

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

00616 JAN 17 95

"Our business is customer satisfaction"

FPSC-RECORDS/REPORTING

Ms. Blanca S. Bayo  
January 13, 1995  
Page Two

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

Ms. Blanca S. Bayo  
January 13, 1995  
Page Three

*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:

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

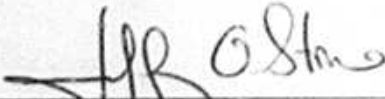
Jack Shreve, Esquire  
Office of Public Counsel  
111 W. Madison St., Suite 812  
Tallahassee FL 32399-1400

James McGee, Esquire  
Florida Power Corporation  
P. O. Box 14042  
St. Petersburg FL 33733-4042

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

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

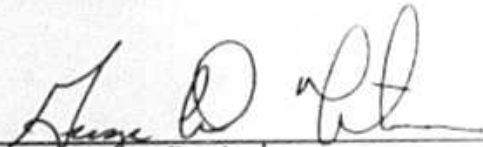
  
\_\_\_\_\_  
G. EDISON HOLLAND, JR.  
Florida Bar No. 261599  
JEFFREY A. STONE  
Florida Bar No. 325953  
RUSSELL A. BADDERS  
Florida Bar No. 0007455  
BEGGS & LANE  
P. O. Box 12950  
Pensacola FL 32576  
(904) 432-2451  
Attorneys for Gulf Power Company

AFFIDAVIT

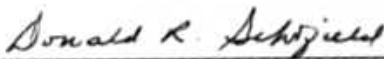
STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 950001-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 11<sup>th</sup> day of January, 1995.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

Commission Number:           DONALD R. SCHOFIELD            
                                  "Notary Public State of FL"  
Commission Expires:           Comm. Exp. May 17, 1998            
                                  Comm. No. CC 372907

ORIGINAL  
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

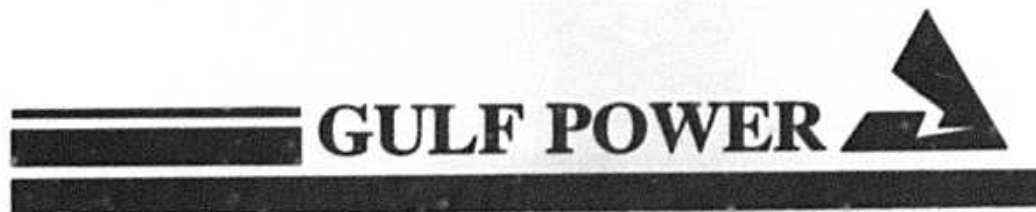
DOCKET NO. 950001-EI

PREPARED DIRECT TESTIMONY  
AND EXHIBIT OF  
M. W. HOWELL

PROJECTED FUEL COST RECOVERY AND  
PURCHASED POWER CAPACITY COST RECOVERY

APRIL 1995 - SEPTEMBER 1995

JANUARY 17, 1995



DOCUMENT NUMBER - DATE

00619 JAN 17 95

FPSC-RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Direct Testimony of  
4 M. W. Howell  
5 Docket No. 950001-EI  
6 Date of Filing: January 17, 1995

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

8 A. My name is M. W. Howell, and my business address is 500  
9 Bayfront Parkway, Pensacola, Florida 32501. I am  
10 Manager of Transmission and System Control for Gulf  
11 Power Company.

12 Q. Have you previously testified before this Commission?

13 A. Yes. I have testified in various rate case,  
14 cogeneration, territorial dispute, planning hearing,  
15 fuel clause adjustment, and purchased power capacity  
16 cost recovery dockets.

17  
18 Q. Please summarize your educational and professional  
19 background.

20 A. I graduated from the University of Florida in 1966 with  
21 a Bachelor of Science Degree in Electrical Engineering.  
22 I received my Masters Degree in Electrical Engineering  
23 from the University of Florida in 1967, and then joined  
24 Gulf Power Company as a Distribution Engineer. I have  
25 since served as Relay Engineer, Manager of Transmission,

1       Manager of System Planning, Manager of Fuel and System  
2       Planning, and Manager of Transmission and System  
3       Control. My experience with the Company has included  
4       all areas of distribution operation, maintenance, and  
5       construction; transmission operation, maintenance, and  
6       construction; relaying and protection of the generation,  
7       transmission, and distribution systems; planning the  
8       generation, transmission, and distribution system  
9       additions in the future; bulk power interchange  
10      administration; overall management of fuel planning and  
11      procurement; and operation of the system dispatch  
12      center.

13               I have served as a member of the Engineering  
14      Committee and the Operating Committee of the  
15      Southeastern Electric Reliability Council, chairman of  
16      the Generation Subcommittee and member of the Edison  
17      Electric Institute System Planning Committee, and  
18      chairman or member of a number of various technical  
19      committees and task forces within the Southern electric  
20      system and the Florida Electric Power Coordinating  
21      Group, regarding a variety of technical issues including  
22      system operations, bulk power contracts, generation  
23      expansion, transmission expansion, transmission  
24      interconnection requirements, central dispatch,  
25      transmission system operation, transient stability,



1 underfrequency operation, generator underfrequency  
2 protection, system production costing, computer  
3 modeling, and others.

4  
5 Q. What is the purpose of your testimony in this  
6 proceeding?

7 A. The purpose of my testimony is to support Gulf Power  
8 Company's projection of purchased power fuel costs for  
9 energy purchases and sales and its projection of  
10 purchased power capacity costs for the period April,  
11 1995 - September, 1995.

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

15 A. Yes. My exhibit consists of one schedule to which I  
16 will refer. This schedule was prepared under my  
17 supervision and direction.

