

Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola FL 32520-0770
Telephone 904 444-6365

SCANNED

Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

the southern electric system

October 27, 1993

931044-EI

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0870

EI 804

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
1993 OCT 28 AM 8 25
MAIL ROOM

Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Gulf Power Company's Petition for authority to implement a replacement rate schedule for the standby electric service provided by the Company.

Also enclosed are fifteen sets of the tariff sheets for the Commission's approval. The tariff sheets submitted include:

- | <u>New</u> | <u>Canceling</u> |
|-----------------------------|------------------------------|
| Fourth Rev. Sheet No. 6.29 | Third Rev. Sheet No. 6.29 |
| Fourth Rev. Sheet No. 6.30 | Third Rev. Sheet No. 6.30 |
| Original Sheet No. 6.30.1 | N/A |
| Fourth Rev. Sheet No. 6.31 | Third Rev. Sheet No. 6.31 |
| Original Sheet No. 6.31.1 | N/A |
| Fifth Rev. Sheet No. 6.32 | Fourth Rev. Sheet No. 6.32 |
| Third Rev. Sheet No. 6.32.1 | Second Rev. Sheet No. 6.32.1 |

Upon approval of the tariff sheets, please return two conformed sets to me.

A copy of the tariff sheets in legislative format has been provided to the Chief of the Bureau of Electric Rates under separate cover with a copy of this petition.

Sincerely,

Jack L. Haskins

lw

Enclosures

cc: Florida Public Service Commission
Connie Kummer

"Our business is customer satisfaction"

DOCUMENT NUMBER-DATE
11638 OCT 28 93
FVSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company's petition)
for authority to implement a)
replacement rate schedule for the)
standby electric service provided by)
the Company.)

Docket No. 93_____-EI
Date filed: Oct. 28, 1993

PETITION

Gulf Power Company ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, hereby petitions the Florida Public Service Commission ("Commission") for authority to implement a replacement rate schedule for the standby electric service provided by the Company. As part of this petition, the Company requests approval of the proposed tariff sheets set forth in Exhibit "A" attached hereto.¹ The Company further requests that the Commission take this matter up for consideration through a proposed agency action process at the earliest practical date.

In support of this petition, the Company states:

1. Notices and communications with respect to this petition and docket should be addressed to:

G. Edison Holland, Jr.
Jeffrey A. Stone
Teresa E. Liles
Beggs and Lane
P. O. Box 12950
Pensacola, FL 32576-2950

Jack L. Haskins
Manager of Rates and
Regulatory Matters
Gulf Power Company
P. O. Box 13470
Pensacola, FL 32591-3470

2. Gulf Power Company is an electric utility providing retail electric service to customers within northwest Florida

¹Fourth Revised Sheet No. 6.29, Fourth Revised Sheet No. 6.30, Original 6.30.1, Fourth Revised Sheet No. 6.31, Original Sheet 6.31.1, Fifth Revised Sheet No. 6.32, Third Revised Sheet No. 6.32.1.

and, pursuant to the provisions of Chapter 366 of the Florida Statutes, is subject to regulation by the Florida Public Service Commission.

3. Gulf Power has offered standby electric service under a separate and distinct rate schedule ("Rate Schedule SS") since 1988. For most of the period since that time, Gulf has been providing standby service to four of its customers. A fifth customer began taking service from the Company under Rate Schedule SS in August 1993. Essentially the pricing arrangement for the Company's standby service has remained unchanged since 1988.²

4. Through the concerns expressed to Gulf Power by its affected customers through their experience with Rate Schedule SS, as well as the Company's own experience with the existing arrangement, Gulf has determined that the existing arrangement for standby electric service has several major weaknesses that make the present arrangement inadequate to serve the needs of Gulf's customers. The customers and the Company have each attempted to cope with the problems presented by the existing arrangement in a good faith effort to make it work. Given this experience and the fact that problems with the existing

²As used in this petition, the term "pricing arrangement" or "pricing" refers to the entire transaction of determining customer bills. This includes the rates for service, the terms and conditions under which rates apply, and the process by which rates are applied to the customer's service.

arrangement persist, Gulf's customers and the Company have concluded that the time has come to replace the existing arrangement with a new approach to the issue of pricing standby electric service.

5. For the past eighteen to twenty-four months, Gulf and its standby service customers have engaged in a collaborative effort to develop a better mechanism/arrangement for pricing standby electric service. The new rate schedule attached to this petition as Exhibit A is the end result of that collaborative effort. Although this is Gulf Power's petition, each of the customers has committed their support for this proposal. Also attached to this petition as Exhibit B is a comparison of the total annual charges to Gulf's standby service customers under the current and proposed standby service rates which is intended to satisfy the requirements of Rule 25-9.005(1), Florida Administrative Code.³

6. The existing arrangement suffers from several weaknesses that: (1) adversely impact the self-generating customer's

³The requirements of Rule 25-9.005(2) are addressed either on the face of the proposed rate schedule SBS set forth in Exhibit A or elsewhere in the body of this petition. Subparagraphs (3) and (4) of Rule 25-9.005 are not applicable to this filing because the Company has not elected to make a formal cost study and this filing does not relate to a new or additional service classification or rate schedule. The coded copy of each tariff sheet required pursuant to subsection (5) of Rule 25-9.005 is being supplied to the Chief of the Bureau of Electric Rates under separate cover with a copy of this petition.

ability to make an appropriate decision with regard to the usage of his own generation versus taking electricity from the Company or curtailing usage; and (2) unduly burden the self-generating customers and the Company alike with unnecessary costs. The weaknesses may be summarized in three categories. The current arrangement: (1) incorporates inappropriate subjectivity into the process; (2) places unnecessary administrative costs associated with communications and reporting requirements on the standby service customers and Gulf Power Company; and (3) is extremely complicated and complex even for sophisticated customers and the utility.

7. The proposal attached hereto as Exhibit A will provide benefits to all of Gulf's customers by:

- (1) reducing the cost (administrative, communications, reporting, training, etc.) to cogenerators for standby service, thereby helping to encourage cost-effective cogeneration;
- (2) reducing the cost to Gulf (administrative, communications, reporting, training, etc.); and
- (3) reducing subjectivity in the process, thereby reducing both the chance for cross-subsidization between and among classes of customers and costs to the Company (and consequently all of its customers) associated with potential "billing disputes" with standby customers.

The proposal will make it easier for Gulf's self-generating customers to purchase standby electric service from Gulf Power Company by:

- (1) reducing the cost (administrative, communications, reporting, training, etc.) to cogenerators for standby service; and
- (2) providing the customer with more "economic control" over its energy costs.

