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Pensacola, FL 32520

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May 16, 1997

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. 970001-EI

Enclosed for official filing in the above docket are an original and ten (10) copies of the following:

1. Prepared direct testimony and exhibit of S. D. Cranmer. - 05048-97
2. Prepared direct testimony and exhibit of M. F. Oaks. - 05049-97
3. Prepared direct testimony and exhibit of G. D. Fontaine. - 05050-97
4. Prepared direct testimony of M. W. Howell. - 05051-97

ACK _____
 AFA 2
 APP _____
 CAF _____
 CMU _____
 CTB _____
 EAG Pass
 LEG 1
 LIN 3 to go
 OPC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____

Sincerely,

Susan D. Cranmer

Enclosures

RECEIVED & FILED

[Signature]
FPSC BUREAU OF RECORDS

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**FUEL COST RECOVERY AND
PURCHASED POWER CAPACITY COST RECOVERY
DOCKET NO. 970001-EI**

**PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
S. D. CRANMER**

**FINAL TRUE-UP
MAY 20, 1997**



A SOUTHERN COMPANY

DOCUMENT NUMBER-DATE
05048 MAY 20 97
FPSC-RECORDS/REPORTING

DOCUMENT NUMBER-DATE
05048 MAY 20 97
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. 970001-EI
6 Fuel and Purchased Power Capacity Cost Recovery
7 Date of Filing: May 20, 1997

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 1996 through March 1997 and the Purchased Power Capacity
19 Cost True-up Calculation for the period of October 1995
20 through September 1996 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 1997
8 through March 1998?
- 9 A. An amount to be collected of \$3,165,271 was calculated
10 as shown in Schedule 1 of my exhibit.
- 11
- 12 Q. How was this amount calculated?
- 13 A. The \$3,165,271 was calculated by taking the difference
14 in the estimated October 1996 through March 1997 under-
15 recovery of \$2,698,394 as approved in Order No.
16 PSC-97-0359-FOF-EI, dated March 31, 1997 and the actual
17 under-recovery of \$5,863,665 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 1997.
- 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 October 1995 through September 1996.

3

4 Q. What is the amount to be refunded or collected in the
5 period October 1997 through September 1998?

6 A. An amount to be collected of \$201,368 was calculated as
7 shown in Schedule CCA-1 of my exhibit.

8

9 Q. How was this amount calculated?

10 A. The \$201,368 was calculated by taking the difference in
11 the estimated October 1995 through September 1996 over-
12 recovery of \$374,156 as approved in Order No.

13 PSC-96-1172-FOF-EI, dated September 19, 1996 and the
14 actual over-recovery of \$172,788 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 October 1995 through September 1996. 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. 970001-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 16th day of May

1997.

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 382703

**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
OCTOBER 1996 - MARCH 1997**

1. Estimated over/(under) - recovery for the period
OCTOBER 1996 - MARCH 1997
(Schedule E1-A approved in Order No.
PSC-97-0359-FOF-EI dated March 31, 1997) (2,698,394)

2. Actual over/(under)-recovery for the period
OCTOBER 1996 - MARCH 1997
(March, 1997 Schedule A-2, Page 2 of 3,
"Period-to-Date", Lines 7 and 8) (5,863,665)

3. Amount to be refunded/(recovered) in the
OCTOBER 1997 - MARCH 1998
projection period (Line 2 - Line 1) (\$3,165,271)

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
OCTOBER 1995 - SEPTEMBER 1996**

1. Estimated over/(under) -recovery for the period OCTOBER 1995 - SEPTEMBER 1996 (Schedule CCE-1b approved in Order No. PSC-96-1172-FOF-EI dated September 19, 1996)	374,156
2. Actual over/(under)-recovery for the period OCTOBER 1995 - SEPTEMBER 1996 (Schedule CCA-2 Line 11+12 in the Total column)	<u>172,788</u>
3. Amount to be refunded/(recovered) in the October, 1997 - September, 1998 projection period (Line 2 - Line 1)	<u><u>(201,368)</u></u>

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD OCTOBER 1995 - SEPTEMBER 1996

