

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

THE SOUTHERN POWER COMPANY

January 13, 1995

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:

Enclosed for official filing in Docket No. 950001-EI are an original and fifteen copies of the following:

1. Petition of Gulf Power Company for Approval of Final Fuel Cost True-up Amounts and GPIF Adjustment for April 1994 through September 1994; Estimated Fuel Cost True-up for October 1994 through March 1995; Projected Fuel Cost Recovery Amounts for April 1995 through September 1995; Final Purchased Power Capacity Cost True-up Amounts for April 1994 through September 1994; Estimated Purchased Power Capacity Cost True-up for October 1994 through March 1995; Projected Purchased Power Capacity Cost Recovery Amount for April 1995 through September 1995; GPIF Targets and Ranges for April 1995 through September 1995; Estimated As-available Avoided Energy Costs, Fuel Cost Recovery Factors, and Capacity Cost Recovery Factors, to be Applied Beginning with the Period April 1995 through September 1995.

00616-95

00617-95

2. Prepared direct testimony and exhibit of M. L. Gilchrist.

00618-95

3. Prepared direct testimony and exhibit of G. D. Fontaine.

00619-95

4. Prepared direct testimony and exhibit of M. W. Howell.

*J. Gilchrist*  
*Brown*  
*orig/lat*  
*x 4*

*Petition*

DOCUMENT NUMBER-DATE

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"Our business is customer satisfaction"

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Ms. Blanca S. Bayo  
January 13, 1995  
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00630-95  
5.

Prepared direct testimony and exhibit of  
S. D. Cranmer.

- Schedule E1: Fuel and Purchased Power Cost Recovery Clause Calculation
- Schedule E2: Fuel and Purchased Power Cost Recovery Clause Calculation
- Schedule E3: Generating System Comparative Data by Fuel Type
- Schedule E4: System Net Generation and Fuel Costs
- Schedule E-5: System Generated Fuel Cost Inventory Analysis
- Schedule E-6: Power Sold
- Schedule E-7: Purchased Power (Exclusive of Economy Energy Purchases)
- Schedule E-8: Energy Payment to Qualifying Facilities
- Schedule E-9: Economy Energy Purchases
- Schedule E-10: Residential Bill Comparison for Monthly Usage of 1000 KWH
- Schedule 11: As-Available Avoided Energy Cost
- Schedule 12: Special Contract Recovery Calculations
- Schedule H1: Generating System Comparative Data by Fuel Type
- Schedule CCE-1: Purchased Power Capacity Payments/ (Receipts)
- Schedule CCE-2: Calculation of Purchased Power Capacity Cost Recovery Factor

Jack I. Hopkins

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*Forwarded  
to Linda  
for  
transcript*  
In addition to the schedules attached to the testimony, enclosed is one copy for the hearing record of Schedules A1 through A12 previously filed with the Commission for the months of June, July, August, September, October, and November 1994. These schedules are identified as part of Ms. Cranmer's composite exhibit SDC-2.

Also enclosed is a 3.5 inch double sided, double density diskette containing the Petition in WordPerfect for Windows 6.0a format as prepared on a MS-DOS based computer.

Sincerely,

*Jack I Hopkins*

lw

Enclosures

cc: Beggs and Lane  
Jeffrey A. Stone, Esquire  
McNees, Wallace & Nurick  
David M. Kleppinger, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost )  
Recovery Clause with Generating )  
Performance Incentive Factor ) Docket No. 950001-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 13<sup>th</sup> day of January, 1995 on the following:

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FL Public Service Commission  
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Tallahassee FL 32399-0863

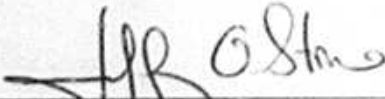
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ORIGINAL  
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power )  
Cost Recovery Clauses and ) Docket No. 950001-EI  
Generating Performance ) Filed: Jan. 17, 1995  
Incentive Factor )  
\_\_\_\_\_ )

PETITION OF GULF POWER COMPANY FOR APPROVAL OF  
FINAL FUEL COST TRUE-UP AMOUNTS AND GPIF ADJUSTMENT  
FOR APRIL 1994 THROUGH SEPTEMBER 1994;  
ESTIMATED FUEL COST TRUE-UP FOR OCTOBER 1994 THROUGH MARCH 1995;  
PROJECTED FUEL COST RECOVERY AMOUNTS  
FOR APRIL 1995 THROUGH SEPTEMBER 1995;  
FINAL PURCHASED POWER CAPACITY COST TRUE-UP AMOUNTS  
FOR APRIL 1994 THROUGH SEPTEMBER 1994;  
ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP  
FOR OCTOBER 1994 THROUGH MARCH 1995;  
PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNT  
FOR APRIL 1995 THROUGH SEPTEMBER 1995;  
GPIF TARGETS AND RANGES FOR APRIL 1995 THROUGH SEPTEMBER 1995;  
ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS, FUEL COST RECOVERY  
FACTORS, AND CAPACITY COST RECOVERY FACTORS, TO BE APPLIED  
BEGINNING WITH THE PERIOD APRIL 1995 THROUGH SEPTEMBER 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 adjustment  
true-up amounts and GPIF adjustment for the period April 1994  
through September 1994; for approval of its estimated fuel cost  
true-up amounts for the period October 1994 through March 1995; for  
approval of its projected fuel cost recovery amounts for the period  
April 1995 through September 1995; for approval of its final  
purchased power capacity cost true-up amounts for the period April  
1994 through September 1994; for approval of its estimated  
purchased power capacity cost true-up amounts for the period

