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ORIGINAL
 FILE COPY

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

the southern electric system

June 27, 1994

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

Cranmer
 Revised 6th. Sch 1
 DOCUMENT NUMBER-DATE

06316 JUN 27 3

FPSC-RECORDS/REPORTING

Test. Cranmer
 DOCUMENT NUMBER-DATE

06315 JUN 27 3

FPSC-RECORDS/REPORTING

Test. M.W. Howell
 DOCUMENT NUMBER-DATE

06314 JUN 27 3

FPSC-RECORDS/REPORTING

Test. G.D. Fontaine
 DOCUMENT NUMBER-DATE

06313 JUN 27 3

FPSC-RECORDS/REPORTING

ACK ✓
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 GTH _____

Dear Ms. Bayo:

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

1. Petition of Gulf Power Company for approval of "Final True-up Amounts" and GPIF Adjustment for October, 1994 through March, 1994; estimated true-up for April, 1994 through September, 1994; projected fuel factor for October, 1994 through March, 1995; and the GPIF targets and ranges for October, 1994 through March, 1995.
2. Prepared direct testimony and exhibit of M. L. Gilchrist.
3. Prepared direct testimony and exhibit of G. D. Fontaine.
4. Prepared direct testimony and exhibit of M. W. Howell.
5. Prepared direct testimony and exhibit of S. D. Cranmer.

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Brown
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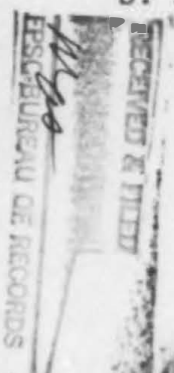
Schedule E-1: Fuel and Purchased Power Cost Recovery Clause Calculation
 E-1a, E-1b, E-1c, E-1d, E-1e

Schedule E-2: Fuel and Purchased Power Cost Recovery Clause Calculation

Schedule E-3: Generating System Comparative Data by Fuel Type

Schedule E-4: Electric Energy Account

Schedule E-5: System NET GENERATION AND FUEL COST



Test. Gilchrist
 DOCUMENT NUMBER-DATE
 06312 JUN 27 3

Petition
 DOCUMENT NUMBER-DATE
 06311 JUN 27 3

FPSC-RECORDS/REPORTING

FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo
June 27, 1994
Page Two

- Schedule E-6: System Generated Fuel Cost Inventory Analysis
- Schedule E-7: Power Sold
- Schedule E-7a: Economy Energy Sales and Profits
- Schedule E-8: Purchased Power (Exclusive of Economy Energy Purchases)
- Schedule E-9: Economy Energy Purchases
- Schedule E-10: Residential Bill Comparison for Monthly Usage of 1000 KWH
- Schedule E-11: KWH Sales and Customer Data
- Schedule 12: As-Available Avoided Energy Cost
- Schedule 13: Contract Recovery Calculations
- Schedule H1: Page 1 Generating System
Comparative Data by Fuel Type
Page 2 Electric Energy Account
Page 3 KWH Sales and Customer Data
- Schedule CCE-1: Purchased Power Capacity
CCE-1A Payments/(Receipts)
CCE-1B
- Schedule CCE-2: Calculation of Purchased Power Capacity Cost Recovery Factor

Also enclosed are revised schedules and revised pages for the true-up testimony of S. D. Cranmer previously submitted May 19, 1994. During the course of preparing the estimated true-up for the current period, we discovered an error in the true-up filing which has resulted in these revisions. X-2/ DN 04942-94

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect 5.1 format as prepared on a MS-DOS based computer.

Sincerely,

Jack L. Hashins

lw

Enclosures

Ms. Blanca S. Bayo
June 27, 1994
Page Three

bc: S. D. Cranmer
T. A. Davis
G. D. Fontaine
M. L. Gilchrist
G. E. Holland, Jr.
M. W. Howell
W. B. Mills
J. A. Stone
C. R. Wilson

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 27th day of June, 1994 on the following:

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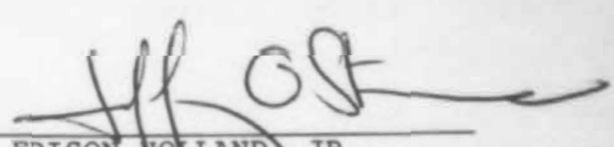
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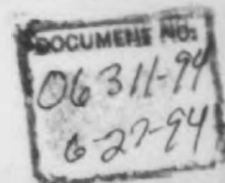

