

Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola FL 32520-0770
Telephone 904 444-6365

ORIGINAL
FILE COPY

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

The southern electric system

November 11, 1994

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

Dear Ms. Bayo:

RE: Docket No. 940001-EI

Enclosed for official filing in Docket No. 940001-EI are an original and fifteen (15) copies of the following:

1. Prepared direct testimony and exhibit of S. D. Cranmer.
2. Prepared direct testimony and exhibit of M. L. Gilchrist.
3. Prepared direct testimony and exhibit of G. D. Fontaine.
4. Prepared direct testimony of M. W. Howell.

ACK _____
 AED _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC _____
 WAS _____
 WTH _____

Sincerely,

Jack L. Haskins
Jack L. Haskins
iw

Enclosures

Cranmer
DOCUMENT NUMBER-DATE
11463 NOV 14 94
FPSC-RECORDS/REPORTING

Gilchrist *Fontaine*
DOCUMENT NUMBER-DATE DOCUMENT NUMBER-DATE
11464 NOV 14 94 11465 NOV 14 94
FPSC-RECORDS/REPORTING FPSC-RECORDS/REPORTING

Howell
DOCUMENT NUMBER-DATE
11466 NOV 14 94
FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor) Docket No. 940001--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 11th day of November, 1994 on the following:

Martha Brown, Esquire
FL Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0863

Jack Shreve, Esquire
Office of Public Counsel
111 W. Madison St., Suite 812
Tallahassee FL 32399-1400

James McGee, Esquire
Florida Power Corporation
P. O. Box 14042
St. Petersburg FL 33711

Matthew M. Childs, Esquire
Steel, Hector & Davis
215 South Monroe, Suite 601
Tallahassee FL 32301-1804

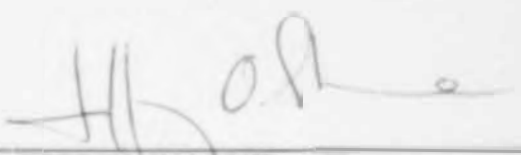
Joseph A. McGlothlin, Esquire
McWhirter, Grandoff & Reeves
315 S. Calhoun St., Suite 716
Tallahassee FL 32301

Suzanne Brownless, Esquire
2546 Blairstone Pines Drive
Tallahassee FL 32301

Lee L. Willis, Esquire
James D. Beasley, Esquire
Macfarlane Ausley Ferguson
& McMullen
P. O. Box 391
Tallahassee FL 32302

Floyd R. Self, Esquire
Messer, Vickers, Caparello,
French and Madison
P. O. Box 1876
Tallahassee FL 32302-1876

David M. Kleppinger, Esquire
McNees, Wallace & Nurick
100 Pine Street
P. O. Box 1166
Harrisburg PA 17108-1166



G. EDISON HOLLAND, JR.
Florida Bar No. 261599
JEFFREY A. STONE
Florida Bar No. 325953
TERESA E. LILES
Florida Bar No. 510998
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32576
(904) 432-2451
Attorneys for Gulf Power Company

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 940001-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
S. D. CRANMER

FUEL COST RECOVERY AND
PURCHASED POWER CAPACITY COST RECOVERY

FINAL TRUE-UP
NOVEMBER 14, 1994



DOCUMENT NUMBER-DATE

11463 NOV 14 8

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. 940001-EI
6 Date of Filing: November 14, 1994

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

9 A. My name is Susan Cranmer. My business address is 500
10 Bayfront Parkway, Post Office Box 1151, Pensacola,
11 Florida, 32520-1151. I hold the position of Supervisor
12 of Rate Services.

13 Q. Please briefly describe your educational background and
14 business experience.

15 A. I graduated from Wake Forest University in
16 Winston-Salem, North Carolina in 1981 with a Bachelor
17 of Science Degree in Business and from the University
18 of West Florida in 1982 with a Bachelor of Arts Degree
19 in Accounting. I am also a Certified Public Accountant
20 licensed in the State of Florida. I joined Gulf Power
21 Company in 1983 as a Financial Analyst. I have held
22 various positions with Gulf including Computer Modeling
23 Analyst and Senior Financial Analyst. In 1991, I
24 assumed the position of Supervisor of Rate Services and
25 presently serve in that capacity.

