

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for approval of standard interconnection agreement for non-export, parallel operators, by Gulf Power Company. | DOCKET NO. 100024-EI  
| ORDER NO. PSC-10-0361-TRF-EI  
| ISSUED: June 4, 2010

The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman  
LISA POLAK EDGAR  
NATHAN A. SKOP  
DAVID E. KLEMENT  
BEN A. "STEVE" STEVENS III

ORDER APPROVING STANDARD INTERCONNECTION AGREEMENT  
FOR NON-EXPORT, PARALLEL OPERATORS

BY THE COMMISSION:

BACKGROUND

On January 13, 2010, Gulf Power Company (Gulf) filed a petition for approval of its standard interconnection agreement for non-export, parallel operators and associated tariff sheets 9.115-9.122. The non-export agreement would apply to customers who install and operate electric generators of 10 megavolt-amperes (MVA) or less that may operate in parallel with Gulf's distribution system (13.2 kV and less). The generators are used to offset all or a portion of the customer's electricity requirements or as back-up generation in the event of an electrical service outage. Customers must ensure that the generators are in compliance with national safety standards, the National Electrical Safety Code, state and local building codes, mechanical codes, and electric codes. Currently, Gulf does not have an agreement for this type of interconnection.

By Order No. PSC-10-0128-PCO-EI, issued March 4, 2010, we suspended Gulf's proposed tariff to allow additional time for review. As explained below, we approve Gulf's petition. We have jurisdiction over this matter pursuant to Sections 366.04, 366.05, 366.81, 366.82, 366.91, and 366.92, Florida Statutes.

DISCUSSION

The proposed parallel, non-export interconnection agreement protects Gulf, its ratepayers, and interested customers by setting standards, procedures, and limits for customers wishing to interconnect backup generation. Typically, backup generation is not interconnected with the utility system; the generator is connected with a load transfer switch. This switch separates the customer from the utility and the customer can use the power from the generator as the sole supply for dedicated load within the customer's premises. When the customer's

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generator is interconnected with the utility's system the customer can operate the generator and simultaneously receive power from the company. This arrangement provides additional reliability and flexibility in the operation of the customer's equipment, including the ability to test the backup generator while still taking power from the utility.

As of February 22, 2010, Gulf had interconnected 18 non-export parallel operators. Gulf stated that these customers have agreed to sign the new agreement upon approval by the Commission. Gulf has not charged these customers any fees, and Gulf does not propose an interconnection fee associated with its non-export parallel operator tariff. Gulf states that the costs associated with the processing and implementation of this tariff are minimal and can be recovered through base rates. The tariff does allow for a Contribution in Aid of Construction (CIAC) if needed to interconnect the customer. Gulf asserts that it is not likely that the charge will be needed, and has not been needed for any interconnection to-date. The CIAC would be used if it was necessary to move Gulf's equipment. Customers would be informed of this need before signing an agreement. The Gulf tariff does not have an application fee. Gulf states that the costs are minimal and that the cost to process the agreement can be included in the cost of providing service to the customer.

The proposed tariff includes a provision to allow for self-insurance. Gulf will determine eligibility based on a case-by-case basis. Some of the criteria that Gulf will consider in evaluating the self-insurance request include:

- Past business dealings with the customer;
- Customer's credit rating;
- Reputation of the customer in the business community;
- Willingness to provide a letter of credit with an acceptable banking institution.

An interconnection agreement for customers wishing to operate backup generation in parallel with Gulf's system protects Gulf, its ratepayers, and interested customers by setting the standards, procedures and limits for customers wishing to interconnect backup generation. The agreement provides interested customers with a benefit by allowing parallel operation with the grid.

#### CONCLUSION

We have reviewed Gulf Power Company's petition for standard interconnection agreement for non-export, parallel operators and associated tariff sheets 9.115-9.122, and find it reasonable. We therefore approve the proposed tariff, which shall be effective as of May 18, 2010.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Gulf Power Company's standard interconnection agreement for non-export, parallel is approved. It is further

ORDERED that the tariff shall become effective on May 18, 2010. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect pending resolution of the protest. Potential signatories to the interconnection agreement should be aware that Gulf's tariff may be subject to a request for hearing, and, if a hearing is held, may be subsequently revised. 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 4th day of June, 2010.



ANN COLE  
Commission Clerk

( S E A L )

MCB

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 June 25, 2010.

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

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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.