

One Energy Place
Pensacola, Florida 32520

850.444.6111

August 27, 1999



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

991317-E1

Dear Ms. Bayo:

RE: Rate Rider PV - Photovoltaics (Optional Rider)

Enclosed for approval are an original and fifteen copies of the following new and revised tariff sheets for the new Rate Rider PV:

<u>New</u>	<u>Canceling</u>
Twentieth Revised Sheet No. ii	Nineteenth Revised Sheet No. ii
Twenty-Sixth Revised Sheet No. 6.2	Twenty-Fifth Revised Sheet No. 6.2
Original Sheet No. 6.89	N/A
Original Sheet No. 6.90	N/A

This letter and Attachment A are being supplied in order to comply with the requirements of Rule 25-9.005(2)(a) and (b), 25-9.005(3)(b), 25-9.005(4), and 25-9.005(5), Florida Administrative Code. This new rider is for a new service classification; and therefore, the information set forth in section (1) of that rule is not required. The estimated annual revenue and the estimated number of customers to be served as required by section (4) is not determinable.

The page numbers on these tariff sheets are consistent with the revised Section VI that was filed with the Commission on August 16, 1999. Also, a copy of the rate design workpapers has been provided to the Chief of the Bureau of Electric Regulation under separate cover with a copy of this letter.

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

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs and Lane
J. A. Stone, Esquire
Florida Public Service Commission
Connie Kummer

DOCUMENT NUMBER-DATE

10397 AUG 31 89

FPSC-RECORDS/REPORTING

ATTACHMENT A

Proposed Rate Rider PV (Photovoltaics) will be a voluntary option for our residential, commercial, and industrial customers and will enable them to purchase fixed blocks of renewable photovoltaic energy. The amounts paid for this PV energy will be in addition to the regular monthly bill for the rate the customer takes electric service under.

Renewable energy is often referred to as “green power” and is energy derived from wind, solar, geothermal, or hydro – renewable energy sources. This renewable energy can take the place of some energy generated from limited resources such as coal. Renewable energy is considered environmentally friendly.

Market research indicates that customers are concerned about the environment in which they live, work, and play. These customers are increasingly making changes in their lifestyles to create a better environment. Examples include participation in recycling programs, participating in car pools, seeking out businesses that employ environmentally friendly programs, being a voluntary participant in Gulf Power’s Solar for Schools program, etc.

Because renewable energy is relatively new to Gulf’s customers (other than Gulf Power’s Solar for Schools program), initially the Company wants to *pursue renewable technology that customers can easily understand.* Traditionally, when customers think of renewable energy, they think of wind, solar, geothermal, or hydro. Market research shows that solar has the highest

1 recognition among customers at 93%, followed by wind at 85%, and hydro at
2 74%. For this reason, a solar option was chosen based on this recognition
3 factor.

4 Solar power can be divided into two areas: solar thermal and PV. Solar
5 thermal involves the use of solar collectors to collect solar radiation and convert it
6 to heat. PV involves the solar cell collecting solar radiation and converting the
7 light energy into direct current energy. Gulf has chosen a PV option for this
8 green pricing offering.

9 The advantages of a PV generating facility are that it is quiet with few
10 moving parts and requires relatively low maintenance costs. The disadvantages
11 of a PV generating facility are that it is very expensive and only available during
12 the daylight hours. Energy prices for PV are approximately 32¢/kWh to 44¢/kWh
13 and incorporate the fact that PV is only available a limited number of hours per
14 day (per information from The Georgia Institute of Technology Photovoltaics
15 Research and Education Center of Excellence).

16 To provide a flexible pricing feature for customers as compared to a straight
17 energy charge of approximately 32¢/kWh to 44¢/kWh, the rate structure of the
18 PV rider was designed using a demand charge based on 100-Watt blocks of
19 green energy. Basically, over and above the customer's normal rate, they can
20 choose to purchase 100-Watt fixed blocks of PV energy at a price of \$6.00 per
21 100-Watt block. The rate design workpapers showing the derivation of the \$6.00
22 monthly charge per 100-Watt block have been provided to the Chief of the
23 Bureau of Electric Regulation. It should be pointed out that the \$6.00 monthly

1 charge is a cost-based charge for the incremental, additional cost of the PV
2 above the standard tariff. By having the option of committing to multiple blocks of
3 PV energy, customers can choose how much renewable energy they would like
4 to fund. The rider will be available to all customer classes – residential,
5 commercial, and industrial.

