



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power )  
Cost Recovery Clauses and )  
Generating Performance Incentive )  
Factor )  
\_\_\_\_\_ )

Docket No. 950001-EI  
Filed: July 7, 1995

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**PRELIMINARY STATEMENT OF GULF POWER COMPANY  
REGARDING ISSUES AND POSITIONS**

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"), by and through its undersigned attorneys, hereby files this preliminary statement of issues and positions, saying:

**Generic Fuel Adjustment Issues**

**ISSUE 1:** What are the appropriate final fuel adjustment true-up amounts for the period October, 1994 through March, 1995?

**GULF:** Under recovery \$1,737,576. (Gilchrist, Howell, Cranmer)

**ISSUE 2:** What are the estimated fuel adjustment true-up amounts for the period April, 1995 through September, 1995?

**GULF:** Under recovery \$875,443. (Gilchrist, Howell, Cranmer)

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

**GULF:** Under recovery \$2,613,019. (Cranmer)

**ISSUE 4:** What are the appropriate levelized fuel cost recovery factors for the period October, 1995 through March, 1996?

**GULF:** 2.210¢/KWH. (Gilchrist, Howell, Cranmer)

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FPSC-RECORDS/REPORTING

**ISSUE 5:**

What should be the effective date of the new fuel adjustment charge, oil backout charge and capacity cost recovery charge for billing purposes?

The factors should be effective beginning with the specified billing cycle and thereafter for the period October, 1995, through March, 1996. Billing cycles may start before October 1, 1995, and the last cycle may be read after March 31, 1996, so that each customer is billed for six months regardless of when the adjustment factor became effective.

If Gulf's request for authority to implement annual capacity cost recovery factors is approved, the new capacity cost recovery charge should be effective beginning with the specified billing cycle and thereafter for the period October, 1995, through September, 1996. Billing cycles may start before October 1, 1995, and the last cycle may be read after September 30, 1996, so that each customer is billed for twelve months regardless of when the capacity cost recovery 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)

<b>Group</b>	<b>Rate Schedules</b>	<b>Line Loss Multipliers</b>
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, RTP, 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, SBS, OSIII, OSIV	2.237	2.315	2.209
B	LP, SBS	2.168	2.244	2.141
C	PX, RTP, SBS	2.127	2.201	2.100
D	OSI, OSII	2.232	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.

**Company-Specific Fuel Adjustment Issues**

NONE RAISED BY GULF POWER COMPANY

**Generic Generating Performance Incentive Factor Issues**

**ISSUE 13:** What is the appropriate GPIF reward or penalty for performance achieved during the period October, 1994 through March, 1995?

**GULE:** No reward or penalty. (Fontaine)

**ISSUE 14:** What should the GPIF targets/ranges be for the period October, 1995 through March, 1996?

**GULE:** See table below: (Fontaine)

<b>Unit</b>	<b>EAF</b>	<b>POF</b>	<b>EUOF</b>	<b>Heat Rate</b>
Crist 6	88.9	4.4	6.7	10,892
Crist 7	44.3	44.3	11.4	10,898
Smith 1	95.9	0.6	3.5	10,144
Smith 2	84.7	13.7	1.6	10,166
Daniel 1	47.4	42.6	10.0	10,295
Daniel 2	80.3	14.2	5.5	10,003

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

**Company-Specific GPIF Issues**

NONE RAISED BY GULF POWER COMPANY

### Generic Capacity Cost Recovery Issues

**ISSUE 19:** What is the final capacity cost recovery true-up amount for the period October, 1994 through March, 1995?

**GULF:** Under recovery \$35,386. (Howell, Cranmer)

**ISSUE 20:** What is the estimated capacity cost recovery true-up amount for the period April, 1995 through September, 1995?

**GULF:** Over recovery \$190,165 (Howell, Cranmer)

**ISSUE 21:** What is the total capacity cost recovery true-up amount to be refunded during the period October, 1995 through March, 1996?

**GULF:** Over recovery \$154,779. (Cranmer)

**ISSUE 22:** What is the appropriate projected net purchased power capacity cost amount to be included in the recovery factor for the period October, 1995 through March, 1996?

**GULF:** \$8,271,285. If Gulf's request for authority to implement annual capacity cost recovery factors is approved, the appropriate projected net purchased power capacity cost amount to be included in the recovery factor for the period October, 1995 through September 1996 would be \$11,805,117. (Howell, Cranmer)

**ISSUE 23:** What are the appropriate capacity cost recovery factors for the period October, 1995 through March, 1996?

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

RATE CLASS*	CAPACITY COST RECOVERY FACTORS ¢/KWH	
	Traditional Six-Month (October-March)	Proposed Twelve-Month (October-September)
RS, RST	.264	.168
GS, GST	.259	.165
GSD, GSDT, SBS	.201	.128
LP, LPT, SBS	.173	.111
PX, PXT, RTP, SBS	.140	.089
OSI, OSII	.017	.011
OSIII	.156	.100
OSIV	.017	.011

\*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.

**Company-Specific Capacity Cost Recovery Issues**

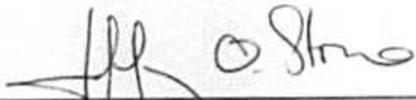
**ISSUE 24:**

Is it reasonable and appropriate for Gulf Power Company to change the cycle for setting the purchased power capacity cost recovery factors from two sets of six-month factors (October-March; April-September) to one set of twelve-month factors (October-September)?

**GULF:**

Yes. The nature of Gulf's purchased power capacity costs recovered through the capacity cost recovery factors, in conjunction with Gulf's seasonal differences in energy (kWh) sales, is such that the current six-month recovery cycle causes a major difference in the recovery factors between the April-September and the October-March recovery periods. Gulf's capacity costs and kWh sales do not vary as widely from year to year as they do from one of the current six-month recovery periods to the next. By changing the recovery cycle to one set of twelve-month factors established on an annual basis, Gulf's customers will benefit because the resulting factors will be leveled over the year. (Howell, Cranmer)

Respectfully submitted this 6th day of July, 1995.

  
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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 10th day of July 1995 on the following:

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