1 My responsibilities include supervision of tariff
2 administration, cost of service, calculation of cost
3 recovery factors, and the regulatory filing function of
4 the Rates and Regulatory Matters Department.

5
6 Q. Have you prepared an exhibit that contains information
7 to which you will refer in your testimony?

8 A. Yes, I have.

9 Counsel: We ask that Ms. Cranmer's
10 Exhibit consisting of four
11 schedules be marked as
12 Exhibit No. ___ (SDC-1).

13
14 Q. Are you familiar with the Fuel and Purchased Power
15 (Energy) True-up Calculation and the Purchased Power
16 Capacity Cost True-Up Calculation for the period of
17 April 1994 through September 1994 set forth in your
18 exhibit?

19 A. Yes. These documents were prepared under my
20 supervision.

21
22 Q. Have you verified that to the best of your knowledge
23 and belief, the information contained in these
24 documents is correct?

25 A. Yes, I have.

1 Q. What is the amount to be refunded or collected through
2 the fuel cost recovery factor in the period April 1995
3 through September 1995?

4 A. An amount to be collected of \$2,394,382 was calculated
5 as shown in Schedule 1 of my exhibit.
6

7 Q. How was this amount calculated?

8 A. The \$2,393,795 was calculated by taking the difference
9 in the estimated April 1994 through September 1994
10 under-recovery of \$1,969,504 as approved in Order No.
11 PSC-94-1092-FOF-EI, dated September 6, 1994 and the
12 actual under-recovery of \$4,363,886 which is the sum of
13 lines 7, 8, and 12 shown on Schedule A-2, page 3 of 4,
14 Period-to-date of the monthly filing for September
15 1994.
16

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

21 A. Schedules CCA-1, CCA-2, and CCA-3 of my exhibit relate
22 to the Purchased Power Capacity Cost True-up
23 Calculation for the period April 1994 through September
24 1994.
25

1 Q. What is the amount to be refunded or collected in the
2 period April 1995 through September 1995?

3 A. An amount to be refunded of \$221,434 was calculated as
4 shown in Schedule CCA-1 of my exhibit.

5

6 Q. How was this amount calculated?

7 A. The \$221,434 was calculated by taking the difference in
8 the estimated April 1994 through September 1994
9 over-recovery of \$56,118 as approved in Order No.
10 PSC-94-1092-FOF-EI, dated September 6, 1994 and the
11 actual over-recovery of \$277,552 which is the sum of
12 lines 11 and 12 under the total column on Schedule
13 CCA-2.

14

15 Q. Please describe Schedules CCA-2 and CCA-3 of your
16 exhibit.

17 A. Schedule CCA-2 shows the calculation of the actual
18 over-recovery of purchased power capacity costs for the
19 period April 1994 through September 1994. Schedule
20 CCA-3 of my exhibit is the calculation of the interest
21 provision on the over-recovery. This is the same
22 method of calculating interest that is used in the Fuel
23 and Purchased Power (Energy) Cost Recovery Clause and
24 the Environmental Cost Recovery Clause.

25

1 Q. Ms. Cranmer, does this complete your testimony?
2 A. Yes, it does.
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
APRIL 1994 - SEPTEMBER 1994**

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1. Estimated over/(under) -recovery for the period
April 1994 - September 1994
(Schedule E1-A approved in Order No.
PSC-94-1092-FOF-EI dated September 6, 1994) | (1,969,504) |
| 2. Actual over/(under) -recovery for the period
April 1994 - September 1994
(September 1994 Schedule A-2, page 3 of 4,
"Period-to-Date", Lines 7,8, and 12) | (4,363,886) |
| 3. Amount to be refunded/(recovered) in the
April 1995 - September 1995 projection
period (Line 2 - Line 1) | <u>(2,394,382)</u> |

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD APRIL 1994 - SEPTEMBER 1994

1. Estimated over/(under) -recovery for the period April 1994 - September 1994 (Schedule CCE-1b approved in Order No. PSC-94-1092-FOF-EI dated September 6, 1994)	56,118
2. Actual over/(under)-recovery for the period April 1994 - September 1994 (Schedule CCA-2, Line 11+Line 12 in the Total column)	277,552
3. Amount to be refunded/(recovered) in the April 1995 - September 1995 projection period (Line 2 - Line 1)	<u>\$221,434</u>

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD APRIL 1994 - SEPTEMBER 1994