Gulf's proposal will also allow the Company and prospective cogenerators to conduct more reliable evaluations of potential cogeneration projects which will enhance the opportunity to develop cost effective cogeneration on Gulf's system.

8. The proposal attached to this petition makes the determination of the level of standby service used and the level of supplementary service used objective rather than relying upon the subjective determinations of these amounts as required under the existing arrangement. In this manner, Gulf's proposal also eliminates the excessive reporting requirements of the existing arrangement and thereby alleviates the current need for an excessive level of communications between the Company and its standby service customers for assistance or explanations. Although not perfect, Gulf's attached proposal is a significant improvement over the existing arrangement. Although the new rate schedule SBS is still very complex, the proposal successfully addresses the remaining two major areas of weakness in the

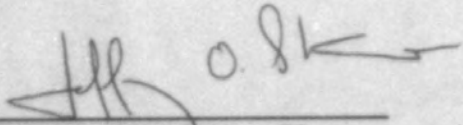
existing arrangement: subjectivity and administrative burden. Through the collaborative effort between Gulf and its self-generating customers, it has been determined that these two areas of concern (subjectivity and administrative burden) are the most important to correct and therefore in need of immediate attention through the implementation of this proposal. Towards that end, Gulf has been careful to structure its proposal so that it would not result in a revenue increase outside of a rate case.

9. Gulf's customers must be able to quickly and accurately understand the economic effects of energy purchase decisions. This is especially true when the customers have multiple energy supply options and must make plant operational decisions hand-in-hand or concurrent with their energy decisions. It is for this reason that Gulf is requesting that the Commission consider the Company's proposed replacement of its existing rate schedule for standby electric service with the proposed rate schedule SBS attached hereto as Exhibit A through a proposed agency action process as soon as practical.

WHEREFORE, Gulf Power Company respectfully petitions and requests the Florida Public Service Commission to approve the proposed tariff sheets for rate schedule Standby and Supplementary Service (SBS) set forth in Exhibit "A", attached

hereto and incorporated herein by reference, as a replacement for the Company's existing rate schedule SS, and further that this request be considered by the Commission through a proposed agency action process as soon as possible.

Respectfully submitted this 27th day of October, 1993.



G. EDISON HOLLAND, JR.
Florida Bar No. 261599
JEFFREY A. STONE
Florida Bar No. 325953
TERESA E. LILES
Florida Bar No. 510998
Beggs & Lane
P. O. Box 12950
Pensacola, Florida 32576-2950
(904) 432-2451
Attorneys for Gulf Power Company

STANDBY AND SUPPLEMENTARY SERVICE (SBS)
(SBS1, SBS2)Availability

Available throughout the entire territory served by the Company.

Applicability

Applicable to any Customer which, having on-site generating equipment operated for other than emergency and/or test purposes, requests Standby or a combination of Standby and Supplementary Service. A Customer is required to take service under this rate schedule if its total on-site generating capability: (1) exceeds 100 KW, (2) supplies at least 20% of its total on-site electrical load, and (3) is operated for other than emergency purposes.

Service to two or more premises shall not be combined nor shall service furnished hereunder be shared with or resold to others. All service shall be taken at the same voltage and from a single delivery point.

Character of Service

Alternating current, 60 cycle, single-phase or three-phase, at the Company's standard voltage available.

Procedures

Customers receiving service from this schedule must:

1. Execute a Standard Form of Contract for Electric Power identifying the Supplementary Service Capacity (NC) required to be maintained by the Company. In the event of a bona fide change in the Customer's maximum supplementary service requirements, the Supplementary Service Capacity (NC) for the future may be changed accordingly by mutual agreement.
2. Execute a Standby Service Agreement identifying the Standby Service Capacity (BC), not less than 100 KW, required to be maintained by the Company. In the event of a bona fide change in the Customer's standby service requirements, the Standby Service Capacity (BC) for the future may be changed accordingly by mutual agreement.
3. Execute a Standby Service Interconnection Agreement and reimburse the Company for any necessary additional metering costs incurred by the Company as a result of supplying electric service to the Customer under the terms of this schedule.

Limitation of Above 7,499 KW Demand Range for Billing Purposes

This billing range will be available only to Customers included in Rate PX/PXT for final rate calculations in the Company's last general rate case, Docket No. 891345-EI.

GULF POWER COMPANY

Section No. VI
 Fourth Revised Sheet No. 6.30
 Canceling Third Revised Sheet No. 6.30

EXHIBIT A

Monthly Rates - Customers with a BC and NC that fall in two different demand (KW) ranges will be billed under the demand (KW) range applicable to the larger of the BC or NC. Should the maximum demand (KW) taken in a billing month exceed the sum of the BC and NC, except as provided below, a new BC reflecting this new actual maximum demand will be established. In lieu of the new BC based on the newly established actual maximum demand, the Customer and the Company may by mutual agreement select a new BC and/or NC. This selection must be made before the normal billing for the month in which the newly increased maximum demand is established. The Customer would then be billed under the demand (KW) range of the larger of the new (if applicable) BC and NC.

A Standby Service Customer which is either not eligible for or has not elected to receive service under Option A below will be billed for electric service in accordance with the following charges:

	Secondary 100 to 499 KW	Secondary 500 to 7,499 KW	Primary Above 7,499 KW
Contract Demand:			
Customer Charge:	\$251.98	\$251.98	\$600.01
Demand Charge:			
Local Facilities Charge per KW of BC and NC	\$1.69	\$1.25	\$0.52
On-Peak Demand Charge: Per KW of On-Peak KW up to NC	\$2.45	\$7.27	\$7.73
Plus the greater of:			
Reservation Charge: Per KW of BC or	\$1.01	\$1.01	\$1.00
The Sum of the Daily On-Peak Standby Demand Charges: Per KW per day of On-Peak KW in excess of NC	\$0.47	\$0.47	\$0.47
Energy Charge Per KWH:	1.300¢	0.421¢	0.410¢

Customers with zero (0) NC will not be subject to the On-Peak Demand Charge.