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October 1994 through March 1995; for approval of its projected purchased power capacity cost recovery amounts for the period April 1995 through September 1995; for approval of its GPIF targets and ranges for April 1995 through September 1995; for approval of its estimated as-available avoided energy costs for QF's; and for approval of its fuel cost recovery factors, and purchased power capacity cost recovery factors to be applied beginning with the period April 1995 through September 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 August 1994 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, 1994, the final fuel true-up amount for the subject six months should be an actual under recovery of \$4,363,886 instead of the estimated under recovery of \$1,969,504 as approved previously by this Commission. The difference between these two amounts, \$2,394,382, 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 1994 through September 1994 and the Generating Performance Incentive Factor (GPIF) previously established by this Commission, Gulf should receive a GPIF reward in the amount of \$22,931 as provided for by the GPIF plan. The supporting data for the GPIF is provided in the testimony and exhibit schedules of G. D. Fontaine filed for the period ending September 30, 1994, incorporated herein by reference. 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 1994 through March 1995. Based on



two months actual experience and four months projected data, the Company's estimated fuel cost true-up amount for the current period (October 1994 through March 1995) is an under recovery of \$556,052. 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, 1994 to reach the total fuel cost true-up to be addressed in the factors for the next fuel cost recovery period. The proposed fuel cost recovery factors reflect the collection of this total true-up amount, \$2,950,434, during the period of April 1995 through September 1995.

**PROJECTED FUEL COST RECOVERY AMOUNTS**

(4) Gulf has calculated its projected fuel cost recovery amounts for the months April 1995 through September 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 ongoing cost recovery 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 E-12. The supporting data prepared in accordance with the Commission Staff's suggested procedures and format is attached as Schedules E-1 through E-12 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 August 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 September 30, 1994, the final purchased power capacity cost true-up amount for the subject

six months should be an actual over recovery of \$277,552 instead of the estimated over recovery of \$56,118 as approved previously by this Commission. The difference between these two amounts, \$221,434, 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 power capacity expenses for the period. Amounts spent by the Company for purchased power 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 1994 through March 1995. Based on two months actual and four months projected data, the Company's estimated capacity cost true-up amount for the current period (October 1994 through March 1995) is an under recovery of \$101,423. 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, 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 refund of this total capacity cost true-up amount, \$120,011, during the period of April 1995 through September 1995.

**PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS**

(7) Gulf has calculated its projected purchased power capacity cost recovery amounts for the months April 1995 through September 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 \$2,750,085 projected for the period April 1995 through September 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 exhibit 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 1995 through September 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 power capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

**GPIF TARGETS AND RANGES**

(8) Gulf also seeks approval of the GPIF targets and ranges for the period April 1995 through September 1995 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	76.6	13.1	10.3	10,804
Crist 7	76.4	8.7	14.9	10,675
Smith 1	81.4	13.1	5.5	10,147
Smith 2	87.7	4.9	7.4	10,270
Daniel 1	90.5	4.4	5.1	10,291
Daniel 2	97.5	0.0	2.5	10,107

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

**ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS**

(9) 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 E-11 and by reference made

a part hereof. Gulf Power requests that the Commission approve the estimates for these costs set forth on Schedule E-11.

**FUEL COST RECOVERY FACTORS**

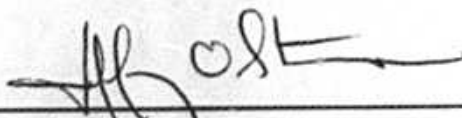
(10) The proposed levelized fuel and purchased energy cost recovery factor, including GPIF and True-Up, herein requested is 2.314¢/KWH. The proposed factors by rate schedule are:

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228	2.342	2.563	2.237
B	LP, SBS	0.98106	2.270	2.484	2.168
C	PX, SBS	0.96230	2.227	2.437	2.127
D	OSI, OSII	1.01228	2.266	N/A	N/A

\*The recovery factor applicable to customers taking service under Rate Schedule SBS is 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.

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final fuel adjustment true-up for the period April 1994 through September 1994; the GPIF adjustment for the period April 1994 through September 1994; the estimated fuel cost true-up for the period October 1994 through March 1995; the projected fuel cost recovery amount for the period April 1995 through September 1995; the final purchased power capacity cost true-up amount for the period April 1994 through September 1994; the estimated purchased power capacity cost recovery true-up amount for the period October 1994 through March 1995; the projected purchased power capacity cost recovery amount for the period April 1995 through September 1995; the GPIF targets and ranges for the period April 1995 through September 1995; the estimated as-available avoided energy costs for QF's; the fuel cost recovery factors and the capacity cost recovery factors to be applied beginning with the period April 1995 through September 1995.

Dated the 13th day of January, 1995.



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