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500 Bayfront Parkway
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Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

the southern electric system

May 19, 1994

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. **940001-EI**

Enclosed for official filing in Docket No. 940001-EI are an original and fifteen (15) copies of the following:

1. Prepared direct testimony and exhibit of S. D. Cranmer. 04942-94
2. Schedules A1 through A12 previously filed for the months of October 1993 - March 1994. 04943-94
3. Prepared direct testimony and exhibit of M. L. Gilchrist. 04944-94
4. Prepared direct testimony and exhibit of G. D. Fontaine. 04945-94
5. Prepared direct testimony of M. W. Howell. 04946-94

ACK
AFA Sincerely,
APP _____
CAF _____
CMU _____
CTR _____ lw
EAC Enclosures
LEP
LIM Strong test
GFC _____
ROH _____
SEL
WAS _____
OTH _____

RECEIVED & FILED
[Signature]
EPSC-BUREAU OF RECORDS

"Our business is customer satisfaction"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating) Docket No. 940001-EI
Performance Incentive Factor)
_____)

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail the 19th day of May, 1994 on the following:

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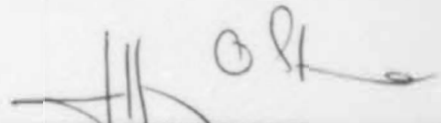
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ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 940001-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
S. D. CRANMER

FUEL COST RECOVERY AND
PURCHASED POWER CAPACITY COST RECOVERY

FINAL TRUE-UP
MAY 20, 1994



DOCUMENT NUMBER-DATE

04942 MAY 20 1994

FPSC-RECORDS/REPORTING

1 GULF POWER COMPANY
2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 Susan D. Cranmer
5 Docket No. 940001-EI
6 Date of Filing: May 20, 1994

7 Q. Please state your name, business address, and
8 occupation.

9 A. My name is Susan Cranmer. My business address is 500
10 Bayfront Parkway, Post Office Box 1151, Pensacola,
11 Florida, 32520-1151. I hold the position of Supervisor
12 of Rate Services.

13 Q. Please briefly describe your educational background and
14 business experience.

15 A. I graduated from Wake Forest University in
16 Winston-Salem, North Carolina in 1981 with a Bachelor
17 of Science Degree in Business and from the University
18 of West Florida in 1982 with a Bachelor of Arts Degree
19 in Accounting. I am also a Certified Public Accountant
20 licensed in the State of Florida. I joined Gulf Power
21 Company in 1983 as a Financial Analyst. I have held
22 various positions with Gulf including Computer Modeling
23 Analyst and Senior Financial Analyst. In 1991, I
24 assumed the position of Supervisor of Rate Services and
25 presently serve in that capacity.

1 My responsibilities include supervision of tariff
2 administration, cost of service, calculation of cost
3 recovery factors, and the regulatory filing function of
4 the Rates and Regulatory Matters Department.

5
6 Q. Have you prepared an exhibit that contains information
7 to which you will refer in your testimony?

8 A. Yes, I have.

9 Counsel: We ask that Ms. Cranmer's
10 Exhibit consisting of four
11 schedules be marked as
12 Exhibit No. ___ (SDC-1).

13
14 Q. Are you familiar with the Fuel and Purchased Power
15 (Energy) True-up Calculation and the Purchased Power
16 Capacity Cost True-Up Calculation for the period of
17 October 1993 through March 1994 set forth in your
18 exhibit?

19 A. Yes. These documents were prepared under my
20 supervision.

21
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24
25

1 Q. Have you verified that to the best of your knowledge
2 and belief, the information contained in these
3 documents is correct?
4 A. Yes, I have.
5

6 Q. What is the amount to be refunded or collected in the
7 period October 1994 through March 1995?
8 A. An amount to be refunded of \$2,611,329 was calculated
9 as shown in Schedule 1 of my exhibit.
10

11 Q. How was this amount calculated?
12 A. The \$2,611,329 was calculated by taking the difference
13 in the estimated October 1993 through March 1994
14 under-recovery of \$2,995,885 as approved in Order No.
15 PSC-94-0390-FOF-EI, dated April 4, 1994 and the actual
16 under-recovery of \$384,556 which is the sum of lines 7
17 and 8 shown on Schedule A-2, page 3 of 4,
18 Period-to-date of the monthly filing for March 1994.
19

20 Q. Ms. Cranmer, you stated earlier that you are
21 responsible for the Purchased Power Capacity Cost
22 True-up Calculation. Which schedules of your exhibit
23 relate to the calculation of these factors?
24 A. Schedules CCA-1, CCA-2, and CCA-3 of my exhibit relate
25 to the Purchased Power Capacity Cost True-up

