

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval,
pursuant to Section 34(i) of the
Public Utility Holding Company
Act of 1935, as amended, of
inter-affiliate agreement
between Gulf Power Company and
PowerCall, Inc.

DOCKET NO. 990688-EI
ORDER NO. PSC-99-2120-PAA-EI
ISSUED: October 25, 1999

The following Commissioners participated in the disposition of
this matter:

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

NOTICE OF PROPOSED AGENCY ACTION ORDER
GRANTING APPROVAL OF INTER-AFFILIATE AGREEMENT
BETWEEN GULF POWER COMPANY AND POWERCALL, INC.

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.

CASE BACKGROUND

The Telecommunications Act of 1996 in part amended the Public
Utility Holding Company Act of 1935 (PUHCA) to authorize exempt
telecommunications companies. This enables registered holding
companies such as Southern Company (Southern), to acquire those
telecommunications companies. In accordance with revised Section
34, subpart (I) of PUHCA, a public utility company may enter into
contracts with a telecommunications company that is an affiliate or
associate company, if "...every State commission having
jurisdiction over the retail rates of such public utility approves
such contract...".

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Gulf Power Company (Gulf or the Company) is seeking approval of a contract with PowerCall, Inc. (PowerCall). Both companies are subsidiaries of Southern, and contracts between these companies are governed by the provisions of Section 34. Gulf is requesting approval of a contract with PowerCall, a subsidiary of Southern, to provide various internal telecommunications services. These services will include installation, service and repair of Gulf's or other customers' electronic equipment, closed circuit television, video alarm or access control equipment, and providing security monitoring services. PowerCall will not use any electronic or other equipment owned by Gulf. Gulf pays approximately \$158,000 yearly to a private company to provide the services PowerCall will now provide. At this time, Gulf is unable to provide any estimates of cost savings that may result from switching to PowerCall.

The Company's petition states that its ratepayers will not be harmed by this agreement since any services obtained by PowerCall will be based on the market price for such services. A limitation on such pricing is that the price will be no more than PowerCall's fully distributed costs for the provided services.

Our approval of this contract between Gulf and PowerCall does not indicate specific approval of rates, terms, or conditions associated with the contract. Such matters are properly reserved for review by us within the context of a rate proceeding.

The contract is approved subject to this Commission's authority to disallow any of the costs for rate making purposes, including surveillance.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the contract between Gulf Power Company and PowerCall, Inc. is hereby approved. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, 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" attached hereto. It is further

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

By ORDER of the Florida Public Service Commission this 25th day of October, 1999.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 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. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, 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 November 15, 1999.

In the absence of such a petition, this order shall become effective upon the issuance of a consummating order.

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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.