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ORIGINAL



August 18, 2000

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. ~~960789-EI~~ 001217

Enclosed are an original and fifteen copies of Gulf Power Company's Petition for Authority to Modify Commercial/Industrial Service Rider Pilot Study Implementation Plan.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 8.0 format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour

APP _____ Susan D. Ritenour
 CAF _____
 CMP Holman Assistant Secretary and Assistant Treasurer
 COM _____
 CTR _____ lw
 ECR Draper
 LEG _____
 OPC _____ cc: Beggs and Lane
 PAI Trapp Jeffrey A. Stone
 RGO _____
 SEC J
 SER Colson
 OTH _____

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FILED BY: [unclear]

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company's petition for)	Docket No.:	960789-EI
authority to modify Commercial/Industrial)	Filed:	August 21, 2000
Service Rider Pilot Study Implementation)		
Plan)		

**GULF POWER COMPANY'S PETITION FOR AUTHORITY TO
 MODIFY COMMERCIAL/INDUSTRIAL SERVICE RIDER
 PILOT STUDY IMPLEMENTATION PLAN**

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby petitions the Florida Public Service Commission ("Commission") for authorization to modify the Gulf Power Company Commercial/Industrial Service Rider Pilot Study Implementation Plan ("Plan") approved by the Commission in Order No. PSC-96-1219-FOF-EI to remove the forty-eight month sunset provision. As grounds for the relief requested by this petition, the Company respectfully shows:

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

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

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

2. Gulf Power Company is an investor-owned electric utility with corporate headquarters located at 500 Bayfront Parkway, Pensacola, Florida. The company owns, maintains and operates an electric generation, transmission and distribution system within the state of Florida through which it provides retail electric service to customers.

3. Gulf Power Company's Commercial/Industrial Service Rider Pilot Study Implementation Plan was approved by the Commission in Order No. PSC-96-1219-FOF-EI. The plan contains a sunset provision which closes the Commercial/Industrial Service Rider ("CIS Rider") to further subscription when one of the following conditions has occurred: (1) The total capacity subject to executed Contract Service Arrangements ("CSAs") reaches 200 megawatts of connected load; (2) The Company has executed twelve CSAs under the CIS Rider; or (3) Forty-eight months has passed from the initial effective date. This sunset provision establishes the parameters for the study period.

4. The sunset provision can be removed by the Commission at any time upon good cause having been shown by the Company.

5. Gulf Power's current authority to offer the CIS Rider expires on September 3, 2000, pursuant to part three of the sunset provision.

6. At this time, Gulf requests that the sunset provision of the Commercial/Industrial Service Rider Pilot Study Implementation Plan be modified to remove part three thereof which limits the study period to forty-eight months. The remaining conditions of the sunset provision are to remain intact and unmodified hereby as are the remaining provisions of the Plan. Upon removal of the forty-eight month limitation, the study period would extend until condition one or two of the sunset provision are met, or until further action by the Commission.

7. The CIS Rider was instituted as a pilot or experimental offering because of the uncertainty associated with whether the Commission could reasonably assure itself that Gulf could properly identify if a customer was truly "at risk" and whether an accurate incremental cost price floor could be established. Gulf's experience with the CIS Rider during the past forty-

seven months has successfully answered both of these questions in the positive.

8. At the time the Commission was considering implementation of Gulf's CIS Rider, the Commission expressed concern that neither they nor Gulf had experience in determining whether a customer was "at risk". If a customer who was not "at risk" was allowed to enter into a CSA, the other customers on Gulf's system would be unfairly subsidizing that customer. The current pilot is the appropriate way for Gulf Power, the Commission and its Staff to gain experience regarding the "at risk" determination. In the last four years, Gulf has negotiated two CSAs to retain load totaling less than fifty megawatts. The Commission Staff performed a review of the negotiated CSA's in the Gulf Power Company Commercial/Industrial Service Rider Audit, Audit Control No. 97-253-1-1. The Commission Staff found no deficiencies in Gulf's "at risk" determination or any other process utilized by Gulf in negotiating and executing the CSA's. Nothing has occurred in the past four years that indicates that Gulf and the Commission Staff are unable to reasonably determine whether a customer is "at risk".

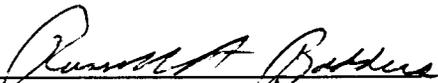
9. Likewise, nothing in the past four years has indicated that Gulf is unable to determine an accurate incremental cost price floor from which to base a CSA. The CIS Rider has operated as planned and the results have shown it to be a success. Allowing the CIS Rider to continue will provide further experience to both Gulf and the Commission and its staff in the area of flexible pricing.

10. The foregoing establishes good cause for removal of the forty-eight month sunset provision. The remaining sunset provisions serve to alleviate any concern that extending the CIS Rider would lead to an excessive number of CSAs being executed. The past four years of experience has shown that the application of the CIS Rider has been infrequent and always

within the limitations and requirements set forth by the Commission in Order No. PSC-96-1219-FOF-EI. The CIS Rider has been a success and that success should be continued.

WHEREFORE, Gulf Power requests that the Commission approve the Company's request to modify the Commercial/Industrial Service Rider Pilot Study Implementation Plan to remove the forty-eight month limitation on the study period consistent with this petition, or grant similar other relief as is just and reasonable.

Respectfully submitted this 18th day of August, 2000.


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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Gulf Power Company's petition for)
authority to implement Gulf's proposed)
Commercial/Industrial Service Rider on a)
pilot/experimental basis)
_____)

Docket No. 960789-EI

Certificate of Service

this 18th I HEREBY CERTIFY that a copy of the foregoing has been furnished
day of August 2000 by hand delivery or U. S. Mail to the following:

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Staff Counsel
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