6 This PV project is a collaborative project among the operating companies
7 within the Southern Company. The \$6.00 monthly charge is based on the
8 construction of a one MegaWatt (MW) PV facility. The construction of a one MW
9 PV facility or the commitment to purchase a comparable amount of PV energy
10 would require that 10,000 (from all operating companies combined) of the 100-
11 Watt blocks be sold. However, to account for customer turnover, more than
12 10,000 of the 100-Watt blocks might actually have to be sold. If, at the time
13 billing begins, the Southern Company has more subscribers than required to
14 build a PV facility or purchase PV energy, the subscribers would be billed on a
15 first come, first serve basis. Any additional subscribers would be first on the list if
16 the decision is made to build more PV facilities or a commitment is made to
17 purchase more PV energy.

18 Currently, the plan is to build a joint facility and not one at each operating
19 company. Thus, the Southern Company operating companies would be sharing
20 the customer commitment and energy produced. At this time, the building site
21 has yet to be determined.

22 When power is either purchased from photovoltaic generating facilities or
23 a photovoltaic generating facility of the Southern Company begins commercial

1 operation and sufficient operating and maintenance costs are available, the
2 \$6.00 monthly charge will be re-evaluated based on actual costs to determine if
3 an adjustment is necessary. A revised tariff sheet will be filed reflecting the new
4 charge.

5 This PV rider is totally voluntary. It has an initial term of five years and
6 may be terminated by either party following two years written notice to the other
7 party. Such two-year notice to terminate may be given at any time following year
8 three of the initial term.

9 Participating customers would not begin paying for the 100-Watt blocks of
10 PV energy until the second month following the date in which power is purchased
11 from PV generating facilities or in which a PV generating facility of the Southern
12 Company begins commercial operation. Power purchased or produced from PV
13 facilities may not be specifically delivered to the customer, but it will displace
14 power that would have otherwise been produced from traditional generating
15 facilities.

16 Once the customer agrees to purchase a 100-Watt block(s) of PV energy,
17 there will be a line item on the customer's bill to indicate the number of 100-Watt
18 blocks subscribed. However, the dollar amount will be \$0.00 until, as previously
19 stated, the second month following the date in which power is purchased from
20 PV generating facilities or in which a PV generating facility of the Southern
21 Company begins commercial operation. At that time, the bill will reflect the
22 number of 100-Watt blocks of PV energy times \$6.00 per 100-Watt block.

1 Additional Florida gross receipts tax and any applicable franchise fee and/or
2 taxes will also be applied.

3 Gulf Power currently has a monthly newsletter (GULF POWER UPDATE)
4 that is sent to all customers with their electric bill. Once Commission approval is
5 received for the rider, we will either use this monthly newsletter or a separate bill
6 insert as a means of communication to notify the customers of the availability of
7 this rider. There will be an agreement form attached to the monthly newsletter or
8 bill insert that the Customer must sign and return to Gulf Power Company to
9 validate the Customer's agreement to the terms of the PV rider.

