

8199

FLORIDA PUBLIC SERVICE COMMISSION

Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

ORIGINAL
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M E M O R A N D U M

August 7, 1996

TO : CHAIRMAN CLARK
COMMISSIONER DEASON
COMMISSIONER GARCIA
COMMISSIONER JOHNSON
COMMISSIONER KIESLING

FROM: DIVISION OF ELECTRIC AND GAS (DRAPER)

EJD

JDJ

RE : LIST OF ITEMS FOR THE COMMISSION TO CONSIDER FOR
INCLUSION IN GULF POWER'S COMMERCIAL AND INDUSTRIAL RATE
DISCOUNT TARIFF - DOCKET NO. 960789-EI

At the July 30, 1996 Agenda, staff was directed to develop a list of items for possible inclusion in Gulf Power's commercial and industrial rate discount tariff and implementation plan. That list of items is attached.

Item Nos. 16 and 17 highlight economic development tariffs approved for Ft. Pierce and Lakeland respectively. Item No. 18 highlights a load retention/load building tariff being discussed with City Gas.

Please review the list and let me know if there are any items you would like to see added to the list. We have faxed a copy of this memorandum and the attachment to Gulf Power to see if they would like to add any items. To make the September 3, 1996 Agenda, we need to submit a recommendation to Records and Reporting by August

ACK _____
22, 1996.

AFA _____

APP _____
JDJ/s
Attachment

CAF _____

CMU _____
cc: William Talbott
Mary Bane

CTR _____
Joseph Jenkins

EAG _____
Robert Trapp
Connie Kummer

LEG _____
Vicki Johnson

LIN _____
Tim Devlin
Records and Reporting

OPC _____
Gulf Power (fax)

RCH _____

SEC 1 _____

WAS _____

OTH _____

DOCUMENT NO.
08199-96

DRAFT

DOCKET NO. 960789-EI
LIST OF ITEMS FOR THE COMMISSION TO CONSIDER FOR INCLUSION IN THE GULF CISR TARIFF
August 6, 1996

Note: In the next recommendation, staff plans to show Gulf's tariff that was withdrawn at the 7/30 agenda (Gulf) and staff's proposed one-customer experimental tariff (staff at 7/30 agenda) in terms of items from the following list. This will be in addition to other staff proposals and any new proposals from Gulf.

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
1. Subscription period - Time frame in which eligible customers can sign up for CSA from effective date of the tariff						
One Year						
Two Years						
Three Years						
Four Years	X					
Longer						
Permanent, no experiment						
Other						
2. Maximum length of CSA contracts						
One Year						
Two Years						
Three Years						
Four Years						
Five Years						
Ten Years						
No Maximum Contract Term Limit	X		X			
Ceases when retail access allowed						
Ceases on the in-service date of the next currently avoidable generating unit						

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
3. Maximum megawatts of connected load - CISR will be closed to further subscription by eligible customers when the total capacity of all executed CSAs reaches a certain size (MW)						
50						
100						
150						
200	X					
No Size Limitation			X			
4. Total number of customers - the CISR will be closed to further subscription if the company has executed a certain number of contracts						
One			X			
Up to Eight						
Up to Twelve	X					
No Limitation						
5. Minimum level of demand (KW) customer must have to be eligible for CISR						
None						
500 KW (0.5 MW) of maximum monthly demand for existing customers	X		X			
1000 KW (1 MW) of connected load for new customers	X		X			
6. Prior Commission approval of each negotiated contract						
Yes						
No	X		X			
7. Availability of CISR tariff						
Existing commercial/industrial Gulf customer - load retention	X		X			
Expansion of load by existing customer	X		X			
New commercial/industrial customer - load building	X		X			

