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April 30, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 941102-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Supplemental Petition for Authority to Allow Customers Participating in Gulf Power Company's Pilot/Experimental Real Time Pricing Program to Continue Taking Service Pursuant to Rate Schedule RTP After December 31, 1998.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 6.1 format as prepared on a Windows NT based computer.

Sincerely,

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
EAG Wheeler _____
LEG _____
LIN _____
OPC _____
RCH _____
SEC _____
WAS _____
OTH _____

Susan D. Cranmer

Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

lw
Enclosure

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE
04977 MAY-4 88
FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Petition of Gulf Power Company for)
 approval of its proposed pilot/experimental) Docket No.: 941102-EI
 Real Time Pricing Program and the) Filed: May 1, 1998
 associated rate schedule.)
 _____)

**SUPPLEMENTAL PETITION FOR AUTHORITY TO ALLOW CUSTOMERS
 PARTICIPATING IN GULF POWER COMPANY'S PILOT/EXPERIMENTAL REAL
 TIME PRICING PROGRAM TO CONTINUE TAKING SERVICE PURSUANT TO
 RATE SCHEDULE RTP AFTER DECEMBER 31, 1998**

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

Jeffrey A. Stone
 Russell A. Badders
 Beggs & Lane
 P. O. Box 12950
 Pensacola, FL 32576-2950

Susan D. Cranmer
 Assistant Secretary and Assistant Treasurer
 Gulf Power Company
 One Energy Place
 Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power," "Gulf," or "the Company"), by and through its undersigned counsel, hereby petitions the Florida Public Service Commission ("the Commission") for authority to allow customers participating in the Company's pilot/experimental real time pricing program to continue taking service under Rate Schedule RTP after December 31, 1998 in order to give both the Company and the Commission an adequate opportunity to review the data collected during the pilot program and determine what action to take with regard to continuation and or modification of Gulf's real time pricing program. In support of this petition, the Company states:

1. Gulf Power is an investor-owned electric utility providing retail electric service to customers within northwest Florida and, pursuant to the provisions of Chapter 366 of the Florida Statutes, is subject to economic regulation by the Commission. The Company's principal offices are located at 500 Bayfront Parkway, Pensacola, Florida 32501.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

2. On October 13, 1994, Gulf filed its petition for approval of the Company's proposed "Real Time Pricing ("RTP") Pilot Conservation Program" and the associated experimental Rate Schedule RTP, Original Sheet Numbers 6.42 through 6.43. There was no intervention in the resulting docket. The Commission considered and approved Gulf's petition as part of the Commission's agenda for the Commission Conference held February 7, 1995. Thereafter, Order No. PSC-95-0256-FOF-EI was issued by the Commission on February 23, 1995 approving Gulf's Real Time Pricing Program and Tariff with an effective date of February 7, 1995. No protest of the Commission's order was filed and it became final by its own terms on March 17, 1995. On December 13, 1996, Gulf filed a supplemental petition seeking authority to enlarge the limit on the maximum number of customers eligible to participate in the Company's pilot/experimental real time pricing program from the original limit of twelve (12) to a total of twenty-four (24) for the remainder of the study period. This request was approved with an effective date of February 4, 1997 by Commission Order No. PSC-97-0217-FOF-EI issued February 24, 1997 in Docket No. 961483-EI. No protest of the Commission's order was filed and it became final by its own terms on March 18, 1997.

3. Service under the current Rate Schedule RTP will terminate on December 31, 1998 unless extended by order of the Commission. Although Gulf's RTP customers, in general, are satisfied with the program and desire to stay on this type of pricing program, several of Gulf's RTP customers have expressed misgivings about staying on the program during the summer of 1998 if their participation would have to end as of December 31, 1998. These misgivings arise out of the fact that they need eight to nine months of non-summer prices to economically balance three months of summer prices. The current expiration date of December 31, 1998 leaves these

customers five to six months short of this balance. In order to protect the integrity of the data collection effort undertaken in this pilot/experimental program, it is important that Gulf retain as many of its RTP customers as possible on the program through the summer months of 1998.