18 Counsel: We ask that Mr. Howell's Exhibit,  
19 comprised of one Schedule, be  
20 marked for identification as  
21 Exhibit\_\_\_\_\_(MWH-1).

22  
23  
24  
25

1 Q. What are Gulf's projected purchased power recoverable  
2 costs for energy purchases and sales for the April, 1995  
3 - September, 1995 recovery period?

4 A. Gulf's projected recoverable cost for energy purchases,  
5 shown on line 12 of Schedule E-1 of the fuel filing, is  
6 \$10,212,000. The projected fuel cost for energy sales,  
7 shown on line 18 of Schedule E-1, is \$17,870,200. These  
8 transactions result from Gulf's participation in the  
9 coordinated operation of the Southern electric system  
10 power pool. These amounts are used by Gulf's witness  
11 Susan Cranmer as an input in the calculation of the fuel  
12 and purchased power cost adjustment factor.  
13

14 Q. What information is contained in your exhibit?

15 A. Schedule 1 of my exhibit lists the names of the power  
16 contracts which are included for capacity cost recovery,  
17 their associated megawatt amounts, and the resulting  
18 capacity dollar amounts.  
19

20 Q. Which power contracts produce capacity transactions that  
21 are recovered through Gulf's purchased power capacity  
22 cost recovery factors?

23 A. In previous proceedings, the Commission has authorized  
24 the Company to include capacity transactions under the  
25 Southern electric system's Intercompany Interchange

1 Contract (IIC) and the Long-Term Non-Firm Contract  
2 (Schedule E) with Florida Power Corporation (FPC) for  
3 recovery through the purchased power capacity cost  
4 recovery factors. Because Schedule E capacity sales to  
5 FPC ended on December 31, 1994, Gulf will only have IIC  
6 capacity transactions during the April, 1995 -  
7 September, 1995 recovery period. In this case, the  
8 energy transactions under the contract are handled for  
9 cost recovery purposes through the fuel cost recovery  
10 factors. At this time, Gulf does not participate in any  
11 other power contracts that would produce capacity  
12 transactions during the relevant recovery period.

13  
14 Q. Have there been any changes to the IIC with regard to  
15 capacity transactions since the last recovery factor  
16 adjustment proceedings?

17 A. No, there have not been any changes to the contract  
18 itself. However, on November 1, 1994, in accordance  
19 with both the contract and the requirements of the  
20 Federal Energy Regulatory Commission (FERC), the  
21 Southern electric system made its annual IIC  
22 informational filing with the FERC. The informational  
23 filing reflects updated historical load responsibility  
24 ratios, the expected system load, and the capacity  
25 amounts for 1995 that are used in the capacity

1 equalization calculation performed pursuant to the IIC  
2 to determine the capacity transactions and costs for  
3 each operating company. These updates have increased  
4 Gulf's projected capacity payments for the April, 1995 -  
5 September, 1995 recovery period by \$36,008 from what  
6 they otherwise would have been prior to the update.

7

8 Q. What are Gulf's IIC capacity transactions that are  
9 projected for the April, 1995 - September, 1995 recovery  
10 period?

11 A. As shown on Schedule 1 of my exhibit, capacity  
12 transactions under the IIC vary from month to month.  
13 IIC capacity purchases in the amount of \$2,333,038 are  
14 projected for the period. IIC capacity sales during the  
15 same period are projected to be \$337,070. The  
16 combination of these yields the Company's net capacity  
17 transactions under the IIC for the period, which are net  
18 purchases amounting to \$1,995,968. This compares to net  
19 purchases of \$5,425,921 that were projected for the  
20 period October, 1994 - March, 1995.

21

22 Q. What are Gulf's total projected net capacity  
23 transactions for the April, 1995 - September, 1995  
24 recovery period?

25 A. As shown on Schedule 1 of my exhibit, the net purchases

1 under the IIC will cause Gulf to have a projected net  
2 capacity cost of \$1,995,968. Because Schedule E sales  
3 to FPC have ended, this IIC capacity cost is Gulf's  
4 total net cost to be included for recovery. This figure  
5 is used by Ms. Cranmer as one of the inputs in the  
6 calculation of the total capacity transactions to be  
7 recovered through the purchased power capacity cost  
8 recovery factors to be applied in the recovery period.

9  
10 Q. Does this conclude your testimony?

11 A. Yes.

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Florida Public Service Commission  
 Docket No. 950001-E1  
 GULF POWER COMPANY  
 Witness: M. W. Howell  
 Exhibit No. \_\_\_\_\_ (MWH - 1)  
 Schedule 1

**GULF POWER COMPANY  
 PROJECTED PURCHASED POWER CONTRACT TRANSACTIONS  
 APRIL, 1995 - SEPTEMBER, 1995**

Contract	MW Purchase/(Sale)	Capacity (\$) Costs/(Receipts)
Southern Company		
Intercompany Interchange		
April	(57.5)	(337,070)
May	57.7	311,371
June	115.4	629,289
July	117.8	641,632
August	67.4	361,665
September	72.7	389,081
<b>SUBTOTAL</b>		<u>1,995,968</u>
FPC Schedule E		
April	0.0	0
May	0.0	0
June	0.0	0
July	0.0	0
August	0.0	0
September	0.0	0
<b>SUBTOTAL</b>		<u>0</u>
 <b>TOTAL</b>		 <u><u>1,995,968</u></u>

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA   )

Docket No. 950001-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 12 day of  
JANUARY, 1995.

Paul H. Roberts  
Notary Public, State of Florida at Large  
Commission No. 400548  
My Commission Expires 9/12/1998

PAUL H. ROBERTS  
"Notary Public-State of FL"  
Comm. Exp. Sept. 12, 1998  
Comm. No. CC 400548