ISSUED BY:

EFFECTIVE:

GULF POWER COMPANY

Section No. VI
Original Sheet No. 6.30.1

EXHIBIT A

Option A - Combination of Standby and Supplementary Service - SE Applicable

Customers signing up for both BC and NC, with NC of not less than 500 KW, may elect to receive service under this option, in which case, the following charges will apply:

	Secondary 100 to 499 KW	Secondary 500 to 7,499 KW	Primary Above 7,499 KW
Contract Demand:	N/A	\$251.98	\$600.01
Customer Charge:			
Demand Charge:			
Local Facilities Charge per KW of BC and NC	N/A	\$1.25	\$0.52
On-Peak Demand Charge: Per KW of Non-SE On-Peak KW up to NC	N/A	\$7.27	\$7.73
Plus the greater of:			
Reservation Charge: Per KW of BC or	N/A	\$1.01	\$1.00
The Sum of the Daily Non-SE On-Peak Standby Demand Charges: Per KW per day of Non-SE On-Peak KW in excess of NC	N/A	\$1.42	\$1.41
Energy Charge Per KWH:	N/A	0.421¢	0.410¢

The BC and NC to be used in the above calculations will be the greater of the sum of the contract demands (BC and NC) or the maximum demand (KW) taken in the current month. If the maximum demand (KW) taken in a billing month exceeds the sum of the BC and NC, except as provided below, a new BC reflecting this new actual maximum demand will be established. In lieu of the new BC based on the newly established actual maximum demand, the Customer and the Company may by mutual agreement select a new BC and/or NC. This selection must be made before the normal billing for the month in which the newly increased maximum demand is established.

ISSUED BY:

EFFECTIVE:

GULF POWER COMPANY

Section No. VI
Fourth Revised Sheet No. 6.31
Canceling Third Revised Sheet No. 6.31

EXHIBIT A

Provision for Lowering Standby Service Capacity (BC)

The BC may be decreased by mutual agreement between the Customer and the Company provided the Customer has sufficiently demonstrated that its continuing requirements for Standby capacity are now less than the established BC. If the Customer's BC has been decreased and, within 12 months of such change, the Customer's BC increases through the operation of the provisions of this tariff, the Customer shall pay the difference between what was billed during the elapsed time as demand charges and what would have been billed to the Customer as demand charges using the lesser of the newly established BC or the BC in effect before the decrease. This adjustment will appear on the bill for the billing period in which the increased BC is first effective.

Provision for Coordinated Maintenance Months (CMMs)

The Customer will be allowed up to a total maximum of four (4) billing months in the period September through May to be designated as Coordinated Maintenance Months (CMMs), subject to the approval of the Company. The Customer's request for designation of a particular month as a CMM should ordinarily be submitted six (6) months in advance. The Company, in its sole discretion, may accept a request submitted less than six (6) months in advance. The request for Company approval of a proposed CMM must be submitted in writing.

If the highest standby demand occurring during an approved CMM exceeds the Customer's BC, then this new higher BC would be used in the determination of the Reservation Charge only for the current month. This new higher BC will be waived for purposes of the calculation of the Reservation Charge for future billing periods.

During an approved CMM, the Customer will not be billed for the Daily On-Peak Standby Demand Charges or Daily Non-SE On-Peak Standby Demand Charges that would otherwise be applicable.

Determination of the On-Peak Period

The on-peak period for calendar months April through October is defined as being those hours between 12:00 P.M. and 9:00 P.M. Central Daylight Time/Central Standard Time, Monday through Friday.

The on-peak period for calendar months November through March is defined as being those hours between 6:00 A.M. and 10:00 A.M. and between 6:00 P.M. and 10:00 P.M. Central Standard Time/Central Daylight Time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas are in the off-peak period.

ISSUED BY:

EFFECTIVE:

GULF POWER COMPANY

Section No. VI
Original Sheet No. 6.31.1

EXHIBIT A

Determination of Standard Billing Demand

On-Peak Demand - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) during each service month as measured during the hours designated as on-peak but not to exceed the NC. This demand (KW) is not applicable to Customers contracting for and receiving zero (0) NC.

Daily On-Peak Standby Demand - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) in excess of the NC (if applicable) as measured during the peak hours of each day for each on-peak day of the billing period.

Determination of Billing Demand - Option A

On-Peak Demand (Option A) - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) during each service month as measured during the hours designated as on-peak and not declared as Supplemental Energy Periods (SEP) but not to exceed the NC.

Daily Non-SE On-Peak Standby Demand (Option A) - The kilowatt (KW) demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) in excess of the NC as measured during the peak hours of each non-SE on-peak day of the month.

Provision for Annual Review of Option A Daily Non-SE On-Peak Standby Demand Charge

If the monthly average of the non-SE on-peak days for the non-CMM months for each year ending December is greater than seven (7), then the Daily Non-SE On-Peak Standby Demand Charge for Option A will be recalculated using the monthly average number of non-SE on-peak days for the non-CMM months for that year. Any Customer billed Daily Non-SE On-Peak Standby Demand Charges for that year will be credited on the December bill for the difference in the original charges billed using the \$1.41/\$1.42 charge and the new charge; however, if the sum of the Daily Non-SE On-Peak Standby Demand Charges calculated using the new charge is less than the applicable Reservation Charge, then the Customer will be credited for this month for the difference in the original charges billed using the \$1.41/\$1.42 charge and the Reservation Charge. The monthly charge will remain at \$1.41/\$1.42 for future bills subject to the annual true-up in December of each year. This review will apply on a customer-by-customer basis using each individual Customer's non-CMM months for the year.

Designation of SEP - Applicable to Option A Only

The Company may, from time to time, designate Supplemental Energy Periods (SEP) and notify all customers served under this rate of such designation. Designation of SEP and duration of each period is made at the sole discretion of

ISSUED BY:

EFFECTIVE:

GULF POWER COMPANY

Section No. VI
Fifth Revised Sheet No. 6.32
Canceling Fourth Revised Sheet No. 6.32

EXHIBIT A

the Company. No SEP will be designated for less than 24 hours in length. Generally, it is not the intention of the Company to declare a SEP when any one of the following is likely to occur:

1. Average system fuel lambda for the SEP may exceed the average fuel cost recovery factor; as shown in Schedule E-1 for the applicable period; or
2. Southern system territorial monthly peak hour demand; or
3. Gulf system territorial monthly peak hour demand.

Early Termination of SEP - Applicable to Option A Only

In the event that a SEP is terminated by the Company earlier than designated, the Company will provide at least six hours notice of the termination of a SEP. This limitation does not apply in the event of a system emergency, and notification of early termination may be less than six hours.

Reactive Demand Charge - The monthly bill calculated at the above rates shall also be increased in the amount of \$1.00 per kvar for all over 0.48432 kilovars per kilowatt (90% power factor). The kilovars to which this adjustment shall apply shall be the monthly maximum measured kilovar demand or may be calculated as the square root of the difference between the square of the maximum monthly measured kva demand and the square of the maximum monthly measured kw demand. This charge is applicable only to the Supplementary Service.

