SRIDA PUBLIC SERVICE COMMISSION

VOTE SHEET

DATE: <u>September 3, 1996</u>

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

<u>Issue 1:</u> 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 gues pomer's original implementation pear was adapted; Gues's revised tarify sheets in Attachment 5 of stats's 8/22/96 memorandum were approved, effective 9/3/96.

COMMISSIONERS ASSIGNED: Full Commission

COMMISSIONERS' SIGNATURES

MAJORITY	DISSENTING
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Susan Clark	
A. Ten Deas	
Siam Thank	
REMARKS/DISSENTING COMMENTS:	
PSC/RAR33 (5/90)	
	DOCUMENT MINEER-D

DOCUMENT NUMBER-DATE

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09364 SEP-48 FPSC-RECORDS/REPORTING Vate Sheet Docket No. 960789-EI September 3, 1996

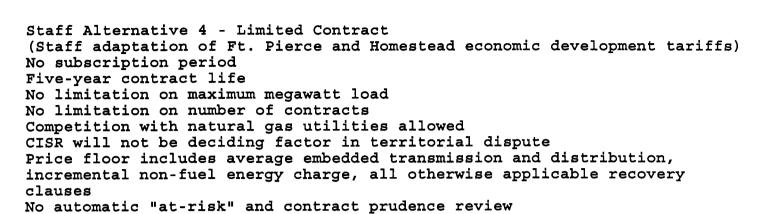
Staff Alternative 1 - One-customer experiment
No subscription period
No contract life limitation
No limitation on maximum megawatt load
One contract for one customer
Competition with natural gas utilities not allowed
Competition with other electric utilities not allowed
Price floor includes average embedded 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 Vote Sheet Docket No. 960789-EI September 3, 1996



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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-theline" No automatic "at-risk" and contract prudence review Vate Sheet Docket No. 960789-EI September 3, 1996





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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<u>All four regulatory solutions have in common</u>: 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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<u>Issue 2:</u> 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 decisión in Dosne !