

FLORIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

OCTOBER 5, 2004

RE: Docket No. 040442-EI - Petition for authority to implement proposed FlatBill rate schedule by Gulf Power Company.

Issue 1: Should Gulf Power Company's proposed FlatBill rate program be approved?

Recommendation: Yes. Gulf's proposed FlatBill program should be approved, provided that: (1) all components used to calculate the FlatBill, including the consumption adder, risk adder, and normalized weather are described in the tariff; (2) all terms and conditions of service, including termination of service, and what happens when service is interrupted due to natural disaster are described in the tariff; (3) staff reviews all disclosure information supplied to customers to insure it complies with the Commission's requirements, including a statement that the customer is paying a premium for the service, that the FlatBill includes a consumption adder and risk adder, that the customer will be sent a notice at least 30 days prior to the expiration of the FlatBill contract that it will be renewing, and contains the new offer amount, and a statement of the obligations of customers who leave the program prior to the expiration of the FlatBill contract; (4) Gulf files quarterly reports no later than 30 days following the end of the quarter which identify: the total revenues collected under the FlatBill tariff versus the revenues that would have been collected under the traditional (Residential and General Service) tariffs, the revenues attributable to the risk adder, the actual billing cycle

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

Handwritten signatures in the majority column: Charles W. Dando, [unclear], [unclear], J. Jimmy Deason, Rusty Bradley.

Four horizontal lines in the dissenting column for signatures.

REMARKS/DISSENTING COMMENTS:

DOCUMENT NUMBER-DATE

10707 OCT -5 04

FPSC-COMMISSION CLERK

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weighted cooling degree days minus normal cooling degree days, the actual billing cycle weighted heating degree days minus normal heating degree days, and the quarterly incremental number of participants on the tariff; (5) the consumption adder applied to the customer's forecasted annual kWh usage does not exceed eight percent (8%) and the risk adder, used to account for financial, weather, and other risks, does not exceed five percent (5%); and (6) Gulf obtains a rule waiver from the requirement to include all the information on customer bills required in paragraphs 1, 2, and 4 of Rule 25-6.100(2)(c), Florida Administrative Code prior to implementing the tariff. Gulf should be required to file new tariff sheets consistent with the Commission's vote in this docket for administrative approval.

**APPROVED**

*with modification to include information described in the 10/04/04 letter from Gulf Power Company to Commission staff.*

Issue 2: Should the Commission approve Gulf Power Company's request to remove any FlatBill program profit/loss from operating revenues for earnings surveillance and other regulatory purposes?

Recommendation: No. Gulf Power Company should be required to include all FlatBill program revenues, including any profit/loss, in operating revenues for all regulatory purposes. In addition, FlatBill program revenues should be allocated first to fully recover the cost recovery clause charges based on actual kWh usage each month.

**APPROVED**

Issue 3: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order. If the tariff is approved, Gulf should be required to file tariffs consistent with the Commission's decision.

**APPROVED**