Transformer Ownership Discount and Primary Metering Voltage Discounts - When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the monthly rate will be subject to a discount of: twenty-seven (27) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 100 to 499 KW demand range; or forty-one (41) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range; and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

Transformer Ownership Discount and Transmission Metering Voltage Discounts - When the Company renders service under this Rate Schedule from an available transmission line of 46,000 volts or higher and the Customer furnishes, operates, and maintains the complete step-down transformer substation necessary to receive and use such service, the monthly rate will be subject to a discount of forty-eight (48) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range and an additional discount of two percent (2%) of the Energy Charge and two percent (2%) of the Demand Charge. The monthly rate will be subject to a discount of seven (7) cents per kilowatt (KW) of the demand used in the calculation of the Local Facilities Charge for those customers which are billed under the above 7,499 KW demand range and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

ISSUED BY:

EFFECTIVE:

Term of Contract

(1) Service under this rate schedule shall be for a minimum period of five (5) years and shall continue thereafter from year to year until terminated by either party upon twenty-four (24) months written notice to the other. (2) For customers electing to receive service hereunder pursuant to Option A, the initial election of this option may be terminated at any time by written notice from the Customer; and in such event, the Customer will then begin taking service under the standard provisions. After such termination, if the same Customer at the same premises elects again to receive service pursuant to Option A, the Customer will be required to remain on Option A for one (1) year.

TAX ADJUSTMENT - See Sheet No. 6.16

FRANCHISE FEE BILLING - See Sheet No. 6.16

FUEL CHARGE - See Sheet No. 6.15

PURCHASED POWER CAPACITY COST - See Sheet No. 6.15.1

ENERGY CONSERVATION - See Sheet No. 6.16.1

GROSS RECEIPTS TAX ADJUSTMENT - See Sheet No. 6.16

PAYMENT OF BILLS - See Sheet No. 6.16

DEFINITIONS

"Standby electric service" refers to backup or maintenance service or both.

"Backup service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during an unscheduled outage of the Customer's generation. An unscheduled outage is defined as the loss or reduction of generation output due to equipment failure(s) or other condition(s) beyond the control of the Customer.

"Maintenance service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during a scheduled outage of the Customer's generation. A scheduled outage is defined as the loss or reduction due to maintenance activities of any portion of a Customer's generating system.

"Supplementary service" means electric energy or capacity supplied by the Company in addition to that which is normally provided by the Customer's own generation equipment.

"Outage" means that period in which a forced or unforced reduction in the totalized output of the Customer's generator(s) occurs.

SERVICE UNDER THIS RATE SCHEDULE IS SUBJECT TO RULES AND REGULATIONS OF THE COMPANY AND THE FLORIDA PUBLIC SERVICE COMMISSION.

ISSUED BY:

EFFECTIVE:

RATE DESIGN WORKPAPERS
1991 REVENUE EFFECT/PROPOSED RATE
STANDBY AND SUPPLEMENTARY SERVICE (SBS)

RATE SBS REVENUE

Customer Charge		=	\$6,000.00	
24 Bills @	\$250.00	=	\$21,420.00	
36 Bills @	\$595.00	=		\$27,420.00
<u>Local Facilities Charge (Sum of BC and NC)</u>				
88,200 KW @	\$1.24	=	\$109,368.00	
1,398,000 KW @	\$0.52	=	\$726,960.00	\$836,328.00
<u>On-Peak Demand Charge</u>				
14,603 KW @	\$7.21	=	\$105,287.63	
317,292 KW @	\$7.66	=	\$2,430,456.72	\$2,535,744.35
<u>Reservation Charge</u>				
36,000 KW @	\$1.00	=	\$36,000.00	
909,900 KW @	\$0.99	=	\$900,801.00	\$936,801.00
<u>Daily Demand Charge</u>				
121,132 KW @	\$1.40	=		\$169,584.80
<u>Excess KVAR Charge</u>				
3,828 KW @	\$1.00	=		\$3,828.00
<u>Energy Charge</u>				
21,762,860 KWH @	\$0.00417	=	\$90,751.13	
238,438,900 KWH @	\$0.00406	=	\$968,061.93	\$1,058,813.06
<u>Transformer Ownership and Primary Metering Voltage Discounts</u>				
70,200 KW @	(\$0.41)	=	(\$28,782.00)	
70,200 KW @	(\$0.0124)	=	(\$870.48)	
14,603 KW @	(\$0.0721)	=	(\$1,052.88)	
18,000 KW @	(\$0.0100)	=	(\$180.00)	
21,632,160 KWH @	(\$0.0000417)	=	(\$902.06)	(\$31,787.42)
<u>Transformer Ownership and Transmission Metering Voltage Discounts</u>				
18,000 KW @	(\$0.48)	=	(\$8,640.00)	
18,000 KW @	(\$0.0248)	=	(\$446.40)	
18,000 KW @	(\$0.0200)	=	(\$360.00)	
130,700 KWH @	(\$0.0000834)	=	(\$10.90)	(\$9,457.30)

TOTAL 1991 SBS PROPOSED BASE REVENUE \$5,527,274.49
 TARGET REVENUE (1991 LPT/PXT/SS BASE REVENUE) \$5,886,242.97
 DIFFERENCE (\$358,968.48)
 PERCENTAGE (%) -6.10%

RATE DESIGN WORKPAPERS
1991 PRESENT REVENUE
LPT/PXT/SS

Rate LPT

Customer Charge 19 Bills @	\$225.00	=	\$4,275.00
Max Demand Charge 128,736 KW @	\$1.81	=	\$233,012.16
Incremental SE Demand Charge 56,342 KW @	\$1.81	=	\$101,979.02
On-Peak Demand Charge 90,279 KW @	\$7.21	=	\$650,911.59
Excess KVAR Charge 4,126 KW @	\$1.00	=	\$4,126.00
Energy Charge 73,527,852 KWH @	\$0.00417	=	\$306,811.14
Transformer Ownership and Primary Metering Voltage Discounts			
128,736 KW @	(\$0.42)	=	(\$54,069.12)
56,342 KW @	(\$0.42)	=	(\$23,663.64)
128,736 KW @	(\$0.0181)	=	(\$2,330.12)
56,342 KW @	(\$0.0181)	=	(\$1,019.79)
90,279 KW @	(\$0.0721)	=	(\$6,509.12)
73,527,852 KWH @	(\$0.0000417)	=	(\$3,066.11)
Transformer Ownership and Transmission Metering Voltage Discounts			
0 KW @	(\$0.52)	=	\$0.00
0 KW @	(\$0.52)	=	\$0.00
0 KW @	(\$0.0362)	=	\$0.00
0 KW @	(\$0.0362)	=	\$0.00
0 KW @	(\$0.1442)	=	\$0.00
0 KWH @	(\$0.0000834)	=	\$0.00
1991 LPT PRESENT BASE REVENUE			\$1,210,257.01

