

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Gulf Power Company to approve revisions to tariff sheet Nos. 6.75, 6.76, and 6.77, Rate Schedule RSVP - Residential Service Variable Pricing.

DOCKET NO. 110097-EI
ORDER NO. PSC-11-0252-TRF-EI
ISSUED: June 13, 2011

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING TARIFF REVISIONS

BY THE COMMISSION:

On April 8, 2011, Gulf Power Company (Gulf) filed a petition for approval of modifications to its Residential Service Variable Pricing Limited Availability Rate (RSVP). The RSVP rate is an optional rate that allows residential customers to respond to price signals. We have jurisdiction over this matter pursuant to Section 366.05, Florida Statutes (F.S.).

Gulf currently offers a demand-side management program (DSM) called EnergySelect® (Energy Select) to its residential customers. Energy Select consists of two main elements: (1) a price-responsive thermostat in the customer's home that allows the customer to control their central heating and cooling unit, electric water heater, and pool pump; and (2) an RSVP rate that provides four different prices based upon the time of day, day of week, and season. Energy Select and the associated RSVP rate is designed to allow residential customers to save on their electric bill. Gulf states that currently approximately 8,000 customers participate in Energy Select.

To initiate service under Energy Select, the customer must allow Gulf to install energy management equipment at their residence. The installed equipment allows the customer to monitor four pricing periods, P1 through P4, and to adjust the energy usage of major appliances to avoid the higher cost pricing periods. The cents per kilowatt hour (kwh) energy charge is lowest during the P1 period and highest during the P4 period. The P1 and P2 prices are lower than the standard residential energy charge, while the P3 and P4 prices are higher. The RSVP tariff establishes the P1, P2, and P3 pricing periods. The P4 pricing period is determined by Gulf and customers are notified by electronic signal of the start of the P4 pricing period. The P4 pricing period occurs when demand on Gulf's system is very high, which typically happens on a hot summer afternoon or cold winter morning. Gulf currently communicates the critical price

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signal via the customer's home phone line to the thermostat. We approved Gulf's RSVP rate in Order No. PSC-98-1367-FOF-EG.¹

We recently approved a new program titled EnergySelect® LITE (Energy Select LITE) as part of Gulf's DSM plan.² Energy Select LITE differs from Energy Select in two respects: (1) Energy Select LITE does not require landline telephone service for communication between Gulf and the thermostat; and (2) Energy Select LITE allows customers only to control their central heating and cooling system. Participants under Energy Select LITE must have internet connectivity.

As proposed by Gulf, customers participating in Gulf's EnergySelect LITE program will be billed under the RSVP rate schedule. In order to facilitate the billing of Energy Select and Energy Select LITE participants under the RSVP rate, Gulf proposed certain modifications to the RSVP rate schedule, which are discussed below.

The first modification removes the section describing the equipment requirements from the RSVP tariff. The equipment requirements are different for the Energy Select and Energy Select LITE programs, and they have been addressed in the DSM program participation standards Gulf filed in Docket No. 100154-EG.

Second, Gulf proposed to eliminate the \$4.95 monthly customer participation charge that is currently contained in the RSVP tariff. This charge is intended to capture the cost of the energy management equipment installed at participating customers' homes. Gulf explained that elimination of the participation charge will increase the availability of both Energy Select and Energy Select LITE to low-income customers and others whose bill savings do not outweigh the charge. Gulf further explained that the Energy Select LITE program requires less equipment than Energy Select at the customer's home, negating the need for a participation charge for Energy Select LITE participants. Removal of the charge for both programs will also help prevent potential migration of customers away from Energy Select. Currently, revenues from the participation charge are credited towards the program expenses that are reviewed annually in the Commission's Energy Conservation Cost Recovery proceeding.

Finally, Gulf proposed to eliminate the \$179 reinstallation charge. The RSVP tariff currently contains language, specifying that if a customer requests service at the same residence under the RSVP rate after returning to the standard residential rate, the customer will be billed \$179 for reinstallation costs of the energy management equipment. Under Gulf's current RSVP tariff, the initial energy management equipment is installed at no charge. The reinstallation charge is intended to recover reinstallation costs and prevent customers from gaming the system. Elimination of the reinstallation charge will allow former Energy Select customers, who had to leave the program when they disconnected their landline, from participating in the Energy Select LITE program without having to pay the reinstallation charge.

¹ Order No. PSC-98-1367-FOF-EG, issued October 12, 1998, Docket No. 971462-EG, In re: Petition by Gulf Power Company for approval of Rate Schedule Resident Service Variable Pricing (RSVP) and associated customer agreement.

² Order No. PSC-11-0114-PAA-EG, issued February 11, 2011, Docket No. 100154-EG, In re: Petition for approval of demand-side management plan of Gulf Power Company.

We have reviewed the above-referenced proposed modifications to Gulf's RSVP tariff and we find that they are reasonable. Therefore, the proposed tariff modifications are hereby approved.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's petition for approval of modifications to its Residential Service Variable Pricing Limited Availability Rate is hereby approved, effective on the first billing cycle in July 2011. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 13th day of June, 2011.



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NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on July 4, 2011.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.