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Tallahassee, Florida 32301
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FILE COPY

Jack L. Haskins
Assistant Secretary for Legislative Matters

May 18, 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 for official filing in the above docket 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.

Sincerely,

Jack L. Haskins

lw

Enclosures

Howell
DOCUMENT NUMBER-DATE
04891 MAY 1995
FPSC-RECORDS/REPORTING

Cranmer
DOCUMENT NUMBER-DATE
04888 MAY 1995
FPSC-RECORDS/REPORTING

Gilchrist
DOCUMENT NUMBER-DATE
04889 MAY 1995
FPSC-RECORDS/REPORTING
Our business is customer satisfaction

Fontaine
DOCUMENT NUMBER-DATE
04890 MAY 1995
FPSC-RECORDS/REPORTING

ORIGINAL
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 950001-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF
S. D. CRANMER

FUEL COST RECOVERY AND
PURCHASED POWER CAPACITY COST RECOVERY

FINAL TRUE-UP

MAY 19, 1995



DOCUMENT NUMBER DATE

04888 MAY 1995

FPSC-RECORDS/REPORTING

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 18th day of May, 1995 on the following:

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1 GULF POWER COMPANY

2 Before the Florida Public Service Commission
3 Prepared Direct Testimony of
4 Susan D. Cranmer
5 Docket No. 950001-EI
6 Fuel and Purchased Power Capacity Cost Recovery
7 Date of Filing: May 19, 1995

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

9 A. My name is Susan Cranmer. My business address is 500
10 Bayfront Parkway, Pensacola, Florida 32501. I hold the
11 position of Supervisor of Rate Services for Gulf Power
12 Company.

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 of
17 Science Degree in Business and from the University of
18 West Florida in 1982 with a Bachelor of Arts Degree in
19 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 Exhibit
10 consisting of four schedules be
11 marked as Exhibit No. _____ (SDC-1).

12
13 Q. Are you familiar with the Fuel and Purchased Power
14 (Energy) True-up Calculation and the Purchased Power
15 Capacity Cost True-Up Calculation for the period of
16 October 1994 through March 1995 set forth in your
17 exhibit?

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

20
21 Q. Have you verified that to the best of your knowledge and
22 belief, the information contained in these documents is
23 correct?

24 A. Yes, I have.

25

1 Q. What is the amount to be refunded or collected through
2 the fuel cost recovery factor in the period October 1995
3 through March 1996?

4 A. An amount to be collected of \$1,737,576 was calculated
5 as shown in Schedule 1 of my exhibit.
6

7 Q. How was this amount calculated?

8 A. The \$1,737,576 was calculated by taking the difference
9 in the estimated October 1994 through March 1995 under-
10 recovery of \$577,273 as approved in Order No.
11 PSC-95-0450-FOF-EI, dated April 6, 1995 and the actual
12 under-recovery of \$2,314,849 which is the sum of lines 7
13 and 8 shown on Schedule A-2, page 3 of 4, Period-to-date
14 of the monthly filing for March 1995.
15

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

20 A. Schedules CCA-1, CCA-2, and CCA-3 of my exhibit relate
21 to the Purchased Power Capacity Cost True-up Calculation
22 for the period October 1994 through March 1995.
23
24
25

1 Q. What is the amount to be refunded or collected in the
2 period October 1995 through March 1996?

3 A. An amount to be collected of \$35,386 was calculated as
4 shown in Schedule CCA-1 of my exhibit.

5
6 Q. How was this amount calculated?

7 A. The \$35,386 was calculated by taking the difference in
8 the estimated October 1994 through March 1995 under-
9 recovery of \$101,423 as approved in Order No.
10 PSC-95-0450-FOF-EI, dated April 6, 1995 and the actual
11 under-recovery of \$136,809 which is the sum of lines 11
12 and 12 under the total column of Schedule CCA-2.

13
14 Q. Please describe Schedules CCA-2 and CCA-3 of your
15 exhibit.

16 A. Schedule CCA-2 shows the calculation of the actual
17 under-recovery of purchased power capacity costs for the
18 period October 1994 through March 1995. Schedule CCA-3
19 of my exhibit is the calculation of the interest
20 provision on the under-recovery. This is the same
21 method of calculating interest that is used in the Fuel
22 and Purchased Power (Energy) Cost Recovery Clause and
23 the Environmental Cost Recovery Clause.

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1 Q. Ms. Cranmer, does this complete your testimony?

2 A. Yes, it does.

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AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 950001-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 18th day of May, 1995.

