

GULF POWER COMPANY

Before the Florida Public Service Commission

Prepared Direct Testimony of

M. L. Gilchrist

Docket No. 940001-EI

Date of Filing January 18, 1994

DOCUMENT NUMBER-DATE

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FPSC-REGULATORY REPORTING

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7

8 Q. Please state your name and business address.

9 A. My name is M. L. Gilchrist, and my business address is 500 Bayfront
10 Parkway, Pensacola, Florida, 32520-0328.

11

12 Q. By whom are you employed and in what capacity?

13 A. I am Manager of Fuel and Environmental Affairs for Gulf Power Company.

14

15 Q. Mr. Gilchrist, will you please describe your education and experience?

16 A. I graduated from Auburn University in 1958 with a Bachelor of Science
17 Degree in Electrical Engineering. I joined Gulf Power Company in 1961 as a
18 Field Engineer. Since then, I have held various positions with the Company,
19 including Power Sales Engineer, Division Sales Supervisor, Division
20 Engineer, Supervisor of Fuel Supply, Assistant Plant Manager at Crist
21 Electric Generating Plant, and Manager of Interchange and Fuel Supply. I
22 was promoted to my present position June 1, 1989.

23

24 Q. What are your duties as Manager of Fuel and Environmental Affairs?

25 A. I manage the fuel supply and environmental compliance activities of the
Company. My responsibilities include fuel procurement, fuel contract
administration, and fuel budgeting.

1 Q. Are you the same Lane Gilchrist who has previously testified before this
2 Commission on various fuel matters?

3 A. Yes.
4

5 Q. Mr. Gilchrist, what is the purpose of your testimony in this docket?

6 A. The purpose of my testimony is to support Gulf Power Company's projection
7 of fuel expenses for the period April 1, 1994 to September 30, 1994 and to be
8 available to answer any questions that may occur concerning the Company's
9 fuel procurement.
10

11 Q. Have you prepared an exhibit that contains information to which you will refer
12 in your testimony?

13 A. Yes. I have prepared an exhibit consisting of one schedule. My Schedule 1
14 of Exhibit No. _____ (MLG-2) is a tabulation of projected and actual fuel
15 cost since the present method of projecting fuel factors began in 1980. The
16 purpose of this schedule is to illustrate the accuracy of our short term
17 projections of fuel and purchase power expenses.
18

19 COUNSEL: We ask that Mr. Gilchrist's exhibit, consisting of one schedule,
20 be marked as Exhibit No. _____ (MLG-2).
21

22 Q. Has Gulf Power Company made any changes to its projection methods for
23 this period?

24 A. No.
25

1 Q. Will there be any major changes in Gulf's fuel purchasing program during this
2 period?

3 A. Gulf Power is negotiating with the Peabody Coal Company concerning
4 changes in coal supply for Phase I of the Clean Air Act. These negotiations
5 are not complete. If any changes occur that significantly affect the forecast
6 period, Gulf will promptly inform the Commission.

7

8 Q. How much spot market coal does Gulf project it will purchase during the April
9 1994 through September 1994 period?

10 A. We are projecting the purchase of approximately 2,431,016 tons. This
11 represents approximately 75% of our projected purchase requirements. The
12 percentage of spot market coal is higher than normal due to the Peabody
13 Suspension Agreement and the coal supply transition at Plant Daniel. Both
14 of these situations were discussed in my true-up testimony filed on
15 November 15, 1993.

16

17 Q. Mr. Gilchrist, does this conclude your testimony?

18 A. Yes.

19

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25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

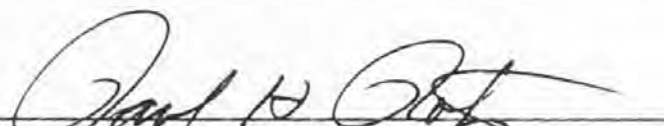
Docket No. 940001-EI

Before me the undersigned authority, personally appeared M. L. Gilchrist, who being first duly sworn, deposes, and says that he is the Manager of Fuel and Environmental Affairs of Gulf Power Company, a Maine corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.



M. L. Gilchrist
Manager of Fuel and Environmental Affairs

Sworn to and subscribed before me this 17th day of January, 1994.



Notary Public, State of Florida at Large

Commission Number:

CC-036537

Commission Expires:

9/12/1994

GULF POWER COMPANY
PROJECTED VS ACTUAL FUEL COST

<u>Period Ending</u>	<u>¢/KWH Fuel Cost(1)</u>		<u>Difference %</u>
	<u>Projected</u>	<u>Actual</u>	
September 1980	2.2382	2.2877	2.21
March 1981	2.3252	2.1643	(6.93)
September 1981	2.4703	2.4610	(.36)
March 1982	2.6453	2.6999	2.04
September 1982	2.6971	2.7495	1.93
March 1983	2.7875	2.7238	(2.30)
September 1983	2.7166	2.7148	(.07)
March 1984	2.8055	2.7999	(0.21)
September 1984	2.8511	2.7259	(4.42)
March 1985	2.8409	2.7140	(4.44)
September 1985	2.5905	2.5643	(1.01)
March 1986	2.5849	2.7929	8.05
September 1986	2.3990	2.4614	2.60
March 1987	2.1602	2.3656	9.51
September 1987	2.3469	2.0803	(11.40)
March 1988	1.8439	1.8222	(1.18)
September 1988	1.7941	1.7819	(0.72)
March 1989	1.9554	1.9110	(2.25)
September 1989	2.0069	2.0652	2.90
March 1990	1.9443	1.9346	(0.50)
September 1990	2.0293	2.1836	7.60

(1) Schedule A-1, Line 7 through March, 1985.

Schedule A-1, period to date line 20 from September, 1985 to September, 1990.

GULF POWER COMPANY
PROJECTED VS ACTUAL FUEL COST

<u>Period Ending</u>	<u>¢/KWH Fuel Cost(1)</u>		
	<u>Projected</u>	<u>Actual</u>	<u>Difference %</u>
March 1991	2.1302	2.1788	2.28
September 1991	2.1295	2.0771	(2.46)
March 1992	1.9131	2.0506	7.19
September 1992	1.9421	2.0131	3.66
March 1993	1.9904	1.9745	(0.80)
September 1993	2.0194	2.0198	0.02
March 1994	1.9050	-	-
September 1994	1.8660	-	-

(1) Schedule A-1, period to date Line 19 from March, 1991 to September, 1993.

Schedule A-1, period to date line 4 from March, 1994 forward.