	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL TOTAL
1. IC Payments / (Receipts) (\$)	352,469	998,863	1,209,535	1,185,652	1,692,302	2,007,664	(235,204)	80,434	963,022	1,707,648	580,585	590,171	10,493,759
2. Capacity Payments to Monorants (\$)	0	0	0	0	0	0	0	0	62,202	62,202	62,202	62,202	248,808
3. Total Capacity Payments/(Receipts) (Line 1 + 2) (\$)	352,469	998,863	1,209,535	1,185,652	1,692,302	2,007,664	(235,204)	80,434	1,025,224	1,769,850	642,787	652,373	10,741,967
4. Jurisdictional %	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859
5. Jurisdictional Capacity Payments / (Receipts) (Line 3 x 4) (\$)	339,794	962,890	1,165,974	1,142,952	1,631,365	1,939,360	(226,734)	77,537	988,301	1,727,717	619,838	590,319	10,366,103
6. Amount Included in Retail Base Rate Revenues (\$)	(137,667)	(137,667)	(137,667)	(137,667)	(137,666)	(137,666)	(137,667)	(137,667)	(137,667)	(137,667)	(137,666)	(137,666)	(1,612,000)
7. Total Jurisdictional Recovery Amount (Line 5 - 6) (\$)	477,461	1,100,557	1,303,641	1,280,619	1,769,021	2,077,026	(89,067)	215,204	1,125,968	1,285,384	757,304	727,985	12,007,103
8. Jurisdictional Capacity Cost Recovery Revenue Net of Taxes (\$)	828,122	787,906	971,461	1,003,638	919,258	919,934	776,810	1,068,707	1,183,887	1,293,813	1,233,084	1,079,983	12,004,411
9. True-Up Provision (\$)	12,898	12,898	12,898	12,898	12,898	12,898	12,898	12,898	12,898	12,898	12,898	12,898	154,779
10. Jurisdictional Capacity Cost Recovery Revenue (Line 8 + 9) (\$)	841,020	800,804	984,359	1,016,536	932,154	932,832	789,708	1,081,605	1,176,785	1,306,712	1,245,982	1,092,881	12,159,190
11. Over/(Under) Recovery (Line 10 - 7) (\$)	363,559	(299,753)	(319,282)	(264,083)	(836,867)	(1,140,194)	678,775	854,401	50,817	41,128	488,689	354,897	182,087
12. Interest Provision (\$)	3,027	3,694	2,152	665	(1,860)	(6,425)	(7,148)	(3,272)	(1,323)	(1,184)	(37)	1,832	(9,299)
13. Beginning Balance True-Up & Interest Provision (\$)	565,483	919,771	619,814	230,796	4,470	(847,173)	(2,006,892)	(1,147,963)	(309,732)	(273,136)	(246,091)	229,862	565,483
14. True-Up Collected/(Refunded) (\$)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(12,898)	(154,779)
15. End Of Period Total Net True-Up (Lines 11 + 12 + 13 + 14) (\$)	919,771	619,814	289,786	4,470	(847,179)	(2,006,662)	(1,147,963)	(309,732)	(273,136)	(246,091)	229,862	583,492	583,492

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD OCTOBER 1995 - SEPTEMBER 1996

	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	TOTAL
1 Beginning True-Up Amount (\$)	565,483	919,771	610,814	280,766	4,470	(847,175)	(2,006,662)	(1,147,983)	(309,732)	(273,136)	(246,091)		229,662
2 Ending True-Up Amount Before Interest (\$)	916,144	607,120	278,634	3,805	(845,265)	(2,000,267)	(1,140,819)	(308,460)	(271,813)	(244,907)	(229,699)		581,660
3 Total Beginning & Ending True-Up Amount (\$) (Lines 1 + 2)	1,481,627	1,526,891	889,448	284,591	(840,825)	(2,847,442)	(3,147,507)	(1,454,423)	(581,545)	(518,043)	(16,392)		811,322
4 Average True-Up Amount (\$)	740,814	763,446	444,724	142,298	(420,413)	(1,473,721)	(1,573,754)	(727,212)	(290,773)	(259,027)	(8,196)		405,661
5 Interest Rate - First Day of Reporting Business Month	0.059400	0.058100	0.058000	0.058100	0.054000	0.053300	0.053000	0.054000	0.054000	0.053700	0.054500		0.0546000
6 Interest Rate - First Day of Subsequent Business Month	0.058100	0.058000	0.058100	0.054000	0.053300	0.056000	0.054000	0.054000	0.053200	0.054500	0.054000		0.054400
7 Total Interest Rate (Lines 5 + 6)	0.117500	0.116100	0.116100	0.112100	0.107300	0.109300	0.109000	0.108000	0.109200	0.109700	0.108500		0.108400
8 Average Interest Rate	0.058750	0.058050	0.058050	0.058050	0.053650	0.054150	0.054500	0.054000	0.054800	0.054850	0.054250		0.054200
9 Monthly Average Interest Rate (1/12 Of Line 8)	0.004896	0.004838	0.004838	0.004871	0.004471	0.004513	0.004542	0.004500	0.004550	0.004571	0.004521		0.004517
10 Interest Provision For the Month (Lines 4 X 9) (\$)	3,677	3,694	2,157	665	(1,850)	(8,425)	(7,148)	(3,272)	(1,323)	(1,194)	(37)		(9,269)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 970001-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 16th day of May 1997 on the following:

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