



# Public Service Commission

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**DATE:** OCTOBER 5, 2000

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING

**FROM:** DIVISION OF ECONOMIC REGULATION (E. DRAPER)  
DIVISION OF LEGAL SERVICES (WALKER)

**RE:** DOCKET NO. 001217-EI - PETITION FOR AUTHORITY TO MODIFY  
COMMERCIAL/INDUSTRIAL SERVICE RIDER PILOT STUDY BY GULF  
POWER COMPANY.

**AGENDA:** 10/17/00 - REGULAR AGENDA - TARIFF FILING - INTERESTED  
PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: 10/20/00

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\001217.RCM

### CASE BACKGROUND

On September 24, 1996, the Commission approved Gulf Power Company's (Gulf) petition to implement its Commercial/Industrial Service Rider (CISR) tariff. See Order No. PSC-96-1219-FOF-EI, Order Approving Commercial/Industrial Service Rider Tariff and Pilot Study Implementation Plan for Gulf Power Company. The tariff allows Gulf to enter into negotiated Contract Service Agreements (CSA) with commercial/industrial customers. The CISR tariff was approved on an experimental basis. The tariff includes a sunset provision which closes the CISR to further subscription when one of the following conditions has occurred: (1) The total capacity subject to the tariff reaches 200 megawatts; (2) Gulf has executed twelve contracts; and (3) 48 months have passed from the initial effective date. Gulf has currently executed two CSA's. Pursuant to the last provision, Gulf's authority to offer the rider expired on September 3, 2000.

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On August 21, 2000, Gulf filed a petition to modify the CISR tariff by removing the 48-month sunset provision. Gulf does not propose to modify the two remaining conditions. Suspension of the proposed tariff revisions does not affect the terms and conditions of the two existing CSA's.

### DISCUSSION OF ISSUES

**ISSUE 1:** Should the Commission suspend Gulf Power Company's (Gulf) proposed revisions to its Commercial/Industrial Service Rider tariff?

**RECOMMENDATION:** Yes. The Commission should suspend Gulf's proposed revisions to its Commercial/Industrial Service Rider tariff. [E. Draper]

**STAFF ANALYSIS:** On August 21, 2000, Gulf filed a petition for approval to remove the 48-month sunset provision in its CISR tariff. When approving the CISR, the Commission expressed concern regarding Gulf's proposed determination of customer-specific incremental cost and Gulf's proposed assessment of whether a customer is "at-risk" of leaving Gulf's system (see Order No. PSC-96-1219-FOF-EI). Staff believes that since the CISR tariff was approved on an experimental basis, it is appropriate at this time to perform a review of Gulf's negotiated CSA's with respect to the concerns expressed by the Commission.

Pursuant to Section 366.06(3), Florida Statutes, the Commission may withhold consent to the operation of all or any portion of a new rate schedule, delivering to the utility requesting such increase, within 60 days, a reason or written statement of good cause for doing so. Staff recommends that the proposed tariff revision be suspended to allow staff the opportunity to conduct additional discovery regarding the issues raised above. Staff believes this is good cause, consistent with the requirement of Section 366.06(3), Florida Statutes.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** No. The docket should remain open pending a final decision on the tariff. [Walker]

**STAFF ANALYSIS:** The docket should remain open pending a final decision on the tariff.