Rate PXT

Customer Charge 17 Bills @	\$570.00	=	\$9,690.00
Max Demand Charge 227,326 KW @	\$0.68	=	\$154,581.68
11,984 MB KW @	\$10.453	=	\$125,268.75
Incremental SE Demand Charge 64,838 KW @	\$0.68	=	\$44,089.84
On-Peak Demand Charge 192,659 KW @	\$7.66	=	\$1,475,767.94
Excess KVAR Charge 33,105 KW @	\$1.00	=	\$33,105.00
Energy Charge 146,708,147 KWH @	\$0.00406	=	\$595,635.08
7,424,275 MB KWH			
1991 PXT PRESENT BASE REVENUE			\$2,438,138.29

Rate SS

Customer Charge 36 Bills @	\$25.00	=	\$900.00
24 Bills @	\$250.00	=	\$6,000.00
Local Facilities Charge 38,200 KW @	\$1.24	=	\$47,368.00
1,038,000 KW @	\$0.52	=	\$539,760.00
Reservation Charge 638,900 KW @	\$1.00	=	\$638,900.00
Daily Demand Charge 414,413 KW @	\$0.57	=	\$236,215.41
1,483,865 KW @	\$0.43	=	\$638,061.95
Energy Charge 32,541,486 KWH @	\$0.00458	=	\$149,040.01
Transformer Ownership and Primary Metering Voltage Discounts			
18,000 KW @	(\$0.41)	=	(\$7,380.00)
18,000 KW @	(\$0.0124)	=	(\$223.20)
18,000 KW @	(\$0.0100)	=	(\$180.00)
0 KW @	(\$0.0057)	=	\$0.00
0 KW @	(\$0.0043)	=	\$0.00
34,703 KWH @	(\$0.0000458)	=	(\$1.59)
Transformer Ownership and Transmission Metering Voltage Discounts			
20,200 KW @	(\$0.48)	=	(\$9,696.00)
20,200 KW @	(\$0.0248)	=	(\$500.96)
20,200 KW @	(\$0.0200)	=	(\$404.00)
0 KW @	(\$0.0114)	=	\$0.00
0 KW @	(\$0.0086)	=	\$0.00
130,700 KWH @	(\$0.0000916)	=	(\$11.97)
1991 SS PRESENT BASE REVENUE			\$2,237,847.65

1991 SS PRESENT BASE REVENUE

SUMMARY

1991 LPT PRESENT BASE REVENUE	\$1,210,257.01
1991 PXT PRESENT BASE REVENUE	\$2,438,138.29
1991 SS PRESENT BASE REVENUE	\$2,237,847.65
1991 SS PRESENT BASE REVENUE	\$5,886,242.95
SUBTOTAL	\$0.02
ADJUSTMENT*	\$5,886,242.97
1991 TARGET REVENUE	

*Adjustment due to rounding difference when revenue calculated using combined billing determinants versus individual Customer bills.

RATE DESIGN WORKPAPERS
1992 REVENUE EFFECT/PROPOSED RATE
STANDBY AND SUPPLEMENTARY SERVICE (SBS)

RATE SBS REVENUE

<u>Customer Charge</u>		=	\$4,000.00	
16 Bills @	\$250.00	=	\$14,280.00	
24 Bills @	\$595.00	=	\$2,015.84	
8 Bills @	\$251.98	=	\$7,200.12	
12 Bills @	\$600.01	=		\$27,495.96
<u>Local Facilities Charge (Sum of BC and NC)</u>		=	\$72,912.00	
58,800 KW @	\$1.24	=	\$484,640.00	
932,000 KW @	\$0.52	=	\$36,750.00	
29,400 KW @	\$1.25	=	\$242,320.00	
466,000 KW @	\$0.52	=		\$836,622.00
<u>On-Peak Demand Charge</u>		=	\$87,796.17	
12,177 KW @	\$7.21	=	\$1,626,218.00	
212,300 KW @	\$7.66	=	\$51,667.89	
7,107 KW @	\$7.27	=	\$776,648.56	
100,472 KW @	\$7.73	=		\$2,542,330.62
<u>Reservation Charge</u>		=	\$24,000.00	
24,000 KW @	\$1.00	=	\$656,370.00	
663,000 KW @	\$0.99	=	\$12,120.00	
12,000 KW @	\$1.01	=	\$344,000.00	
344,000 KW @	\$1.00	=		\$1,036,490.00
<u>Daily Demand Charge</u>		=	\$44,620.80	
31,872 KW @	\$1.40	=	\$0.00	
0 KW @	\$1.41	=		\$44,620.80
<u>Excess KVAR Charge</u>		=		\$8,754.00
8,754 KW @	\$1.00	=		
<u>Energy Charge</u>		=	\$65,211.21	
15,638,180 KWH @	\$0.00417	=	\$632,418.89	
155,768,200 KWH @	\$0.00406	=	\$35,125.29	
8,343,300 KWH @	\$0.00421	=	\$318,989.43	
77,802,300 KWH @	\$0.00410	=		\$1,051,744.82
<u>Transformer Ownership and Primary Metering Voltage Discounts</u>		=		
70,200 KW @	(\$0.41)	=	(\$28,782.00)	
46,800 KW @	(\$0.0124)	=	(\$580.32)	
23,400 KW @	(\$0.0125)	=	(\$292.50)	
12,177 KW @	(\$0.0721)	=	(\$877.96)	
7,107 KW @	(\$0.0727)	=	(\$516.68)	
12,000 KW @	(\$0.0100)	=	(\$120.00)	
6,000 KW @	(\$0.0101)	=	(\$60.60)	
15,559,480 KWH @	(\$0.0000417)	=	(\$648.83)	
8,160,800 KWH @	(\$0.0000421)	=	(\$343.57)	(\$32,222.46)
<u>Transformer Ownership and Transmission Metering Voltage Discounts</u>		=		
18,000 KW @	(\$0.48)	=	(\$8,640.00)	
12,000 KW @	(\$0.0248)	=	(\$297.60)	
6,000 KW @	(\$0.0250)	=	(\$150.00)	
12,000 KW @	(\$0.0200)	=	(\$240.00)	
6,000 KW @	(\$0.0202)	=	(\$121.20)	
78,700 KWH @	(\$0.0000834)	=	(\$6.56)	
182,500 KWH @	(\$0.0000842)	=	(\$15.37)	(\$9,470.73)

