

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

In Re: Petition of Gulf Power Company) Docket No. 891345-EI
for an increase in its rates and charges) Filed: February 5, 1990

MOTION TO DENY GULF POWER COMPANY'S
REQUEST FOR INTERIM RATE INCREASE

The Citizens of the State of Florida, through their attorney, the Public Counsel, move this Commission to deny Gulf Power Company's Petition for an increase in interim rates in this docket. As grounds, the Citizens submit:

1. On January 29, 1990, the PSC Staff issued a memorandum, raising fourteen specific issues of disagreement with Gulf's interim rate filing. The aggregate effect of the issues raised by the Staff was to reduce Gulf's interim revenue requirement to

ACK _____
AFA 2 \$7.207 million, down from the \$22.8 million requested by Gulf.

APP _____

CAF _____

CMU _____ 2. The Public Counsel concurs with the specific adjustments recommended by Staff. In addition to the Staff's adjustments,

CTR _____ however, the Commission should also adjust Gulf's interim request

EAG 1 w/m to remove from retail rate responsibility the effects of Gulf's

LEG 6 ownership in Plant Scherer.

LRN _____

POH _____

SEC 1

WAS _____

YTH _____

3. Gulf's apportioned share of Plant Scherer capacity is 212 MW (although there appears to be some question as to whether the actual amount is 202 MW). Out of its portion, Gulf had contracted to sell 193 MW off-system through the middle of 1992.

In addition, Gulf has executed a new set of off-system sales

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agreements, under which it will sell 201 MW of its Scherer capacity beginning in June, 1992. The amount of capacity sales will then fluctuate somewhat until 1995, after which all of Gulf's Plant Scherer capacity will be sold off-system through the year 2010.

4. Beginning in June, 1988, however, Gulf Power suspended its contract to sell 44 MW of Plant Scherer to Gulf States Utilities. This suspension followed Gulf Power's allegation that Gulf States had breached the contract. In any event, the suspension resulted in lowering the off-system capacity that would have been sold from Plant Scherer between July, 1988 and June, 1992. Gulf Power is now seeking (through both interim and permanent rates) to have its retail customers absorb the costs which would otherwise been recovered in the off-system sales.

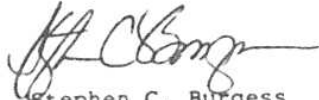
5. The Commission should not allow Gulf's customers to become the guarantors for any bad bargain in which Gulf becomes involved. There is no reason that the retail customers should cover the revenues that Gulf lost because one of its off-system purchasers reneged on a contract. The Commission should remove the effects of Plant Scherer from the rate base and from the O&M expenses.

6. Because Gulf has included costs associated with Plant Scherer which far exceed the \$7.207 million interim increase recommended by Staff, the removal of those costs will negate any need for interim relief.

WHEREFORE, the Citizens of the State of Florida move this Commission to deny Gulf Power Company interim rate relief.

Respectfully submitted,

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CERTIFICATE OF SERVICE
Docket No. 891345-EI

I HEREBY CERTIFY that a true copy of the foregoing has been furnished by U.S. Mail*, hand-delivery**, or by facsimile*** to the following parties on this 5th day of February, 1990.


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