Tariff Sheets

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<u>Section</u>	<u>Description</u>
Section I	Description of Territory Served
Section II	Miscellaneous
Section III	Technical Terms and Abbreviations
Section IV	Rules and Regulations
Section V	List of Communities Served
Section VI	Rate Schedules
	RS - Residential Service
	GS - General Service - Non-Demand
	GSD - General Service - Demand
	LP - Large Power Service
	PX - Large High Load Factor Power Service
	OS - Outdoor Service
	SE - Supplemental Energy Rider (Optional)
	BB - Budget Billing (Optional Rider)
	CR - Cost Recovery Clause - Fossil Fuel & Purchased Power
	PPCC - Purchased Power Capacity Cost Recovery Clause
	ECR - Environmental Cost Recovery Clause
	-- - Billing Adjustments and Payment of Bills
	ECC - Cost Recovery Clause - Energy Conservation
	RST - Residential Service - Time-of-Use Conservation (Optional)
	GST - General Service - Non-Demand - Time-of-Use Conservation (Optional)
	GSDT - General Service - Demand - Time-of-Use Conservation (Optional)
	LPT - Large Power Service - Time-of-Use Conservation (Optional)
	PXT - Large High Load Factor Power Service - Time-of-Use Conservation (Optional)
	SBS - Standby and Supplementary Service
	ISS - Interruptible Standby Service
	RSVP - Residential Service Variable Pricing
	EPQ - Enhanced Power Quality
	RTP - Real Time Pricing
	CIS - Commercial/Industrial Service Rider (Optional)
	BERS - Building Energy Rating System (BERS)
	PV - Rate Rider PV - Photovoltaics (Optional Rider)



Section No. VI
Twenty-Sixth Revised Sheet No. 6.2
Canceling Twenty-Fifth Revised Sheet No. 6.2

PAGE 2 of 2	EFFECTIVE DATE
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<u>Designation</u>	<u>URSC</u>	<u>Classification</u>	<u>Sheet No.</u>
RSVP	RS1	Residential Service Variable Pricing (Optional)	6.75
GCSP		GoodCents Surge Protection	6.79
RTP		Real Time Pricing	6.80
CIS		Commercial/Industrial Service (Optional Rider)	6.84
BERS		Building Energy Rating System (BERS)	6.87
PV		Rate Rider PV - Photovoltaics (Optional Rider)	6.89

**RATE RIDER PV
PHOTOVOLTAICS
(OPTIONAL RIDER)**

PAGE	EFFECTIVE DATE
1 of 2	

AVAILABILITY:

To all customers served throughout the Company's service area from existing lines of adequate capacity. Rate Rider PV customers will be served from the existing electrical system. Customers may purchase photovoltaic energy in 100-watt blocks. Multiple blocks may be purchased. Power purchased or produced from photovoltaic facilities may not be specifically delivered to the customer, but will displace power that would have otherwise been produced from traditional generating facilities.

APPLICABILITY:

Applicable, upon request, to all customers in conjunction with all standard rates. Construction of the photovoltaic facility or power purchased from photovoltaic facilities will begin upon the attainment of sufficient commitments from all participants across the Southern Company electric system where the option is available and after obtaining any needed permits or other regulatory approvals for construction. Customer billing will begin with the second month following the date in which power is purchased from photovoltaic generating facilities or in which a photovoltaic generating facility of the Company begins commercial operation.

MONTHLY RATE:

EarthCents – Solar Charge: \$6.00 per 100-Watt block

TERM OF AGREEMENT:

Service under Rate Rider PV shall be for an initial term of five (5) years and may be terminated by either party following two (2) years written notice to the other party. Such two (2) year notice to terminate can be given at any time following year three (3) of the initial term.

TAX ADJUSTMENT:

See Sheet No. 6.16

FRANCHISE FEE BILLING:

See Sheet No. 6.16



Section No. VI
Original Sheet No. 6.90

PAGE	EFFECTIVE DATE
2 of 2	

(Continued from Rate Rider PV, Sheet No. 6.89)

GROSS RECEIPTS TAX ADJUSTMENT:

See Sheet No. 6.16

PAYMENT OF BILLS:

Bills for service will be rendered monthly by the Company to the Customer. Payment is due when rendered, and becomes delinquent twenty (20) days after mailing or delivery to the Customer. At least five (5) days written notice separate from any billing will be given before discontinuing service. Payment may be made at offices or authorized collecting agencies of the Company. Care will be used to have bills properly presented to the Customer, but non-receipt of the bill does not constitute release from liability or payment. This provision for payment of bills shall be applied to this rate rider together with all underlying rate schedules.

Service under this rate schedule is subject to Rules and Regulations of the Company and the Florida Public Service Commission.

ISSUED BY: Travis Bowden

Legislative Format

GULF POWER COMPANY

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