TOTAL 1992 SBS PROPOSED BASE REVENUE \$5,506,365.01
 TOTAL 1992 LPT/PXT/SS BASE REVENUE \$5,811,725.80
 DIFFERENCE (\$305,360.59)
 PERCENTAGE (%) -5.25%

RATE DESIGN WORKPAPERS
1992 PRESENT REVENUE
LPT/PXT/SS

Rate LPT			
Customer Charge			
8 Bills @	\$225.00	=	\$1,800.00
4 Bills @	\$226.98	=	\$907.92
Max Demand Charge			
34,156 KW @	\$1.81	=	\$61,822.36
19,249 KW @	\$1.83	=	\$35,225.67
Incremental SE Demand Charge			
2,443 KW @	\$1.81	=	\$4,421.83
1,107 KW @	\$1.83	=	\$2,025.81
On-Peak Demand Charge			
11,336 KW @	\$7.21	=	\$81,732.58
6,808 KW @	\$7.27	=	\$49,494.16
Excess KVAR Charge			
3,484 KW @	\$1.00	=	\$3,484.00
Energy Charge			
15,551,271 KWH @	\$0.00417	=	\$64,848.80
8,151,221 KWH @	\$0.00421	=	\$34,316.84
Transformer Ownership and Primary Metering Voltage Discounts			
53,405 KW @	(\$0.42)	=	(\$22,430.10)
3,550 KW @	(\$0.42)	=	(\$1,491.00)
36,599 KW @	(\$0.0181)	=	(\$662.44)
20,356 KW @	(\$0.0183)	=	(\$372.51)
11,336 KW @	(\$0.0721)	=	(\$817.33)
6,808 KW @	(\$0.0727)	=	(\$494.94)
15,551,271 KWH @	(\$0.000417)	=	(\$648.49)
8,151,221 KWH @	(\$0.000421)	=	(\$343.17)
Transformer Ownership and Transmission Metering Voltage Discounts			
0 KW @	(\$0.52)	=	\$0.00
0 KW @	(\$0.52)	=	\$0.00
0 KW @	(\$0.0362)	=	\$0.00
0 KW @	(\$0.0362)	=	\$0.00
0 KW @	(\$0.1442)	=	\$0.00
0 KWH @	(\$0.000834)	=	\$0.00
1992 LPT PRESENT BASE REVENUE			\$312,819.77

Rate PXT			
Customer Charge			
16 Bills @	\$570.00	=	\$9,120.00
8 Bills @	\$575.01	=	\$4,600.08
Max Demand Charge			
208,473 KW @	\$0.68	=	\$141,781.64
103,391 KW @	\$0.60	=	\$71,339.79
Incremental SE Demand Charge			
66,349 KW @	\$0.68	=	\$45,117.32
31,786 KW @	\$0.69	=	\$21,918.54
On-Peak Demand Charge			
186,227 KW @	\$7.66	=	\$1,426,498.82
89,903 KW @	\$7.73	=	\$694,950.19
Excess KVAR Charge			
24,533 KW @	\$1.00	=	\$24,533.00
Energy Charge			
135,917,849 KWH @	\$0.00406	=	\$551,826.47
64,263,523 KWH @	\$0.00410	=	\$263,480.44
1992 PXT PRESENT BASE REVENUE			\$3,255,146.29

Rate SS			
Customer Charge			
36 Bills @	\$25.00	=	\$900.00
16 Bills @	\$250.00	=	\$4,000.00
8 Bills @	\$251.98	=	\$2,015.84
Local Facilities Charge			
24,000 KW @	\$1.24	=	\$29,760.00
12,000 KW @	\$1.25	=	\$15,000.00
1,073,200 KW @	\$0.52	=	\$558,064.00
Reservation Charge			
526,000 KW @	\$1.00	=	\$526,000.00
206,500 KW @	\$1.01	=	\$208,565.00
Daily Demand Charge			
265,676 KW @	\$0.57	=	\$151,435.32
84,709 KW @	\$0.58	=	\$49,131.22
1,305,598 KW @	\$0.43	=	\$561,407.14
Energy Charge			
19,937,260 KWH @	\$0.00458	=	\$91,312.65
13,730,856 KWH @	\$0.00462	=	\$63,436.55
Transformer Ownership and Primary Metering Voltage Discounts			
18,000 KW @	(\$0.41)	=	(\$7,380.00)
12,000 KW @	(\$0.0124)	=	(\$148.80)
6,000 KW @	(\$0.0125)	=	(\$75.00)
12,000 KW @	(\$0.0100)	=	(\$120.00)
6,000 KW @	(\$0.0101)	=	(\$60.60)
0 KW @	(\$0.0057)	=	\$0.00
0 KW @	(\$0.0043)	=	\$0.00
8,209 KWH @	(\$0.0000458)	=	(\$0.38)
9,579 KWH @	(\$0.0000462)	=	(\$0.44)
Transformer Ownership and Transmission Metering Voltage Discounts			
18,000 KW @	(\$0.48)	=	(\$8,640.00)
12,000 KW @	(\$0.0248)	=	(\$297.60)
6,000 KW @	(\$0.0250)	=	(\$150.00)
12,000 KW @	(\$0.0200)	=	(\$240.00)
4,500 KW @	(\$0.0202)	=	(\$90.90)
0 KW @	(\$0.0114)	=	\$0.00
4,700 KW @	(\$0.0086)	=	(\$40.42)
78,700 KWH @	(\$0.0000916)	=	(\$7.21)
182,500 KWH @	(\$0.0000924)	=	(\$16.86)
1992 SS PRESENT BASE REVENUE			\$2,243,750.51

SUMMARY	
1992 LPT PRESENT BASE REVENUE	\$312,819.77
1992 PXT PRESENT BASE REVENUE	\$3,255,146.29
1992 SS PRESENT BASE REVENUE	\$2,243,750.51
SUBTOTAL	\$5,811,725.57
ADJUSTMENT*	\$0.03
1992 BASE REVENUE	\$5,811,725.60

*Adjustment due to rounding difference when revenue calculated using combined billing determinants versus individual Customer bills.

STANDBY AND SUPPLEMENTARY SERVICE (SBS)
(SBS1, SBS2)

Availability

Available throughout the entire territory served by the Company.

Applicability

Applicable to any Customer which, having on-site generating equipment operated for other than emergency and/or test purposes, requests Standby or a combination of Standby and Supplementary Service. A Customer is required to take service under this rate schedule if its total on-site generating capability: (1) exceeds 100 KW, (2) supplies at least 20% of its total on-site electrical load, and (3) is operated for other than emergency purposes.

