

Gulf Power Company
500 Bayfront Parkway
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Pensacola, FL 32520-0781
Telephone 904 444-6231

ORIGINAL
FILE COPY

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

May 17, 1996

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 for official filing in the above docket are an original and fifteen (15) copies of the following:

ACK	<input checked="" type="checkbox"/>	
AFA	<input checked="" type="checkbox"/>	1. Prepared direct testimony and exhibit of S. D. Cranmer. 05566-96
APP	<input type="checkbox"/>	
CAF	<input type="checkbox"/>	2. Prepared direct testimony and exhibit of M. F. Oaks. 05567-96
CMU	<input type="checkbox"/>	
CTR	<input type="checkbox"/>	3. Prepared direct testimony and exhibit of G. D. Fontaine. 05568-96
EAG	<input checked="" type="checkbox"/>	4. Prepared direct testimony of M. W. Howell. 05569-96

LEG 1
LIN 3 Sincerely,

OPC _____
RCH _____ *Susan D. Cranmer*

SEC 1
WAS _____ lw

OTH _____ Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)
_____)

Docket No. 960001-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 17th day of May 1996 on the following:

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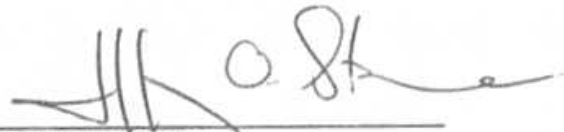
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ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960001-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF

S. D. CRANMER

FUEL COST RECOVERY AND
PURCHASED POWER CAPACITY COST RECOVERY

FINAL TRUE-UP

MAY 20, 1996


GULF POWER

DOCUMENT NUMBER - DATE
05566 MAY 20 88
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. 960001-EI
6 Fuel and Purchased Power Capacity Cost Recovery
7 Date of Filing: May 20, 1996

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

9 A. My name is Susan Cranmer. My business address is 500
10 Bayfront Parkway, Pensacola, Florida 32501. I hold the
11 position of Assistant Secretary and Assistant Treasurer
12 of Gulf Power Company. In this position, I am
13 responsible for supervising the Rates and Regulatory
14 Matters Department.

15 Q. Please briefly describe your educational background and
16 business experience.

17 A. I graduated from Wake Forest University in
18 Winston-Salem, North Carolina in 1981 with a Bachelor of
19 Science Degree in Business and from the University of
20 West Florida in 1982 with a Bachelor of Arts Degree in
21 Accounting. I am also a Certified Public Accountant
22 licensed in the State of Florida. I joined Gulf Power
23 Company in 1983 as a Financial Analyst. Prior to
24 assuming my current position, I have held various
25 positions with Gulf including Computer Modeling Analyst,

1 Senior Financial Analyst, and Supervisor of Rate
2 Services.

3 My responsibilities include supervision of: tariff
4 administration, cost of service activities, calculation
5 of cost recovery factors, the regulatory filing function
6 of the Rates and Regulatory Matters Department, and
7 various treasury activities.

8
9 Q. Have you prepared an exhibit that contains information
10 to which you will refer in your testimony?

11 A. Yes, I have.

12 Counsel: We ask that Ms. Cranmer's Exhibit
13 consisting of four schedules be
14 marked as Exhibit No. _____ (SDC-1).

15
16 Q. Are you familiar with the Fuel and Purchased Power
17 (Energy) True-up Calculation for the period of October
18 1995 through March 1996 and the Purchased Power Capacity
19 Cost True-up Calculation for the period of April 1995
20 through September 1995 set forth in your exhibit?

21 A. Yes. These documents were prepared under my
22 supervision.

23
24
25

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

4 A. Yes, I have.

5

6 Q. What is the amount to be refunded or collected through
7 the fuel cost recovery factor in the period October 1996
8 through March 1997?

