

February 2, 1996

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Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE Docket No. 960001-EI

Enclosed are an original and fifteen copies of the Preliminary Statement of Gulf Power Company regarding Issues and Positions.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Statement in WordPerfect for Windows 6.1 format as prepared on a MS-DOS based computer

Sincerely,

*Jack Z. Harkness*  
lw

Enclosures

cc Beggs and Lane  
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER DATE

01268 FEB-5 96

FPSC-RECORDS & REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power )  
Cost Recovery Clauses and ) Docket No. 960001-EI  
Generating Performance Incentive ) Filed: February 5, 1996  
Factor )  
\_\_\_\_\_ )

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PRELIMINARY STATEMENT OF GULF POWER COMPANY  
REGARDING ISSUES AND POSITIONS

Gulf Power Company, ("Gulf Power", "Gulf", or "the  
"Company"), by and through its undersigned attorneys, hereby  
files this preliminary statement of issues and positions,  
saying:

Generic Fuel Adjustment Issues

**ISSUE 1:** What are the appropriate final fuel adjustment true-up  
amounts for the period April, 1995 through September,  
1995?

**GULF:** Over recovery of \$1,760,840. (Gilchrist, Howell,  
Cranmer)

**ISSUE 2:** What are the estimated fuel adjustment true-up amounts  
for the period October, 1995 through March, 1996?

**GULF:** Under recovery of \$496,180. (Gilchrist, Howell,  
Cranmer)

**ISSUE 3:** What are the total fuel adjustment true-up amounts to  
be refunded during the period April, 1996 through  
September, 1996?

**GULF:** \$1,264,660. (Cranmer)

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The issue numbers for generic issues are the same as  
those set forth in Order No. PSC-95-0946-PHO-EI, the prehearing  
order issued prior to the August 1995 hearings. At this time,  
Gulf is not taking a position on the generic oil backout issues  
or on any company-specific issues relating to other utilities.  
As a result, numeric gaps in the sequences of issues is intended.  
Stipulated issues are indicated with an asterisk in the margin.

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FILED IN THE PUBLIC UTILITY DIVISION

**ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period April, 1996 through September, 1996?

**GULF:** 2.166 cents per KWH. (Gilchrist, Howell, Cranmer)

**ISSUE 5:** What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost recovery charge for billing purposes?

The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1996, through September, 1996. Billing cycles may start before April 1, 1996, and the last cycle may be read after September 30, 1996, so that each customer is billed for six months regardless of when the adjustment factor became effective.

**ISSUE 6:** What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

**GULF:** See table below: (Cranmer)

<b>Group</b>	<b>Rate Schedules*</b>	<b>Line Loss Multipliers</b>
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, SBS, RTP	0.96230
D	OSI, OSII	1.01228

\*The multiplier applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

**ISSUE 7:** What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

**GULF:** See table below: (Cranmer)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS OSIII, OSIV	2.193	2.644	1.980
B	LP, SBS	2.125	2.563	1.919
C	PX, SBS, RTP	2.084	2.514	1.882
D	OSI, OSII	2.039	N/A	N/A

\*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

**Gulf Power Company-Specific Fuel Adjustment Issues**

NONE RAISED BY GULF POWER COMPANY

Generic Generating Performance Incentive Factor Issues

**ISSUE 12:** What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1995 through September, 1995?

**GULF:** Penalty \$483,077. (Fontaine)

**ISSUE 13:** What should the GPIF targets/ranges be for the period April, 1996 through September, 1996?

**GULF:** See table below: (Fontaine)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	82.2	8.7	9.1	10,597
Crist 7	71.6	15.3	13.1	10,500
Smith 1	87.3	8.7	4.0	10,219
Smith 2	91.7	0.0	8.3	10,422
Daniel 1	92.8	0.0	7.2	10,493
Daniel 2	96.7	0.0	3.3	10,280

EAF = Equivalent Availability Factor  
POF = Planned Outage Factor  
EUOF = Equivalent Unplanned Outage Factor

Gulf Power Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Dated this 2nd day of February, 1996.

Respectfully submitted,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost )  
Recovery Clause with Generating )  
Performance Incentive Factor ) Docket No. 960001-E1  
)

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 3rd day of February 1996 on the following:

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