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and) Docket No. 940001-EI
Generating Performance) Filed: June 27, 1994
Incentive Factor)
_____)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
FINAL FUEL COST TRUE-UP AMOUNTS AND GPIF ADJUSTMENT
FOR OCTOBER 1993 THROUGH MARCH 1994;
ESTIMATED FUEL COST TRUE-UP AMOUNTS
FOR APRIL 1994 THROUGH SEPTEMBER 1994;
PROJECTED FUEL COST RECOVERY AMOUNTS
FOR OCTOBER 1994 THROUGH MARCH 1995;
FINAL PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS
FOR OCTOBER 1993 THROUGH MARCH 1994;
ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS
FOR APRIL 1994 THROUGH SEPTEMBER 1994;
PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS
FOR OCTOBER 1994 THROUGH MARCH 1995;
ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS, FUEL COST RECOVERY
FACTORS, CAPACITY COST RECOVERY FACTORS, AND THE GPIF TARGETS AND
RANGES FOR OCTOBER 1994 THROUGH MARCH 1995**

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 cost true-up
amounts and GPIF adjustment for the period October 1993 through
March 1994; for approval of its estimated fuel cost true-up amounts
for the period April 1994 through September 1994; for approval of
its projected fuel cost recovery amounts for the period October
1994 through March 1995; for approval of its final purchased power
capacity cost true-up amounts for the period October 1993 through
March 1994; for approval of its estimated purchased power capacity
cost true-up amounts for the period April 1994 through September
1994; for approval of its projected purchased power capacity cost
recovery amounts for the period October 1994 through March 1995;
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 October 1994 through March 1995.

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 March 1994 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the final fuel true-up amounts. According to the revised data filed by Gulf for the period ending March 31, 1994, the final fuel true-up amount for the subject six months should be an actual under recovery of \$3,806,653 instead of the estimated under recovery amount of \$2,995,885 as approved previously by this Commission. The difference between these two amounts, \$810,768, 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 October 1993 through March 1994 and the Generating Performance Incentive Factor (GPIF) previously established by this Commission, Gulf should receive a GPIF penalty in the amount of \$84,941 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 April through September 1994. Based on two months actual experience and four months projected data, the Company's estimated fuel cost true-up amount for the current period (April 1994 through September 1994) is \$1,969,504 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 March 31, 1994, 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 2.179¢/KWH reflects the collection of this total true-up amount, \$2,780,272, during the period of October 1994 through March 1995.

PROJECTED FUEL COST RECOVERY AMOUNTS

(4) Gulf has calculated its projected fuel cost recovery amounts for the months October 1994 through March 1995 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 \$121,472 determined in accordance with this Commission's Order Nos. 19613 and 25148, as shown on Schedule 13. 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.

FINAL PURCHASED POWER CAPACITY COST TRUE-UP

(5) By vote of the Commission at the March 1994 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 March 31, 1994, the final purchased power capacity cost true-up amount for the subject six months should be an actual under recovery of \$1,176,852 instead of the estimated under recovery amount of \$41,833 as approved previously by this Commission. The difference between these two amounts, \$1,135,019, 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 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 April 1994 through September 1994. Based on two months actual and four months projected data, the Company's estimated capacity cost true-up amount for the current period (April 1994 through September 1994) is \$56,118 over 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 March 31, 1994, 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 collection of this total capacity cost true-up amount, \$1,078,901, during the period of October 1994 through March 1995.

PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS

(7) Gulf has calculated its projected purchased power capacity cost recovery amounts for the months October 1994 through March 1995 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 \$5,767,567 projected for the period October 1994 through March 1995.