9 A. An amount to be collected of \$7,291,590 was calculated
10 as shown in Schedule 1 of my exhibit.

11

12 Q. How was this amount calculated?

13 A. The \$7,291,590 was calculated by taking the difference
14 in the estimated October 1995 through March 1996 under-
15 recovery of \$496,180 as approved in Order No.
16 PSC-96-0353-FOF-EI, dated March 13, 1996 and the actual
17 under-recovery of \$7,787,770 which is the sum of lines 7
18 and 8 shown on Schedule A-2, page 2 of 3, Period-to-date
19 of the monthly filing for March 1996.

20

21 Q. Ms. Cranmer, you stated earlier that you are responsible
22 for the Purchased Power Capacity Cost True-up
23 Calculation. Which schedules of your exhibit relate to
24 the calculation of these factors?

25 A. Schedules CCA-1, CCA-2, and CCA-3 of my exhibit relate

1 to the Purchased Power Capacity Cost True-up Calculation
2 for the period April 1995 through September 1995.

3

4 Q. What is the amount to be refunded or collected in the
5 period October 1996 through September 1997?

6 A. An amount to be refunded of \$410,705 was calculated as
7 shown in Schedule CCA-1 of my exhibit.

8

9 Q. How was this amount calculated?

10 A. The \$410,705 was calculated by taking the difference in
11 the estimated April 1995 through September 1995 over-
12 recovery of \$190,165 as approved in Order No.
13 PSC-95-1089-FOF-EI, dated September 5, 1995 and the
14 actual over-recovery of \$600,870 which is the sum of
15 lines 11 and 12 under the total column of 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 over-
21 recovery of purchased power capacity costs for the
22 period April 1995 through September 1995. Schedule
23 CCA-3 of my exhibit is the calculation of the interest
24 provision on the over-recovery. This is the same method
25 of calculating interest that is used in the Fuel and

1 Purchased Power (Energy) Cost Recovery Clause and the
2 Environmental Cost Recovery Clause.

3

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

5 A. Yes, it does.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 960001-EI

Before me the undersigned authority, personally appeared Susan D. Cranmer, who being first duly sworn, deposes, and says that she is the Assistant Secretary and Assistant Treasurer 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
Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

Sworn to and subscribed before me this 14th day of May,
1996.

Linda C. Webb
Notary Public, State of Florida at Large



LINDA C. WEBB
Notary Public-State of FL
Comm. Exp: May 31, 1998
Comm. No: CC 362703

Florida Public Service Commission
Docket No. 960001-EI
GULF POWER COMPANY
Witness: S. D. Cranmer
Exhibit No. _____ (SDC-1)
Schedule 1

**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
OCTOBER 1995 - MARCH 1996**

1. Estimated over/(under) - recovery for the period
OCTOBER 1995 - MARCH 1996
(Schedule E1-A approved in Order No.
PSC-96-0353-FOF-EI dated March 13, 1996) (496,180)

2. Actual over/(under)-recovery for the period
OCTOBER 1995 - MARCH 1996
(March, 1996 Schedule A-2, Page 2 of 3,
"Period-to-Date", Lines 7 and 8) (7,787,770)

3. Amount to be refunded/(recovered) in the
OCTOBER, 1996 - MARCH 1997
projection period (Line 2 - Line 1) (\$7,291,590)

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
APRIL 1995 - SEPTEMBER 1995**

- | | |
|--|----------------|
| 1. Estimated over/(under) -recovery for the period
APRIL 1995 - SEPTEMBER 1995
(Schedule CCE-1b approved in Order No.
PSC-95-1089-FOF-EI dated September 5, 1995) | 190,165 |
| 2. Actual over/(under)-recovery for the period
APRIL 1995 - SEPTEMBER 1995
(Schedule CCA-2 Line 11+12 in the Total column) | <u>600,870</u> |
| 3. Amount to be refunded/(recovered) in the
October, 1996 - September, 1997 projection period
(Line 2 - Line 1) | <u>410,705</u> |

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD APRIL 1995 - SEPTEMBER 1995**