Service to two or more premises shall not be combined nor shall service furnished hereunder be shared with or resold to others. All service shall be taken at the same voltage and from a single delivery point.

Character of Service

Alternating current, 60 cycle, single-phase or three-phase, at the Company's standard voltage available.

Procedures

Customers receiving service from this schedule must:

1. Execute a Standard Form of Contract for Electric Power identifying the Supplementary Service Capacity (NC) required to be maintained by the Company. In the event of a bona fide change in the Customer's maximum supplementary service requirements, the Supplementary Service Capacity (NC) for the future may be changed accordingly by mutual agreement.
2. Execute a Standby Service Agreement identifying the Standby Service Capacity (BC), not less than 100 KW, required to be maintained by the Company. In the event of a bona fide change in the Customer's standby service requirements, the Standby Service Capacity (BC) for the future may be changed accordingly by mutual agreement.
3. Execute a Standby Service Interconnection Agreement and reimburse the Company for any necessary additional metering costs incurred by the Company as a result of supplying electric service to the Customer under the terms of this schedule.

Limitation of Above 7,499 KW Demand Range for Billing Purposes

This billing range will be available only to Customers included in Rate PX/PXT for final rate calculations in the Company's last general rate case, Docket No. 891345-EI.

GULF POWER COMPANY

Section No. VI
 Fourth Revised Sheet No. 6.30
 Canceling Third Revised Sheet No. 6.30

Monthly Rates - Customers with a BC and NC that fall in two different demand (KW) ranges will be billed under the demand (KW) range applicable to the larger of the BC or NC. Should the maximum demand (KW) taken in a billing month exceed the sum of the BC and NC, except as provided below, a new BC reflecting this new actual maximum demand will be established. In lieu of the new BC based on the newly established actual maximum demand, the Customer and the Company may by mutual agreement select a new BC and/or NC. This selection must be made before the normal billing for the month in which the newly increased maximum demand is established. The Customer would then be billed under the demand (KW) range of the larger of the new (if applicable) BC and NC.

A Standby Service Customer which is either not eligible for or has not elected to receive service under Option A below will be billed for electric service in accordance with the following charges:

	Secondary 100 to 499 KW	Secondary 500 to 7,499 KW	Primary Above 7,499 KW
Contract Demand:			
Customer Charge:	\$251.98	\$251.98	\$600.01
Demand Charge:			
Local Facilities Charge per KW of BC and NC	\$1.69	\$1.25	\$0.52
On-Peak Demand Charge: Per KW of On-Peak KW up to NC	\$2.45	\$7.27	\$7.73
Plus the greater of:			
Reservation Charge: Per KW of BC or	\$1.01	\$1.01	\$1.00
The Sum of the Daily On-Peak Standby Demand Charges: Per KW per day of On-Peak KW in excess of NC	\$0.47	\$0.47	\$0.47
Energy Charge Per KWH:	1.300¢	0.421¢	0.410¢

Customers with zero (0) NC will not be subject to the On-Peak Demand Charge.

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EFFECTIVE:

GULF POWER COMPANY

Option A - Combination of Standby and Supplementary Service - SE Applicable

Customers signing up for both BC and NC, with NC of not less than 500 KW, may elect to receive service under this option, in which case, the following charges will apply:

	Secondary 100 to 499 KW	Secondary 500 to 7,499 KW	Primary Above 7,499 KW
Contract Demand:	N/A	\$251.98	\$600.01
Customer Charge:	N/A		
Demand Charge:			
Local Facilities Charge per KW of BC and NC	N/A	\$1.25	\$0.52
On-Peak Demand Charge:			
Per KW of Non-SE On-Peak KW up to NC	N/A	\$7.27	\$7.73
Plus the greater of:			
Reservation Charge:			
Per KW of BC or	N/A	\$1.01	\$1.00
The Sum of the Daily Non-SE On-Peak Standby Demand Charges:			
Per KW per day of Non-SE On-Peak KW in excess of NC	N/A	\$1.42	\$1.41
Energy Charge Per KWH:	N/A	0.421¢	0.410¢

The BC and NC to be used in the above calculations will be the greater of the sum of the contract demands (BC and NC) or the maximum demand (KW) taken in the current month. If the maximum demand (KW) taken in a billing month exceeds the sum of the BC and NC, except as provided below, a new BC reflecting this new actual maximum demand will be established. In lieu of the new BC based on the newly established actual maximum demand, the Customer and the Company may by mutual agreement select a new BC and/or NC. This selection must be made before the normal billing for the month in which the newly increased maximum demand is established.

ISSUED BY:

EFFECTIVE:

GULF POWER COMPANY

Section No. VI
Fourth Revised Sheet No. 6.31
Canceling Third Revised Sheet No. 6.31

Provision for Lowering Standby Service Capacity (BC)

The BC may be decreased by mutual agreement between the Customer and the Company provided the Customer has sufficiently demonstrated that its continuing requirements for Standby capacity are now less than the established BC. If the Customer's BC has been decreased and, within 12 months of such change, the Customer's BC increases through the operation of the provisions of this tariff, the Customer shall pay the difference between what was billed during the elapsed time as demand charges and what would have been billed to the Customer as demand charges using the lesser of the newly established BC or the BC in effect before the decrease. This adjustment will appear on the bill for the billing period in which the increased BC is first effective.

Provision for Coordinated Maintenance Months (CMMs)

The Customer will be allowed up to a total maximum of four (4) billing months in the period September through May to be designated as Coordinated Maintenance Months (CMMs), subject to the approval of the Company. The Customer's request for designation of a particular month as a CMM should ordinarily be submitted six (6) months in advance. The Company, in its sole discretion, may accept a request submitted less than six (6) months in advance. The request for Company approval of a proposed CMM must be submitted in writing.

If the highest standby demand occurring during an approved CMM exceeds the Customer's BC, then this new higher BC would be used in the determination of the Reservation Charge only for the current month. This new higher BC will be waived for purposes of the calculation of the Reservation Charge for future billing periods.

During an approved CMM, the Customer will not be billed for the Daily On-Peak Standby Demand Charges or Daily Non-SE On-Peak Standby Demand Charges that would otherwise be applicable.

Determination of the On-Peak Period

The on-peak period for calendar months April through October is defined as being those hours between 12:00 P.M. and 9:00 P.M. Central Daylight Time/Central Standard Time, Monday through Friday.

The on-peak period for calendar months November through March is defined as being those hours between 6:00 A.M. and 10:00 A.M. and between 6:00 P.M. and 10:00 P.M. Central Standard Time/Central Daylight Time, Monday through Friday.

Determination of the Off-Peak Period

All hours not included above and all hours of the observed holidays of New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas are in the off-peak period.

