

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and) Docket No. 940001-EI
Generating Performance) Filed: Jan. 18, 1994
Incentive Factor)
_____)

PETITION OF GULF POWER COMPANY FOR APPROVAL OF
FINAL FUEL COST TRUE-UP AMOUNTS AND GPIF ADJUSTMENT
FOR APRIL 1993 THROUGH SEPTEMBER 1993;
ESTIMATED FUEL COST TRUE-UP FOR OCTOBER 1993 THROUGH MARCH 1994;
PROJECTED FUEL COST RECOVERY AMOUNTS
FOR APRIL 1994 THROUGH SEPTEMBER 1994;
FINAL PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS
FOR APRIL 1993 THROUGH SEPTEMBER 1993;
ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP
FOR OCTOBER 1993 THROUGH MARCH 1994;
PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNT
FOR APRIL 1994 THROUGH SEPTEMBER 1994;
ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS, FUEL COST RECOVERY
FACTORS, CAPACITY COST RECOVERY FACTORS, AND THE GPIF TARGETS AND
RANGES FOR APRIL 1994 THROUGH SEPTEMBER 1994

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"),
by and through its undersigned counsel, hereby petitions this
Commission for approval of the Company's final fuel adjustment
true-up amounts and GPIF adjustment for the period April 1993
through September 1993; for approval of its estimated fuel cost
true-up amounts for the period October 1993 through March 1994; for
approval of its projected fuel cost recovery amounts for the period
April 1994 through September 1994; for approval of its final
purchased power capacity cost true-up amounts for the period April
1993 through September 1993; for approval of its estimated capacity
cost true-up amounts for the period October 1993 through March
1994; for approval of its projected capacity cost recovery amounts
for the period April 1994 through September 1994; for approval of
its estimated as-available avoided energy costs for QF's; and for
approval of its fuel cost recovery factors, purchased power
capacity cost recovery factors, and GPIF targets and ranges for the
period April 1994 through September 1994.

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FPSC-REGULATORY/REPORTING

As grounds for the relief requested by this petition, the Company would respectfully show:

FINAL FUEL ADJUSTMENT TRUE-UP

(1) By vote of the Commission at the August 1993 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the final fuel true-up amounts. According to the data filed by Gulf for the period ending September 30, 1993, the final fuel true-up amount for the subject six months should be an actual under recovery of \$611,983 instead of the estimated over recovery amount of \$1,122,246 as approved previously by this Commission. The difference between these two amounts, \$1,734,229, is submitted for approval by the Commission to be collected in the next period. The supporting data has been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost procedures and fairly presents the Company's fuel and purchased energy expenses for the period. Amounts spent by the Company for fuel and purchased energy are reasonable and prudent, and the Company makes every effort to secure the most favorable price for all of the fuel it purchases and for its energy purchases.

GPIF ADJUSTMENT

(2) Based on the actual operating results for the period April 1993 through September 1993 and the Generating Performance Incentive Factor (GPIF) previously established by this Commission,

Gulf should receive a GPIF reward in the amount of \$128,552 as provided for by the GPIF plan. The supporting data for the GPIF is provided in the testimony and exhibits of G. D. Fontaine filed herewith. The methodology used by Gulf in determining the various factors required to compute the GPIF is in accordance with the requirements of the Commission.

ESTIMATED FUEL COST TRUE-UP

(3) Gulf has calculated its estimated fuel cost true-up amount for the period October 1993 through March 1994. Based on three months actual experience and three months projected data, the Company's estimated fuel cost true-up amount for the current period (October 1993 through March 1994) is \$2,995,885 under recovery. The supporting data is provided in the testimony and schedules of S. D. Cranmer filed herewith. The estimated fuel cost true-up for the current period is combined with the net final fuel adjustment true-up for the period ending September 30, 1993 to reach the total fuel cost true-up to be addressed in the factors for the next fuel cost recovery period. The proposed levelized fuel factor of 2.1580¢/KWH reflects the collection of this total true-up amount, \$4,730,114, during the period of April 1994 through September 1994.

PROJECTED FUEL COST RECOVERY AMOUNTS

(4) Gulf has calculated its projected fuel cost recovery amounts for the months April 1994 through September 1994 for fuel and purchased energy in accordance with the procedures set out in

this Commission's Orders Nos. 6357, 7890, 7501, and 9273 of Docket No. 74680-EI and with the orders entered in this docket. The computations thereof are attached as Schedule E-1 of the exhibit to the testimony of S. D. Cranmer filed herewith. Included within the Company's projected cost recovery is the special contract recovery amount of \$376,902 determined in accordance with this Commission's Order Nos. 19613, 20178 and 25148, as shown on Schedule 13. As Schedule 13 also shows, only 25% of the identified fuel savings benefits attributed to the Monsanto special contract has been included for recovery.¹ The supporting data prepared in accordance with the Commission Staff's suggested procedures and format is attached as Schedules E-1 through E-11 and H-1 of the exhibit to the testimony of S. D. Cranmer filed herewith. Said schedules are by reference made a part hereof. The proposed amounts and supporting data have been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost projection procedures and fairly present the Company's best estimate of fuel and purchased energy expense for the projected period. Amounts projected by the Company for fuel and purchased energy are reasonable and prudent, and the Company continues to make every effort to secure the most favorable price for all of the fuel it purchases and for its purchased energy.