	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL TOTAL
1. IIC Payments / (Receipts) (\$)	(359,551)	202,794	592,062	635,252	368,600	403,224	1,842,381
2. Schedule E Capacity Revenues (\$)	0	0	0	0	0	0	0
3. Total Capacity Payments/(Receipts) (Line 1 + 2) (\$)	(359,551)	202,794	592,062	635,252	368,600	403,224	1,842,381
4. Jurisdictional %	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859
5. Jurisdictional Capacity Payments / (Receipts) (Line 3 x 4) (\$)	(346,602)	195,491	570,739	612,374	355,325	388,702	1,776,029
6. Amount Included in Retail Base Rate Revenues (\$)	(137,667)	(137,667)	(137,667)	(137,667)	(137,667)	(137,665)	(826,000)
7. Total Jurisdictional Recovery Amount (Line 5 - 6) (\$)	(208,935)	333,158	708,406	750,041	492,992	526,367	2,602,029
8. Jurisdictional Capacity Cost Recovery Revenue Net of Taxes (\$)	329,904	440,952	468,636	532,066	532,956	764,403	3,068,917
9. True-Up Provision (\$)	20,002	20,002	20,002	20,002	20,002	20,002	120,012
10. Jurisdictional Capacity Cost Recovery Revenue (Line 8 + 9) (\$)	349,906	460,954	488,638	552,068	552,958	784,405	3,188,929
11. Over/(Under) Recovery (Line 10 - 7) (\$)	558,841	127,796	(219,768)	(197,973)	59,966	258,038	586,900
12. Interest Provision (\$)	1,798	3,435	3,127	1,948	1,481	2,181	13,970
13. Beginning Balance True-Up & Interest Provision (\$)	84,625	625,262	736,491	499,848	283,821	325,266	84,625
14. True-Up Collected/(Refunded) (\$)	(20,002)	(20,002)	(20,002)	(20,002)	(20,002)	(20,002)	(120,012)
15. End Of Period Total Net True-Up (Lines 11 + 12 + 13 + 14) (\$)	625,262	736,491	499,848	283,821	325,266	565,483	565,483

Florida Public Service Commission
 Docket No. 960001-EI
 GULF POWER COMPANY
 Witness: S. D. Cramer
 Exhibit No. _____ (SDC-1)
 SCHEDULE CCA-2

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD APRIL 1995 - SEPTEMBER 1995**

	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	TOTAL
1. Beginning True-Up Amount (\$)	84,625	625,262	736,491	499,848	283,821	325,266	
2. Ending True-Up Amount Before Interest (\$)	623,464	733,056	496,721	281,873	323,785	563,302	
3. Total Beginning & Ending True-Up Amount (\$) (Lines 1 + 2)	708,089	1,358,318	1,233,212	781,721	607,606	888,568	
4. Average True-Up Amount (\$)	354,045	679,159	616,606	390,861	303,803	444,284	
5. Interest Rate - First Day of Reporting Business Month	0.061200	0.060700	0.060700	0.061000	0.058600	0.058400	
6. Interest Rate - First Day of Subsequent Business Month	0.060700	0.060700	0.061000	0.058600	0.058400	0.059400	
7. Total Interest Rate (Lines 5 + 6)	0.121900	0.121400	0.121700	0.119600	0.117000	0.117800	
8. Average Interest Rate	0.060950	0.060700	0.060850	0.059800	0.058500	0.058900	
9. Monthly Average Interest Rate (1/12 Of Line 8)	0.005079	0.005058	0.005071	0.004983	0.004875	0.004908	
10. Interest Provision For the Month (Lines 4 X 9) (\$)	1,798	3,435	3,127	1,948	1,481	2,181	13,970

Florida Public Service Commission
 Docket No. 960001-EI
 GULF POWER COMPANY
 Witness: S. D. Cramer
 Exhibit No. (SDC-1)
 SCHEDULE CCA-3