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GULF POWER COMPANY

Section No. VI
Original Sheet No. 6.31.1

Determination of Standard Billing Demand

On-Peak Demand - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) during each service month as measured during the hours designated as on-peak but not to exceed the NC. This demand (KW) is not applicable to Customers contracting for and receiving zero (0) NC.

Daily On-Peak Standby Demand - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) in excess of the NC (if applicable) as measured during the peak hours of each day for each on-peak day of the billing period.

Determination of Billing Demand - Option A

On-Peak Demand (Option A) - The kilowatt (KW) billing demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) during each service month as measured during the hours designated as on-peak and not declared as Supplemental Energy Periods (SEP) but not to exceed the NC.

Daily Non-SE On-Peak Standby Demand (Option A) - The kilowatt (KW) demand for billing purposes shall be the Customer's maximum integrated fifteen minute demand to the nearest kilowatt (KW) in excess of the NC as measured during the peak hours of each non-SE on-peak day of the month.

Provision for Annual Review of Option A Daily Non-SE On-Peak Standby Demand Charge

If the monthly average of the non-SE on-peak days for the non-CMM months for each year ending December is greater than seven (7), then the Daily Non-SE On-Peak Standby Demand Charge for Option A will be recalculated using the monthly average number of non-SE on-peak days for the non-CMM months for that year. Any Customer billed Daily Non-SE On-Peak Standby Demand Charges for that year will be credited on the December bill for the difference in the original charges billed using the \$1.41/\$1.42 charge and the new charge; however, if the sum of the Daily Non-SE On-Peak Standby Demand Charges calculated using the new charge is less than the applicable Reservation Charge, then the Customer will be credited for this month for the difference in the original charges billed using the \$1.41/\$1.42 charge and the Reservation Charge. The monthly charge will remain at \$1.41/\$1.42 for future bills subject to the annual true-up in December of each year. This review will apply on a customer-by-customer basis using each individual Customer's non-CMM months for the year.

Designation of SEP - Applicable to Option A Only

The Company may, from time to time, designate Supplemental Energy Periods (SEP) and notify all customers served under this rate of such designation. Designation of SEP and duration of each period is made at the sole discretion of

ISSUED BY:

EFFECTIVE:

the Company. No SEP will be designated for less than 24 hours in length. Generally, it is not the intention of the Company to declare a SEP when any one of the following is likely to occur:

1. Average system fuel lambda for the SEP may exceed the average fuel cost recovery factor; as shown in Schedule E-1 for the applicable period; or
2. Southern system territorial monthly peak hour demand; or
3. Gulf system territorial monthly peak hour demand.

Early Termination of SEP - Applicable to Option A Only

In the event that a SEP is terminated by the Company earlier than designated, the Company will provide at least six hours notice of the termination of a SEP. This limitation does not apply in the event of a system emergency, and notification of early termination may be less than six hours.

Reactive Demand Charge - The monthly bill calculated at the above rates shall also be increased in the amount of \$1.00 per kvar for all over 0.48432 kilovars per kilowatt (90% power factor). The kilovars to which this adjustment shall apply shall be the monthly maximum measured kilovar demand or may be calculated as the square root of the difference between the square of the maximum monthly measured kva demand and the square of the maximum monthly measured kw demand. This charge is applicable only to the Supplementary Service.

Transformer Ownership Discount and Primary Metering Voltage Discounts - When the Company renders service under this Rate Schedule at the local primary distribution voltage and any transformers required are furnished by the Customer, the monthly rate will be subject to a discount of: twenty-seven (27) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 100 to 499 KW demand range; or forty-one (41) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range; and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

Transformer Ownership Discount and Transmission Metering Voltage Discounts - When the Company renders service under this Rate Schedule from an available transmission line of 46,000 volts or higher and the Customer furnishes, operates, and maintains the complete step-down transformer substation necessary to receive and use such service, the monthly rate will be subject to a discount of forty-eight (48) cents per month per kilowatt (KW) of the Customer's demand used in the calculation of the Local Facilities Charge for those customers which are billed under the 500 to 7,499 KW demand range and an additional discount of two percent (2%) of the Energy Charge and two percent (2%) of the Demand Charge. The monthly rate will be subject to a discount of seven (7) cents per kilowatt (KW) of the demand used in the calculation of the Local Facilities Charge for those customers which are billed under the above 7,499 KW demand range and an additional discount of one percent (1%) of the Energy Charge and one percent (1%) of the Demand Charge.

GULF POWER COMPANY

Section No. VI
Third Revised Sheet No. 6.32.1
Canceling Second Revised Sheet No. 6.32.1

Term of Contract

(1) Service under this rate schedule shall be for a minimum period of five (5) years and shall continue thereafter from year to year until terminated by either party upon twenty-four (24) months written notice to the other. (2) For customers electing to receive service hereunder pursuant to Option A, the initial election of this option may be terminated at any time by written notice from the Customer; and in such event, the Customer will then begin taking service under the standard provisions. After such termination, if the same Customer at the same premises elects again to receive service pursuant to Option A, the Customer will be required to remain on Option A for one (1) year.

TAX ADJUSTMENT - See Sheet No. 6.16

FRANCHISE FEE BILLING - See Sheet No. 6.16

FUEL CHARGE - See Sheet No. 6.15

PURCHASED POWER CAPACITY COST - See Sheet No. 6.15.1

ENERGY CONSERVATION - See Sheet No. 6.16.1

GROSS RECEIPTS TAX ADJUSTMENT - See Sheet No. 6.16

PAYMENT OF BILLS - See Sheet No. 6.16

DEFINITIONS

"Standby electric service" refers to backup or maintenance service or both.

"Backup service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during an unscheduled outage of the Customer's generation. An unscheduled outage is defined as the loss or reduction of generation output due to equipment failure(s) or other condition(s) beyond the control of the Customer.

"Maintenance service" means electric energy or capacity supplied by the Company to replace energy or capacity ordinarily generated by a Customer's own generation equipment during a scheduled outage of the Customer's generation. A scheduled outage is defined as the loss or reduction due to maintenance activities of any portion of a Customer's generating system.

"Supplementary service" means electric energy or capacity supplied by the Company in addition to that which is normally provided by the Customer's own generation equipment.

"Outage" means that period in which a forced or unforced reduction in the totalized output of the Customer's generator(s) occurs.

SERVICE UNDER THIS RATE SCHEDULE IS SUBJECT TO RULES AND REGULATIONS OF THE COMPANY AND THE FLORIDA PUBLIC SERVICE COMMISSION.

ISSUED BY:

EFFECTIVE: