

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

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December 4, 1997

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FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF ELECTRIC & GAS (GING, HAFF) *PH*
DIVISION OF LEGAL SERVICES (JAYE) *MDJ* *Julian* *on* *RUE* *JDJ*

RE: DOCKET NO. 971462-EG - GULF POWER COMPANY - PETITION FOR APPROVAL OF RATE SCHEDULE RSVP AND ASSOCIATED CUSTOMER AGREEMENT

AGENDA: 12/16/97 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 1/5/98

SPECIAL INSTRUCTIONS: S:\PSC\EAG\WP\971462EG.RCM

CASE BACKGROUND

Gulf Power Company's (Gulf) Advanced Energy Management (AEM) Program was previously approved by this Commission as part of the Company's Demand-Side Management Plan with Order No. PSC-95-0691-FOF-EG issued June 9, 1995. The Order, in part stated: "We instruct staff, however, to scrutinize this program in evaluating its cost effectiveness and the kW and kWh savings it achieves."

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission suspend Gulf's petition for approval of rate schedule RSVP and associated customer agreement?

RECOMMENDATION: Yes. The Commission should suspend Gulf's petition for approval of rate schedule RSVP and associated customer agreement. (GING, HAFF)

STAFF ANALYSIS: On November 6, 1997, Gulf filed a petition for approval of rate schedule RSVP and associated customer agreement. Gulf's petition cites approval of the program in Order No. PSC-95-0691-FOF-EG. However, Gulf's petition to approve the RSVP tariff appears to be more like a request to modify its approved AEM program. The modified program contained in Gulf's proposed tariff differs from the pilot AEM program in a number of ways: the pilot

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program will be changed to a permanent program, the equipment costs have changed and the method for their recovery is different, the estimated kW and kWh savings are changed, the price charged to customers during "High Cost Hours (p)" has increased, and a new charge to the customer for removal of the equipment has been added.

Because of the many changes in Gulf's petition compared to the original pilot approved in Order No. PSC-95-0691-FOF, Staff recommends that this filing be suspended to allow staff the opportunity to request more supporting data and time to evaluate the new program.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. The docket should remain open until the Commission either approves or denies the proposed tariffs. (JAYE)

STAFF ANALYSIS: The docket should remain open until the commission either approves or denies the proposed tariffs.