



Public Service Commission

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RECORDS AND REPORTING

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RECEIVED-FPSC

DATE: APRIL 22, 1999

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

FROM: DIVISION OF ELECTRIC AND GAS (WHEELER)
DIVISION OF LEGAL SERVICES (COLLINS) *DRW SK RVE JDS*

RE: DOCKET NO. 990315-EI - PETITION BY GULF POWER COMPANY FOR APPROVAL OF RATE SCHEDULE REAL TIME PRICING PROGRAM (RTP)

AGENDA: 5/4/99 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE - 5/10/99

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\EAG\WP\990315.RCM

CASE BACKGROUND

The Commission approved Gulf Power Company's (Gulf's) proposed Real Time Pricing (RTP) pilot conservation program effective February 7, 1995. The RTP rate schedule provides participating customers with hourly energy prices, and thus allows customers to schedule their usage of electricity in a manner which will minimize their total bills. Pursuant to Order No. PSC-95-0256-FOF-EI, issued February 23, 1995, Gulf's RTP program was scheduled to terminate on December 31, 1998, at which time customers participating in the program were to return to their otherwise applicable standard rate, unless the program was extended by order of the Commission.

On June 16, 1998, the Commission approved an extension of the RTP rate schedule until May 31, 1999, in order to allow Gulf the opportunity to review and examine the results of its experimental program, and to file for approval of a permanent RTP rate. Gulf filed for approval of a permanent RTP rate schedule on March 11, 1999.

DOCUMENT NUMBER-DATE

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DISCUSSION OF ISSUES

ISSUE 1: Should the Commission Suspend Gulf Power Company's proposed Real Time Pricing rate schedule tariffs?

RECOMMENDATION: Yes. The tariffs should be suspended to allow staff time to analyze the results of the Real Time Pricing pilot study, and make a recommendation regarding the proposed permanent RTP rate. [WHEELER]

STAFF ANALYSIS: Gulf filed for approval of a permanent RTP rate schedule on March 11, 1999. Pursuant to the order approving the RTP pilot program, Gulf must provide to the Commission a final report describing the program results by April 30, 1999. At this time, staff has not yet received the report, and thus cannot make a recommendation regarding the proposed permanent program. Suspending the tariff will allow the staff the time to receive and review the final report, and to conduct any discovery necessary to evaluate the proposed permanent program.

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ISSUE 2: Should the Commission extend the availability of Gulf Power Company's existing RTP rate schedule until the Commission votes on the proposed permanent RTP rate schedule?

RECOMMENDATION: Yes. The Commission should allow the experimental RTP rate schedule to remain in effect for existing customers until they vote to approve or deny Gulf's proposed new permanent RTP program, or until the proposed new rate is withdrawn by Gulf. Staff recommends that if none of these three events has occurred by November 30, 1999, the existing rate should be closed at that time.

STAFF ANALYSIS: If the Commission votes in Issue 1 to suspend the proposed permanent RTP rate schedule, they will not vote to approve or deny the rate prior to the expiration of the existing RTP rate on May 31, 1999. In order to avoid disrupting service to existing RTP customers, staff believes it is reasonable to allow them to continue service under the existing rate beyond May 31, 1999, until the Commission votes on the proposed new rate, or until Gulf withdraws its request for approval of the new RTP rate. Staff further recommends that if the new rate has not been approved, denied, or withdrawn by November 30, 1999, the existing RTP rate should be closed.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. [COLLINS]

STAFF ANALYSIS: This docket should remain open pending a Commission decision regarding Gulf's proposed Real Time Pricing Rate Schedule.