

Robert L. ...  
Florida Public Service Commission  
Tallahassee, Florida 32399

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Gulf Power  
1996

August 15, 1996

Mr. Joe Jenkins  
Division of Electric & Gas  
Florida Public Service Commission  
2540 Shumard Oak Drive  
Tallahassee, FL 32399

RE: Docket No. 960789-EI Gulf Power Company's Petition for Authority to  
Implement a Proposed Commercial/Industrial Service Rider on a  
Pilot/Experimental Basis

Dear Mr. Jenkins:

We are providing as Attachment No. 1 the information that Chairman Clark requested concerning what the states of Alabama, Georgia and Mississippi have done on flexible pricing options. We have also included for comparative purposes columns for our proposed CIS rider and the current FPSC rule for special contracts.

Please advise if you need further information or have any questions concerning this information.

Sincerely,

*R.S. Light*

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RGL/fg  
CC: Commissioners  
Mr. William Talbott  
Dr. Mary Bane  
Ms. Vicki Johnson  
Ms. Gail Kamaras  
Mr. Joseph McGlothlin  
Ms. Blanca Bayo ✓

DOCUMENT NUMBER-DATE  
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FPSC REGISTRY REPORTING

COMPARISON OF FLEXIBLE PRICING OPTIONS

Provision	Gulf Power Proposed at 7/30 Agenda	FPSC Rule 25-9.034	Alabama Power	Georgia Power	Georgia Power (Customer Choice Rules)	Mississippi Power
Special Contract or Flexible Pricing Tariff	Proposed Commercial/Industrial Service (CIS) Rider; experimental	Special Contract	Flexible Contract Rate Schedule (FCR)  (Authorized by PSC Order)	Special Contract  (Authorized by PSC Order following a generic docket)	N/A This is not a special contracts or flexible pricing option.	Special Contract  (Authorized by State legislation)
Commission Review	Review triggered by (a) general rate case, or (b) imputed revenues resulting in above-authorized ROE.	Preapproval required with unlimited time for approval process	Disapproval required within 10 days.	Discussed with Commission Staff; disapproval required within 60 days	PSC review only when a customer's choice is disputed, resulting in what is known in Georgia as a "territorial dispute".	Preapproval required with 30 days allowed for approval process
Confidentiality	Yes	No unless confidentiality requested and approved.	Yes	Yes	No, not applicable.	Yes
Eligibility	Commercial/Industrial "at risk" customers with Qualifying Load that equals or exceeds a minimum level of demand. For Retained Load that minimum demand is 500 KW of maximum monthly demand. For New Load that minimum demand 1,000 KW of installed, connected demand.	Not addressed	Commercial or Industrial Customers with no less than 1 MW who have a competitive alternative or are "at risk".	The new or existing load must qualify for job or investment credits under Georgia Business Expansion Support Act of 1994 and be engaged in manufacturing or warehousing distribution or new load must be subject to competition between Georgia and any other state or country. Existing load (jobs) must be leaving the state.	New customers with a connected electrical load in excess of 900 kW, locating outside the 1973 territorial boundaries of Georgia's electric suppliers may choose their supplier. Customers may also sometimes choose between two or more suppliers when their service corridors overlap.	No load limitation for manufacturers. All others, annual KWH must be >= 2,500,000.
Term of Contract	Negotiable	Not addressed	No limitations	No more than 5 years	No limitations	No limitations
Pricing Restrictions (Minimum)	Price floor is incremental cost plus a contribution to fixed costs. Price floor to also include all otherwise applicable cost recovery clauses.	Not addressed	No less than incremental cost of providing service to the Customer's location over the term of the contract. Must pass the Rate Impact Measure test and be demonstrated to the APSC Staff.	Recover all relevant incremental costs.	Price offers must be based on existing, approved rates and riders.	Not defined
Other	Rider availability to subscription limited to 12 contracts, 200 MW connected load, or 4 years from initial availability.		Must pay all fuel costs and taxes. Effective beginning April, 1996.	Tied to the State of Georgia's EDIP - Economic Development Incentive Policy.	Georgia's customer choice rules are found in the Territorial Act of 1973.	