¹This 25% share has been designated by the Commission as the portion of these benefits that the Company's shareholders are entitled to receive as a result of the contract. The remaining 75% share remains with the ratepayers, who have already directly received the fuel savings benefits attributed to the contract through lower fuel costs during the period April 1993 through August 1993.

FINAL PURCHASED POWER CAPACITY COST TRUE-UP

(5) By vote of the Commission at the August 1993 hearings, estimated purchased power capacity cost true-up amounts were approved by the Commission, subject to establishing the final purchased power capacity cost true-up amounts. According to the data filed by Gulf for the period ending September 30, 1993, the final purchased power capacity cost true-up amount for the subject six months should be an actual over recovery of \$263,876 instead of the estimated over recovery amount of \$79,938 as approved previously by this Commission. The difference between these two amounts, \$183,938, is submitted for approval by the Commission to be refunded in the next period. The supporting data has been prepared in accordance with the uniform system of accounts and fairly presents the Company's purchased capacity expenses for the period. Amounts spent by the Company for purchased capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP

(6) Gulf has calculated its estimated purchased power capacity cost true-up amount for the period October 1993 through March 1994. Based on three months actual and three months projected data, the Company's estimated capacity cost true-up amount for the current period (October 1993 through March 1994) is \$41,833 under recovery. The estimated capacity cost true-up for the current period is combined with the net final capacity cost

true-up for the period ending September 30, 1993 to reach the total capacity cost true-up to be addressed in the factors for the next cost recovery period. The proposed capacity cost recovery factors reflect the refund of this total capacity cost true-up amount, \$142,105, during the period of April 1994 through September 1994.

PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS

(7) Gulf has calculated its projected purchased power capacity cost recovery amounts for the months April 1994 through September 1994 in accordance with the procedures set out in this Commission's Order No. 25773 and Order No. PSC-93-0047-FOF-EI. The proposed factors reflect the recovery of the net capacity cost recovery amount of \$1,303,663 projected for the period April 1994 through September 1994.

The computations and supporting data for the Company's purchased power capacity cost recovery factors are set forth on Schedules CCE-1 (including CCE-1a and CCE-1b) and CCE-2 attached as part of the exhibit to the testimony of S. D. Cranmer filed herewith. Additional supporting data for the purchased power capacity cost recovery factors is provided in the testimony and exhibits of M. W. Howell also filed herewith. The methodology used by Gulf in determining the amounts to include in these factors and the allocation to rate classes, based 12/13th on demand and 1/13th on energy, is in accordance with the requirements of the Commission as set forth in Order No. 25773. The amounts included in the factors for this projection period are based on reasonable

projections of the capacity transactions that are expected to occur during the period April 1994 through September 1994. The proposed factors and supporting data have been prepared in accordance with the uniform system of accounts and fairly present the Company's best estimate of purchased power capacity costs for the projected period. Amounts projected by the Company for purchased capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS

(8) Pursuant to Order 13247 (entered May 1, 1984) in Docket No. 830377-EI and Order No. 19548 (entered June 21, 1988) in Docket No. 880001-EI, Gulf has calculated estimates of as-available avoided energy costs for QF's in accordance with the procedures required in said orders. The resultant costs are attached to the testimony of S. D. Cranmer as Schedule 12 and by reference made a part hereof. Gulf Power requests that the Commission approve the estimates for these costs set forth on Schedule 12.

FUEL COST RECOVERY FACTORS

(9) The proposed fuel and purchased energy cost recovery factors, including GPIF and True-Up, herein requested are:

Group	Rate Schedules	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, GS, GSD, OSIII, OSIV	1.01228	2.185	2.139	2.281
B	LP	0.98106	2.117	2.073	2.210
C	PX	0.96230	2.077	2.033	2.168
D	OSI, OSII	1.01228	2.269	N/A	N/A

CAPACITY COST RECOVERY FACTORS

(10) The proposed purchased power capacity cost recovery factors by rate class herein requested, including true-up, are:

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	0.031
GS, GST	0.031
GSD, GSDT	0.024
LP, LPT	0.021
PX, PXT	0.017
OSI, OSII	0.003
OSIII	0.019
OSIV	0.002
SS	0.017

GPIF TARGETS AND RANGES

(11) Gulf also seeks approval of the GPIF targets and ranges for the period April 1994 through September 1994 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	66.6	24.6	8.8	10,391
Crist 7	82.1	0.0	17.9	10,231
Smith 1	80.8	13.1	6.1	10,162
Smith 2	90.8	0.0	9.2	10,192
Daniel 1	86.8	9.3	3.9	10,449
Daniel 2	96.8	0.0	3.2	10,089

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

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final fuel adjustment true-up for the period April 1993 through September 1993; the GPIF adjustment for the period April 1993 through September 1993; the estimated fuel cost true-up for the period October 1993 through March 1994; the projected fuel cost recovery amount for the period April 1994 through September 1994; the final purchased power capacity cost true-up amounts for the period April 1993 through September 1993; the estimated purchased power capacity cost recovery true-up amount for the period October 1993 through March 1994; the projected net purchased power capacity cost recovery amount for the period April 1994 through September 1994; the fuel cost recovery factors, the capacity cost recovery factors and the GPIF targets and ranges for the period April 1994 through September 1994.

Dated the 17th day of January, 1994.



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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 17th day of January, 1994 on the following:

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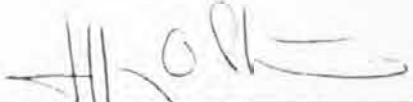
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