

VOTE SHEET

DATE: September 3, 1996

RE: DOCKET NO. 960789-EI - Petition for authority to implement proposed commercial/industrial service rider on pilot/experimental basis by Gulf Power Company.

Issue 1: Recommendation that the Commission approve a flexible price contract proposal for Gulf Power. However, staff has serious concerns about the tariff proposals presented by Gulf (Dockets Nos. 951161-EI and 960789-EI). Staff continues to recommend its July 30 proposal for a one-customer experiment. However, staff has developed six additional alternatives for Commission consideration. The Commission should instruct Gulf to file a tariff incorporating one of the seven alternatives listed below. Staff believes any of these would meet Gulf's desire for rate flexibility and would also protect the general body of ratepayers from unnecessary risk.

**MODIFIED**

*Gulf Power's original implementation plan was adopted; Gulf's revised tariff sheets in Attachment 5 of staff's 8/22/96 memorandum were approved, effective 9/3/96.*

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in majority column]*  
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REMARKS/DISSENTING COMMENTS:

PSC/RAR33 (5/90)

DOCUMENT NUMBER-DATE

09364 SEP-4 96

FPSC-RECORDS/REPORTING

Staff Alternative 1 - One-customer experiment  
No subscription period  
No contract life limitation  
No limitation on maximum megawatt load  
One contract for one customer  
Competition with natural gas utilities not allowed  
Competition with other electric utilities not allowed  
Price floor includes average embedded transmission, distribution, and administrative costs plus all otherwise applicable recovery clauses  
Immediate "at-risk" and contract prudence review

*see decision in Issue 1*

Staff Alternative 2 - Contract life limitation  
No subscription period  
All contracts end prior to 2002  
No limitation on maximum megawatt load  
No limitation on number of contracts  
Competition with natural gas utilities allowed  
CISR will not be deciding factor in territorial dispute  
Price floor shall include all otherwise applicable cost recovery clauses  
No automatic "at-risk" and contract prudence review

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Staff Alternative 3 - Risk Factor and Mandatory Sharing (same as Gulf's second proposal, except Risk Factor and Mandatory Sharing added)  
Four-year subscription period  
No contract life limitation  
200 mW maximum load  
Maximum of 12 customers  
Competition with natural gas utilities allowed  
CISR will not be deciding factor in territorial dispute  
Price floor includes incremental cost plus 20 percent, plus all recovery clauses  
Stockholders share 50 percent of shifted unrecovered embedded cost at time of rate case, non-CSA customers responsible for remaining 50 percent  
Shareholder responsible for 100 percent of revenue shortfall if/when retail access allowed in Florida  
"At-risk" and contract prudence review upon overearnings and/or rate case

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Staff Alternative 4 - Limited Contract  
(Staff adaptation of Ft. Pierce and Homestead economic development tariffs)  
No subscription period  
Five-year contract life  
No limitation on maximum megawatt load  
No limitation on number of contracts  
Competition with natural gas utilities allowed  
CISR will not be deciding factor in territorial dispute  
Price floor includes average embedded transmission and distribution,  
incremental non-fuel energy charge, all otherwise applicable recovery  
clauses  
No automatic "at-risk" and contract prudence review

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Staff Alternative 5 - Buy-through  
(Staff adaptation of Lakeland buy-through tariff)  
No subscription period  
Life of contract: 10 years or until retail access  
No limitation on maximum megawatt load  
No limitation on number of contracts  
Competition with natural gas utilities allowed  
CISR will not be deciding factor in territorial dispute  
Price floor includes average embedded transmission and distribution,  
incremental production cost, all otherwise applicable recovery clauses  
No automatic "at-risk" and contract prudence review

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Staff Alternative 6 - Cost separation  
(Staff adaptation of City Gas "below-the-line" petition)  
No subscription period  
No contract life limitation  
No limitation on maximum megawatt load  
No limitation on number of contracts  
Competition with natural gas utilities allowed  
CISR will not be deciding factor in territorial dispute  
Price floor not applicable since all revenues and costs recorded "below-the-  
line"  
No automatic "at-risk" and contract prudence review

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Vote Sheet

Docket No. 960789-EI

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Staff Alternative 7 - Regulatory Solutions

Staff's proposed "regulatory solutions" -

1. 10-year rate cap for non at-risk customers;
2. Minimum rate includes average embedded transmission and distribution, all recovery clauses, and incremental generation cost;
3. Wholesale-retail type of cost allocation;
4. ROE ceiling.

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All four regulatory solutions have in common:

No subscription period

No contract life limitation

No limitation on maximum megawatt load

No limitation on number of contracts

Competition with natural utilities allowed

CISR will not be deciding factor in territorial dispute

Price floor as indicated in regulatory solution description

No automatic "at-risk" and contract prudence review

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Issue 2: Recommendation that, if Issue No. 1 is approved, Gulf will be required to refile a revised implementation plan and tariff. This docket should remain open pending final resolution of Gulf's proposal for flexible contract rates.

**MODIFIED** - *See decision in Issue 1*