

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

9:35 AM  
*Law*

ORIGINAL  
FILE COPY

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

The Southern Electric System

February 10, 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:

RE: Docket No. 950001-EI

Enclosed are an original and fifteen copies of the Prehearing Statement of Gulf Power Company to be filed in the above docket.

ACK 1

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

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMR \_\_\_\_\_

C \_\_\_\_\_

Sincerely,

*Jack L. Haskins*

*1 wj - 5*

LRY 4

Enclosures

OPC \_\_\_\_\_

cc: Beggs and Lane  
Jeffrey A. Stone, Esquire

RCH \_\_\_\_\_

SEC 1

WAS \_\_\_\_\_

OTH \_\_\_\_\_

RECEIVED & FILED

*cm*  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

01665 FEB 13 95

FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power )  
Cost Recovery Clauses and ) Docket No. 950001-EI  
Generating Performance Incentive ) Filed: Feb. 13, 1995  
Factor )  
\_\_\_\_\_ )

PREHEARING STATEMENT OF GULF POWER COMPANY

Gulf Power Company, ("Gulf Power", "Gulf", or "the Company"),  
by and through its undersigned attorneys, and pursuant to  
Commission Order No. PSC-95-0106-PCO-EI issued January 20, 1995,  
and Rule 25-22.038(3), Florida Administrative Code, files this  
prehearing statement, saying:

A. APPEARANCES:

G. EDISON HOLLAND, JR., Esquire, JEFFREY A.  
STONE, Esquire, and RUSSELL A. BADDERS,  
Esquire, of Beggs & Lane, 700 Blount Building,  
3 West Garden Street, P.O. Box 12950,  
Pensacola, FL 32576-2950  
On behalf of Gulf Power Company.

DOCUMENT NUMBER-DATE

01665 FEB 13 1995

FPSC-RECORDS/REPORTING

B. WITNESSES: All witnesses known at this time, who may be called by Gulf Power Company, along with the subject matter and issue numbers which will be covered by the witness' testimony, are as follows:

<u>Witness</u>	<u>Subject Matter</u>	<u>Issues</u>
(Direct)		
1. M. L. Gilchrist (Gulf)	Fuel Adjustment, true-up and projections	1, 2, 4
2. M. W. Howell (Gulf)	Purchased Power -- energy and capacity transactions, true-up and projections	1, 2, 4, 19, 20, 22
3. S. D. Cranmer (Gulf)	Fuel Adjustment, true-up and projections; capacity costs, true-up and projections	1, 2, 3, 4 6, 7, 19, 20, 21, 22, 23
4. G. D. Fontaine (Gulf)	GPIF, reward/penalty and targets and ranges	13, 14

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ (MLG-2)	Gilchrist	Projected vs. Actual Fuel Cost Sept. '84 - Sept. '94
_____ (MWH-1)	Howell	Projected Capacity Transactions Apr. - Sept. '95
_____ (SDC-2)	Cranmer	Schedules E-1 through E-11; 12; 13; H-1; CCE-1; CCE-2; A-1 through A-12 for June - Nov. 1994.
_____ (GDF-2)	Fontaine	GPIF Targets and Ranges

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the proposed fuel factors and capacity cost recovery factors present the best estimate of Gulf's fuel and purchased power expense (both energy and capacity) for the period April 1995 through September 1995 including the true-up calculations, GPIF and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April, 1994 through September, 1994?

GULF: Under recovery \$2,394,382. (Gilchrist, Howell, Cranmer)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October, 1994 through March, 1995?

GULF: Under recovery \$556,052. (Gilchrist, Howell, Cranmer)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April, 1995 through September, 1995?

GULF: Under recovery \$2,950,434. (Cranmer)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1995 through September, 1995?

GULF: 2.314 cents per KWH. (Gilchrist, Howell, Cranmer)

\*ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost recovery charge for billing purposes?