	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL TOTAL
1. IIC PAYMENTS / (RECEIPTS) (\$)	(371,850)	(541)	555,661	561,076	261,281	198,508	1,204,135
2. SCHEDULE E CAPACITY REVENUES (\$)	(99,836)	(99,836)	(99,836)	(85,676)	(96,508)	(99,836)	(581,528)
3. TOTAL CAPACITY PAYMENTS/(RECEIPTS) (LINE 1 + 2) (\$)	(471,686)	(100,377)	455,825	475,400	164,773	98,672	622,607
4. JURISDICTIONAL %	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588	0.9651588
5. JURISDICTIONAL CAPACITY PAYMENTS / (RECEIPTS) (LINE 3 x 4) (\$)	(455,252)	(96,880)	439,944	458,836	159,032	95,234	600,914
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) (\$)	(317,585)	40,787	577,611	596,503	796,699	232,899	1,426,914
8. JURISDICTIONAL CAPACITY COST RECOVERY REVENUE NET OF TAXES (\$)	148,079	174,515	203,177	211,777	214,196	629,355	1,581,099
9. TRUE-UP PROVISION (\$)	23,684	23,684	23,684	23,684	23,684	23,685	142,105
10. JURISDICTIONAL CAPACITY COST RECOVERY REVENUE (LINE 8 + 9) (\$)	171,763	198,199	226,861	235,461	237,880	653,040	1,723,204
11. OVER/(UNDER) RECOVERY (LINE 10 - 7) (\$)	489,348	157,412	(350,750)	(361,042)	(58,819)	420,141	296,290
12. INTEREST PROVISION (\$)	(2,404)	(1,593)	(2,159)	(3,608)	(4,655)	(4,319)	(18,738)
13. BEGINNING BALANCE TRUE-UP & INTEREST PROVISION (\$)	(992,914)	(529,654)	(397,519)	(774,112)	(1,162,446)	(1,249,604)	(992,914)
14. TRUE-UP COLLECTED/(REFUNDED) (\$)	(23,684)	(23,684)	(23,684)	(23,684)	(23,684)	(23,685)	(142,105)
15. END OF PERIOD TOTAL NET TRUE-UP (LINES 11 + 12 + 13 + 14) (\$)	(529,654)	(397,519)	(774,112)	(1,162,446)	(1,249,604)	(857,467)	(857,467)

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD APRIL 1994 - SEPTEMBER 1994**

	ACTUAL APRIL	ACTUAL MAY	ACTUAL JUNE	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	TOTAL
1. BEGINNING TRUE-UP AMOUNT (\$)	(992,914)	(529,654)	(397,519)	(774,112)	(1,162,446)	(1,249,604)	
2. ENDING TRUE-UP AMOUNT BEFORE INTEREST (\$)	(527,250)	(395,926)	(771,953)	(1,158,838)	(1,244,949)	(853,148)	
3. TOTAL BEGINNING & ENDING TRUE-UP AMOUNT (\$) (LINES 1 + 2)	(1,520,164)	(925,580)	(1,169,472)	(1,932,950)	(2,407,395)	(2,102,752)	
4. AVERAGE TRUE-UP AMOUNT (\$)	(760,082)	(462,790)	(584,736)	(966,475)	(1,203,698)	(1,051,376)	
5. INTEREST RATE - FIRST DAY OF REPORTING BUSINESS MONTH	0.036900	0.039000	0.043600	0.045000	0.044600	0.048200	
6. INTEREST RATE - FIRST DAY OF SUBSEQUENT BUSINESS MONTH	0.039000	0.043600	0.045000	0.044600	0.048200	0.050400	
7. TOTAL INTEREST RATE (LINES 5 + 6)	0.075900	0.082600	0.088600	0.089600	0.092800	0.098600	
8. AVERAGE INTEREST RATE	0.037950	0.041300	0.044300	0.044800	0.046400	0.049300	
9. MONTHLY AVERAGE INTEREST RATE (1/12 OF LINE 8)	0.003163	0.003442	0.003692	0.003733	0.003867	0.004108	
10. INTEREST PROVISION FOR THE MONTH (LINES 4 X 9) (\$)	(2,404)	(1,593)	(2,159)	(3,608)	(4,655)	(4,319)	(18,738)

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 9th 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, 1990
Comm. No: CC 362703