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 October 1994 through March 1995. 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 are¹:

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	2.206	2.253	2.191
B	LP	0.98106	2.138	2.184	2.123
C	PX	0.96230	2.097	2.142	2.082
D	OSI, OSII	1.01228	2.205	N/A	N/A

¹Gulf has proposed to implement Rate Schedule SBS as a replacement for Rate Schedule SS. As a result of Commission action at agenda on June 7, 1994, a modified version of Rate Schedule SBS was allowed to go into effect pursuant to §366.06(4) Fla. Stat. (1993) subject to a final decision by the Commission after a hearing scheduled for August 1, 1994. Beginning with the initial effective date of Rate Schedule SBS and continuing through the recovery period addressed in this petition, the recovery factor applicable to customers taking service under Rate Schedule SBS shall be determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

CAPACITY COST RECOVERY FACTORS

(10) The proposed purchased power capacity cost recovery factors by rate class herein requested, including true-up, are²:

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	0.223
GS, GST	0.214
GSD, GSDT	0.170
LP, LPT	0.147
PX, PXT	0.122
OSI, OSII	0.014
OSIII	0.132
OSIV	0.015
SS	0.362

²Gulf has proposed to implement Rate Schedule SBS as a replacement for Rate Schedule SS. As a result of Commission action at agenda on June 7, 1994, a modified version of Rate Schedule SBS was allowed to go into effect pursuant to §366.06(4) Fla. Stat. (1993) subject to a final decision by the Commission after a hearing scheduled for August 1, 1994. Beginning with the initial effective date of Rate Schedule SBS and continuing through the recovery period addressed in this petition, the recovery factor applicable to customers taking service under Rate Schedule SBS shall be determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

GPIF TARGETS AND RANGES

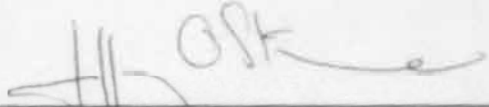
(11) Gulf also seeks approval of the GPIF targets and ranges for the period October 1994 through March 1995 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	83.6	8.8	7.6	10,410
Crist 7	69.2	8.8	22.0	10,317
Smith 1	87.7	8.8	3.5	10,137
Smith 2	84.8	12.6	2.6	10,237
Daniel 1	85.4	0.0	14.6	10,287
Daniel 2	94.8	0.0	5.2	9,923

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 cost true-up amounts for the period October 1993 through March 1994; the GPIF adjustment for the period October 1993 through March 1994; the estimated fuel cost true-up amounts for the period April 1994 through September 1994; the projected fuel cost recovery amounts for the period October 1994 through March 1995; the final purchased power capacity cost true-up amounts for the period October 1993 through March 1994; the estimated purchased power capacity cost recovery true-up amounts for the period April 1994 through September 1994; the projected purchased power capacity cost recovery amounts for the period October 1994 through March 1995; the fuel cost recovery factors, the capacity cost recovery factors and the GPIF targets and ranges for the period October 1994 through March 1995.

Dated the 24th day of June, 1994.



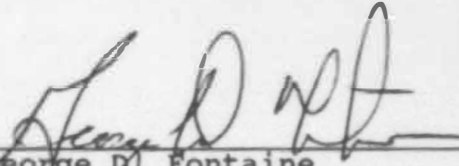
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(904) 432-2451
Attorneys for Gulf Power Company

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 940001-EI


Before me the undersigned authority, personally appeared George D. Fontaine, who being first duly sworn, deposes, and says that he is the Performance Test Specialist 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.



George D. Fontaine
Performance Test Specialist

Sworn to and subscribed before me this 22 day of

June, 1994.



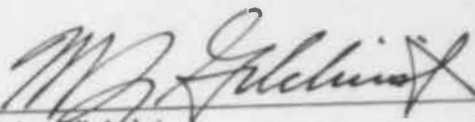
Notary Public, State of Florida at Large
PAUL H. ROBERTS
Commission Number: CC 036537
Commission Expires: 9/12/1994

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

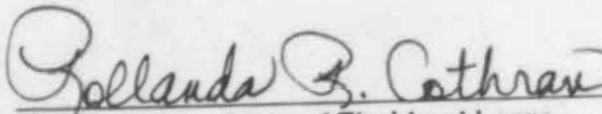
Docket No. 940001-EI

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 14th day of June, 1994.



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:



AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 940001-EI

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

M. W. Howell

M. W. Howell
Transmission and System Control
Manager

Sworn to and subscribed before me this 22 day of

JUNE, 1994.

Paul H. [Signature]

Notary Public, State of Florida at Large

PAUL H. JOHNSON
Commission No. *CC 036537*

My Commission Expires *9/12/1994*

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
Susan D. Cranmer
Supervisor of Rate Services

Sworn to and subscribed before me this 24th day of June, 1994.

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