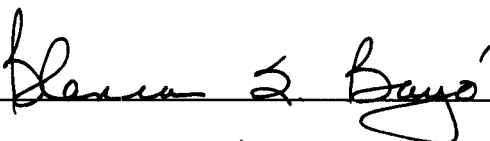
ORDERED that this program will terminate on May 31, 1999, absent any action by Gulf Power Company before that date to either amend the RTP program or to make it permanent. It is further

ORDERED that Gulf Power Company must file amended tariff sheets to reflect the extension of the program, and that the amendment must indicate that the extension applies only to those customers who are on the rate as of December 31, 1998. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket shall be closed.

By ORDER of the Florida Public Service Commission this 7th day of July, 1998.



BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

GAJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 28, 1998.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially 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 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 effective date of this order,

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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.