4. At the time Gulf proposed its Real Time Pricing (“RTP”) Pilot Conservation Program, the Company identified five specific program objectives: a) conservation, b) economic efficiency, c) gain information about customer response, d) value based pricing, and e) customer satisfaction. The RTP pilot, as designed, approved and implemented, is on its way toward achieving all of the objectives identified by Gulf Power when the Company’s RTP pilot was initially considered by the Commission.

5. As reflected by the data submitted by the Company in its regular quarterly reports to the Commission through three summer seasons¹, the program has thus far shown that customer response to the pricing initiative represented by Rate Schedule RTP produces a cost-effective reduction in the growth of peak demand on the Company’s system.

6. In order to minimize pressure on customers to terminate their participation prematurely, Gulf is requesting authority to continue offering service under Rate Schedule RTP beyond December 31, 1998 to all customers then receiving service under that rate schedule for such period of time as would allow the Company time to complete its analysis of the results over the life of the program and to determine whether to seek the Commission’s approval to continue the real time pricing program on a permanent basis or as a modified pilot/experimental

¹Gulf Power is a summer peaking utility for generating capacity planning purposes.

program.² In the likely event the Company decides to seek Commission authority for Gulf to continue to offer a real time pricing program, the requested extension would also allow the participants in Gulf's RTP program to remain on the experimental rate during the period of Commission consideration. This would preserve the benefits of the RTP program for Gulf's general body of customers and avoid transaction costs that would otherwise be associated with a temporary termination of the program followed by a renewed startup. If the requested extension is granted by the Commission, no customers would be allowed to take service under Rate Schedule RTP other than those participating in the current pilot program as of December 31, 1998 unless and until Gulf seeks and is granted authority by the Commission to continue the real time pricing program on either a permanent or modified pilot basis.

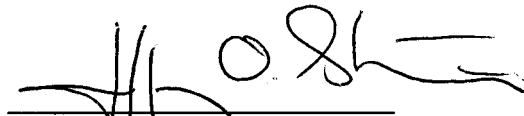
7. Gulf's RTP customers have expressed their desire to continue to participate in and receive service pursuant to real time pricing programs after the study period without an interruption in the availability of such pricing options. Despite their desire to stay on the program, due to the uncertainty about the availability of the program beyond December 31, 1998, Gulf's current RTP customers face a decision on or before June 1, 1998 whether to continue their participation in the Company's real time pricing program for the summer months of 1998. Therefore, on behalf of these customers, Gulf requests that the Commission consider this

²Gulf is obligated under the terms of Order No. PSC-95-0256-FOF-EI, to file a final report regarding the results of the pilot study on or before April 30, 1999. Within that same period, if not earlier, Gulf fully expects to file a petition seeking Commission authorization for a continuation of the Company's Real Time Pricing Program on some basis that takes into account the evaluated results of the pilot study. Such petition may take the form of a request for authority to implement the current Rate Schedule RTP on a permanent basis or authority to implement one or more modified real time pricing rate schedules on either a permanent or pilot/experimental basis.

supplemental petition on an expedited basis. It would be helpful to Gulf's customers if this matter could be placed on the agenda for Commission consideration at the Commission Conference scheduled for May 19, 1998.

WHEREFORE, Gulf Power Company respectfully requests that the Florida Public Service Commission: (1) authorize the Company to advise customers taking service under Rate Schedule RTP as of December 31, 1998 that they can continue to receive service pursuant to said rate schedule RTP after that date 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; (2) consider this request on an expedited basis including, if at all possible, placing the matter on the agenda for the Commission Conference scheduled for May 19, 1998; or (3) grant such other reasonable relief as the Commission deems appropriate.

Respectfully submitted this 30th day of April, 1998.



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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION


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

Docket No. 941102-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 30th day of April 1998 by hand delivery or U. S. Mail to the following:

Grace Jaye, Esquire
Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863



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