1 Calculation for the period October 1993 through March
2 1994.

3

4 Q. What is the amount to be refunded or collected in the
5 period October 1994 through March 1995?

6 A. An amount to be collected of \$1,135,019 was calculated
7 as shown in Schedule CCA-1 of my exhibit.

8

9 Q. How was this amount calculated?

10 A. The \$1,135,019 was calculated by taking the difference
11 in the estimated October 1993 through March 1994
12 under-recovery of \$41,833 as approved in Order No.
13 PSC-94-0390-FOF-EI, dated April 4, 1994 and the actual
14 under-recovery of \$1,176,852 which is the sum of
15 lines 11 and 12 under the total column on Schedule
16 CCA-2.

17

18 Q. Please describe Schedules CCA-2 and CCA-3 of your
19 exhibit.

20 A. Schedule CCA-2 shows the calculation of the actual
21 under-recovery of purchased power capacity costs for
22 the period October 1993 through March 1994. Schedule
23 CCA-3 of my exhibit is the calculation of the interest
24 provision on the over/under recoveries. This is the

25

1 same method of calculating interest that is used in the
2 Fuel and Purchased Power (Energy) Cost Recovery Clause.

3

4 Q. Ms. Cranmer, does this complete your testimony?

5 A. Yes, it does.

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**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
OCTOBER, 1993 - MARCH, 1994**

- | | |
|--|--------------------|
| 1. Estimated over/(under) -recovery for the period
October, 1993 - March, 1994
(Schedule E1-A approved in Order No.
PSC-94-0390-FOF-EI dated April 4, 1994) | (2,995,885) |
| 2. Actual over/(under) -recovery for the period
October, 1993 - March, 1994
(March, 1994 Schedule A-2, page 3 of 4,
"Period-to-Date", lines 7 and 8) | (384,556) |
| 3. Amount to be refunded (recovered) in the
October 1994 through March 1995 projection
period (Line 2 - Line 1) | <u>\$2,611,329</u> |

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD OCTOBER 1993 - MARCH 1994

- | | |
|--|-----------------------------|
| 1. Estimated over/(under) -recovery for the period
October 1993 - March 1994
(Schedule CCE-1b approved in order no.
PSC-94-0390-FOF-EI dated April 4, 1994) | (41,833) |
| 2. Actual over/(under)-recovery for the period
October 1993 - March 1994
(Schedule CCA-2 Line 11+12 in the Total column) | (1,176,852) |
| 3. Amount to be refunded/(recovered) in the October
1994 through March 1995 projection period
(Line 2 - Line 1) | <u><u>(\$1,135,019)</u></u> |

GULF POWER COMPANY
 PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
 CALCULATION OF TRUE-UP AND INTEREST PROVISION
 FOR THE PERIOD OCTOBER 1993 - MARCH 1994

	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	TOTAL
1. WC PAYMENTS / (RECEIPTS) (\$)	4,786	190,583	1,509,422	583,718	1,239,029	1,238,041	4,765,579
2. SCHEDULE E CAPACITY REVENUES (\$)	(205,267)	(205,267)	(205,267)	(99,836)	(99,836)	(99,836)	(915,309)
3. TOTAL CAPACITY PAYMENTS/(RECEIPTS) (LINE 1 + 2) (\$)	(200,481)	(14,684)	1,304,155	483,882	1,139,193	1,138,205	3,850,270
4. JURISDICTIONAL %	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588
5. JURISDICTIONAL CAPACITY PAYMENTS / (RECEIPTS) (LINE 3 x 4) (\$)	(193,496)	(14,172)	1,258,717	467,023	1,099,502	1,098,549	3,716,123
6. AMOUNT INCLUDED IN RETAIL BASE RATE REVENUES (\$)	(137,667)	(137,667)	(137,667)	(137,667)	(137,666)	(137,666)	(826,000)
7. TOTAL JURISDICTIONAL RECOVERY AMOUNT (LINE 5 - 6) (\$)	(55,829)	123,495	1,396,384	604,690	1,237,168	1,236,215	4,542,123
8. JURISDICTIONAL CAPACITY COST RECOVERY REVS. NET OF TAXES (\$)	444,575	402,203	472,489	523,071	396,704	323,621	2,562,663
9. TRUE-UP PROVISION (\$)	131,692	131,692	131,692	131,692	131,692	131,691	790,151
10. JURISDICTIONAL CAPACITY COST RECOVERY REVENUE (LINE 8 + 9) (\$)	576,267	533,895	604,181	654,763	528,396	455,312	3,362,814
11. OVER(UUNDER) RECOVERY (LINE 10 - 7) (\$)	632,096	410,400	(792,203)	50,073	(708,772)	(780,903)	(1,189,309)
12. INTEREST PROVISION (\$)	3,230	4,238	3,512	2,145	939	(1,607)	12,457
13. BEGINNING BALANCE TRUE-UP & INTEREST PROVISION (\$)	974,089	1,477,723	1,760,669	840,286	760,812	(78,713)	974,089
14. TRUE-UP COLLECTED/(REFUNDED) (\$)	(131,692)	(131,692)	(131,692)	(131,692)	(131,692)	(131,691)	(790,151)
15. END OF PERIOD TOTAL NET TRUE-UP (LINES 11 + 12 + 13 + 14) (\$)	<u>1,477,723</u>	<u>1,760,669</u>	<u>840,286</u>	<u>760,812</u>	<u>(78,713)</u>	<u>(992,914)</u>	<u>(992,914)</u>