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
<p>8. Discounted rates to other competing customers classified to the same SIC Code</p> <p>Order Gulf to include in CSA contract that it may be cancelled if a customer classified to the same SIC Code complains, and the Commission so determines, that the complaining customer is being unfairly disadvantaged with its competitors</p> <p>Yes</p> <p>No</p> <p>Order Gulf to include in CSA contract that the discounted rate may be offered to all customers classified to the same SIC Code, if such a customer complains, and the Commission so determines, that the CSA is causing the complaining customer is being unfairly disadvantaged</p> <p>Yes</p> <p>No</p>						
<p>9. Competition with other electric utilities and natural gas utilities</p> <p>Order Gulf to include in CSA contract that it may be cancelled if the contract causes, and the Commission so determines, a territorial dispute with another electric utility</p> <p>Yes</p> <p>No</p> <p>Order Gulf to include in CSA contract that it may be cancelled if the contract is used to compete with, and the Commission so determines, a natural gas utility (municipal, district, or West Florida Natural Gas Co., the one IOU gas utility in Gulf's service area). Competing with natural gas utilities includes the on-site use of gas and gas-fired cogeneration.</p> <p>Yes</p> <p>No</p>						
<p>10. The CSA customer should pay the following customer charge</p> <p>Only the otherwise applicable rate customer charge</p>						
<p>Otherwise applicable customer charge plus additional \$250 per month for metering, billing, etc.</p>	X		X			
<p>Actual incremental costs to negotiate the CSA contract</p>						
<p>Actual incremental costs to administer the CSA contract</p>						

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
11. CSA price floor - in addition to any customer charge the price floor for the CISR contract shall at a minimum include the following costs						
Sufficient revenues to produce a positive contribution to fixed costs						
Sufficient revenues to pass a RIM cost-effectiveness test used for DSM						
Incremental production related costs (Non-cost recovery clause)						
Incremental transmission related costs (Non-cost recovery clause)						
Incremental distribution related costs (Non-cost recovery clause)						
Incremental administrative and general costs						
Embedded production related costs						
Embedded power pool capacity costs						
Embedded transmission related costs						
Embedded distribution related costs						
Embedded administrative and general costs						
Incremental cost recovery clause costs (fuel, power pool capacity, environmental, conservation)						
Embedded cost recovery clause costs (fuel, power pool capacity, environmental, conservation)						
12. Should the revenue shortfall associated with the CISR discounts be shared at the time of Gulf's next rate case between stockholders and Gulf's non-CISR ratepayers.						
Yes						
No						
13. Required reports - the Company would be required to file the following documentation with the Commission						
Sealed package containing all the information Gulf's management relied on when deciding whether to offer a CSA to a customer or not						
All the information Gulf's management remembers relying on when deciding whether to offer a CSA to a customer or not						
Affidavit from customer indicating customer's intention on the day of signing the CSA						
Customer's investment options at the time of the CSA signing						

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
14. Timing of Commission contract prudence review						
Immediately after signing of CSA contract			X			
Upon Gulf exceeding ROE ceiling after discounted revenue imputation	X					
In Gulf's next rate case	X					
For all CISR customers signed within:						
One Year						
18 Months						
Two Years						
Three Years						
Four Years						
15. Items to be included in a prudence review						
Commission determination of whether the customer was "at-risk"						
Yes	X					
No						
Commission determination of whether Gulf's projected incremental costs were correct at the time of signing the contract						
Yes						
No						
Commission determination of whether Gulf's projected incremental costs are correct as occurred when a CSA is evaluated						
Yes						
No						
Commission determination whether Gulf's actual negotiated rate recovered incremental costs						
Yes	X					
No						

	GULF	GULF REVISED	STAFF 7/30	STAFF REVISED		
<p>16. The fuel cost recovery is discounted to incremental fuel costs of a low fuel cost incremental generating unit on the Southern Company system for five years with the discount decreasing 20% each year until the full rate is applicable (this is similar to Fort Pierce's recently approved Contract Rate Schedule)</p> <p>Yes</p> <p>No</p>						
<p>17. Buy-through - Gulf shops for power (this is similar to TECO's buy-through provision or Lakeland's recently approved GSX-6 rate), or allows the customer to shop for power, and transmits it to the customer. Transmission and distribution costs will be recovered under this proposal.</p> <p>Yes</p> <p>No</p>						
<p>18. Revenues and costs "below-the-line" - Any allocated embedded and any incremental generation, transmission, and distribution costs should be placed "below-the-line", along with any revenue contribution to these costs, after cost recovery items have been recovered.</p> <p>Yes</p> <p>No</p>						