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 382702

**GULF POWER COMPANY
FUEL COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP
OCTOBER, 1994 - MARCH, 1995**

1. Estimated over/(under) -recovery for the period
October, 1994 - March, 1995
(Schedule E1-A approved in Order No.
PSC-95-0450-FOF-EI dated April 6, 1995) (577,273)

2. Actual over/(under) -recovery for the period
October, 1994 - March, 1995
(March, 1995 Schedule A-2, page 3 of 4,
"Period-to-Date", lines 7 and 8) (2,314,849)

3. Amount to be refunded (recovered) in the
October 1995 - March 1996 projection
period (Line 2 - Line 1) (1,737,576)

**GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF FINAL TRUE-UP AMOUNT
FOR THE PERIOD OCTOBER 1994 - MARCH 1995**

- | | |
|--|------------------------|
| 1. Estimated over/(under) -recovery for the period
October 1994 - March 1995
(Schedule CCE-1b approved in Order No.
PSC-95-0450-FOF-EI dated April 6, 1995) | (101,423) |
| 2. Actual over/(under)-recovery for the period
October 1994 - March 1995
(Schedule CCA-2 Line 11+12 in the Total column) | <u>(136,809)</u> |
| 3. Amount to be refunded/(recovered) in the
October 1995 - March 1996 projection period
(Line 2 - Line 1) | <u><u>(35,386)</u></u> |

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GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF TRUE-UP AND INTEREST PROVISION
FOR THE PERIOD OCTOBER 1994 - MARCH 1995

	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	ACTUAL TOTAL
1. IIC Payments / (Receipts) (\$)	52,856	684,456	830,674	1,007,910	1,361,402	1,249,891	5,187,189
2. Schedule E Capacity Revenues (\$)	(96,508)	(99,836)	(99,836)	0	0	0	(296,180)
3. Total Capacity Payments/(Receipts) (Line 1 + 2) (\$)	(43,652)	584,620	730,838	1,007,910	1,361,402	1,249,891	4,891,009
4. Jurisdictional %	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859	0.9639859
5. Jurisdictional Capacity Payments / (Receipts) (Line 3 x 4) (\$)	(42,080)	563,565	704,518	971,811	1,312,372	1,204,877	4,714,863
6. Amount Included in Retail Base Rate Revenues (\$)	(137,667)	(137,667)	(137,667)	(137,667)	(137,666)	(137,666)	(826,000)
7. Total Jurisdictional Recovery Amount (Line 5 - 6) (\$)	95,587	701,232	842,185	1,109,278	1,450,038	1,342,543	5,540,863
8. Jurisdictional Capacity Cost Recovery Revenues Net of Taxes	1,216,129	918,747	1,255,103	1,208,160	1,087,407	782,883	6,468,429
9. True-Up Provision (\$)	(179,817)	(179,817)	(179,817)	(179,817)	(179,817)	(179,816)	(1,078,901)
10. Jurisdictional Capacity Cost Recovery Revenue (Line 8 + 9) (\$)	1,036,312	738,930	1,075,286	1,028,343	907,590	603,067	5,389,528
11. Over/(Under) Recovery (Line 10 - 7) (\$)	940,725	37,698	233,101	(80,935)	(542,448)	(739,476)	(151,335)
12. Interest Provision (\$)	(1,243)	1,646	3,349	4,785	4,150	1,839	14,526
13. Beginning Balance True-Up & Interest Provision (\$)	(857,467)	261,832	480,993	897,260	1,000,927	642,446	(857,467)
14. True-Up Collected/(Refunded) (\$)	179,817	179,817	179,817	179,817	179,817	179,816	1,078,901
15. End of Period Total Net True-Up (Lines 11+12 + 13 + 14) (\$)	261,832	480,993	897,260	1,000,927	642,446	84,625	84,625

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Florida Public Service Commission
 Docket No. 950001-EI
 GULF POWER COMPANY
 Witness: S. D. Cranmer
 Exhibit No. (SDC-1)
 SCHEDULE CCA-2

GULF POWER COMPANY
PURCHASED POWER CAPACITY COST RECOVERY CLAUSE
CALCULATION OF INTEREST PROVISION
FOR THE PERIOD OCTOBER 1994 - MARCH 1995

	ACTUAL OCTOBER	ACTUAL NOVEMBER	ACTUAL DECEMBER	ACTUAL JANUARY	ACTUAL FEBRUARY	ACTUAL MARCH	TOTAL
1. Beginning True-Up Amount (\$)	(857,467)	261,832	480,993	897,260	1,000,927	642,446	
2. Ending True-Up Amount Before Interest (\$)	263,075	479,347	893,911	996,142	638,296	82,786	
3. Total Beginning & Ending True-Up Amount (\$) (Lines 1 + 2)	(594,392)	741,179	1,374,904	1,893,402	1,639,223	725,232	
4. Average True-Up Amount (\$)	(297,196)	370,590	637,452	946,701	819,612	362,616	
5. Interest Rate - First Day of Reporting Business Month	0.050400	0.050000	0.056600	0.060300	0.061000	0.060500	
6. Interest Rate - First Day of Subsequent Business Month	0.050000	0.056600	0.060300	0.061000	0.060500	0.061200	
7. Total Interest Rate (Lines 5 + 6)	0.100400	0.106600	0.116900	0.121300	0.121500	0.121700	
8. Average Interest Rate	0.050200	0.053300	0.058450	0.060650	0.060750	0.060850	
9. Monthly Average Interest Rate (1/12 Of Line 8)	0.004183	0.004442	0.004871	0.005054	0.005063	0.005071	
10. Interest Provision For the Month (Lines 4 X 9) (\$)	(1,243)	1,646	3,349	4,785	4,150	1,839	14,526

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Florida Public Service Commission
 Docket No. 950001-EI
 GULF POWER COMPANY
 Witness: S. D. Cranmer
 Exhibit No. (SDC-1)
 SCHEDULE CCA-3