Florida Public Service Commission
 Docket No. 940001-EI
 GULF POWER COMPANY
 Witness: S. D. Cramer
 Exhibit No. _____ (SDC-11)
 Schedule CCA-2

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD OCTOBER 1993 - MARCH 1994**

	<u>ACTUAL OCTOBER</u>	<u>ACTUAL NOVEMBER</u>	<u>ACTUAL DECEMBER</u>	<u>ACTUAL JANUARY</u>	<u>ACTUAL FEBRUARY</u>	<u>ACTUAL MARCH</u>	<u>TOTAL</u>
1. BEGINNING TRUE-UP AMOUNT (\$)	974,089	1,477,723	1,760,669	840,286	760,812	(78,713)	
2. ENDING TRUE-UP AMOUNT BEFORE INTEREST (\$)	<u>1,474,493</u>	<u>1,756,431</u>	<u>836,774</u>	<u>758,667</u>	<u>(79,652)</u>	<u>(991,307)</u>	
3. TOTAL BEGINNING & ENDING TRUE-UP AMOUNT (\$) (LINES 1 + 2)	<u>2,448,582</u>	<u>3,234,154</u>	<u>2,597,443</u>	<u>1,598,953</u>	<u>681,160</u>	<u>(1,070,020)</u>	
4. AVERAGE TRUE-UP AMOUNT (\$)	<u>1,224,291</u>	<u>1,617,077</u>	<u>1,298,722</u>	<u>799,477</u>	<u>340,580</u>	<u>(535,010)</u>	
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.031900	0.031400	0.031500	0.033400	0.031000	0.035200	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	<u>0.031400</u>	<u>0.031500</u>	<u>0.033400</u>	<u>0.031000</u>	<u>0.035200</u>	<u>0.036900</u>	
7. TOTAL INTEREST RATE (LINES 5 + 6)	<u>0.063300</u>	<u>0.062900</u>	<u>0.064900</u>	<u>0.064400</u>	<u>0.066200</u>	<u>0.072100</u>	
8. AVERAGE INTEREST RATE	0.031650	0.031450	0.032450	0.032200	0.033100	0.036050	
9. MONTHLY AVERAGE INTEREST RATE (1/12 OF LINE 8)	<u>0.002638</u>	<u>0.002621</u>	<u>0.002704</u>	<u>0.002683</u>	<u>0.002758</u>	<u>0.003004</u>	
10. INTEREST PROVISION FOR THE MONTH (LINES 4 X 9) (\$)	<u>3,230</u>	<u>4,238</u>	<u>3,512</u>	<u>2,145</u>	<u>939</u>	<u>(1,607)</u>	<u>12,457</u>

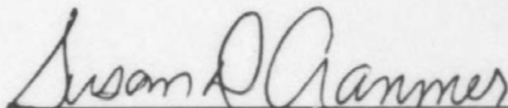
Florida Public Service Commission
 Docket No. 940001-E1
 GULF POWER COMPANY
 Witness: S. D. Cramer
 Exhibit No. _____ (SDC-1)
 Schedule CCA-3

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 940001-EI

Before me the undersigned authority, personally appeared Susan D. Cranmer, who being first duly sworn, deposes, and says that she is the Supervisor of Rate Services of Gulf Power Company, a Maine corporation, that the foregoing is true and correct to the best of her knowledge, information, and belief. She is personally known to me.



Susan D. Cranmer
Supervisor of Rate Services

Sworn to and subscribed before me this 19th day of May, 1994.



Notary Public, State of Florida at Large

Commission No. CC 016935

My Commission Expires May 31, 1994.