The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1995, through September, 1995. Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

**ISSUE 6:** What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

**GULF:** See table below: (Cranmer)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, RPT, SBS	0.96230
D	OSI, OSII	1.01228

**ISSUE 7:** What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

**GULF:** See table below: (Cranmer)

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

Company-Specific Fuel Adjustment Issues

Gulf Power Company

NO COMPANY-SPECIFIC ISSUES WITH REGARD TO GULF POWER COMPANY HAVE BEEN RAISED IN THE PRELIMINARY LIST OF ISSUES AND POSITIONS SUBMITTED BY ANY PARTY

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1994 through September, 1994?

GULF: Reward \$22,931. (Fontaine)

ISSUE 14: What should the GPIF targets/ranges be for the period April, 1995 through September, 1995?

GULF: See table below: (Fontaine)

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

Company-Specific GPIF Issues

Gulf Power Company

NO COMPANY-SPECIFIC ISSUES WITH REGARD TO GULF POWER COMPANY HAVE BEEN RAISED IN THE PRELIMINARY LIST OF ISSUES AND POSITIONS SUBMITTED BY ANY PARTY

Generic Capacity Cost Recovery Issues

ISSUE 19: What is the final capacity cost recovery true-up amount for the April, 1994 through September, 1994 period?

GULF: Over recovery of \$221,434. (Howell, Cranmer)

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period October, 1994 through March, 1995?

GULF: Under recovery \$101,423. (Howell, Cranmer)

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period April, 1995 through September, 1995?

GULF: \$120,011. (Cranmer)

ISSUE 22: What are the appropriate projected net purchased power capacity cost amounts to be included in the recovery factors for the period April 1995 through September 1995?

GULF: \$2,672,392. (Howell, Cranmer)

ISSUE 23: What are the appropriate capacity cost recovery factors for the period April 1995 through September 1995?

GULF: See table below: (Cranmer)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	0.070
GS, GST	0.068
GSD, GSDT, SBS	0.053
LP, LPT, SBS	0.046
PX, PXT, RPT, SBS	0.037
OSI, OSII	0.005
OSIII	0.041
OSIV	0.005

Company-Specific Capacity Cost Recovery Issues

NO COMPANY-SPECIFIC ISSUES WITH REGARD TO GULF POWER COMPANY HAVE BEEN RAISED IN THE PRELIMINARY LIST OF ISSUES AND POSITIONS SUBMITTED BY ANY PARTY

F. STIPULATED ISSUES

GULF: Yet to be determined. Gulf is willing to stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be waived, and the witness's attendance at the hearing be excused.

G. PENDING MOTIONS:

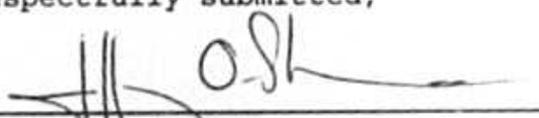
GULF: None.

H. OTHER MATTERS:

GULF: If other issues are raised for determination at the hearings set for March 8-9, 1995, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 10th day of February, 1995.

Respectfully submitted,



---

**G. EDISON HOLLAND, JR.**  
Florida Bar No. 261599  
**JEFFREY A. STONE**  
Florida Bar No. 325953  
**RUSSELL A. BADDERS**  
Florida Bar No. 7455  
**Beggs & Lane**  
P. O. Box 12950  
(700 Blount Building)  
Pensacola, FL 32576-2950  
(904) 432-2451  
**Attorneys for Gulf Power Company**

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 13th day of February, 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

Suzanne Brownless, Esquire  
2546 Blair Stone Pines Drive  
Tallahassee FL 32301

Joseph A. McGlothlin, Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas, P.A.  
315 S. Calhoun St., Suite 716  
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

Richard J. Salem, Esquire  
Salem, Saxon & Nielsen, P.A.  
101 E. Kennedy Blvd.  
Suite 3200, One Barnett Plaza  
P. O. Box 3399  
Tampa FL 33601

John W. McWhirter, Jr., Esq.  
McWhirter, Reeves, McGlothlin,  
Davidson & Bakas, P.A.  
P. O. Box 3350  
Tampa FL 33601-3350

  
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