

Gulf Power Company
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ORIGINAL
 FILE COPY

Susan D. Cranmer
 Assistant Secretary and
 Assistant Treasurer

the southern electric system

June 21, 1996

Ms. Blanca S. Bayo, Director
 Division of Records and Reporting
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 960001-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 October 1995 through March 1996; Estimated Fuel Cost True-up Amounts for April 1996 through September 1996; Projected Fuel Cost Recovery Amounts for October 1996 through March 1997; Final Purchased Power Capacity Cost True-up Amounts for April 1995 through September 1995; Estimated Purchased Power Capacity Cost True-up Amounts for October 1995 through September 1996; Projected Purchased Power Capacity Cost Recovery Amounts for October 1996 through September 1997; GPIF Targets and Ranges for October 1996 through March 1997; Estimated As-available Avoided Energy Costs, and Fuel Cost Recovery Factors to be applied beginning with the period October 1996 through March 1997; and Capacity Cost Recovery Factors to be applied beginning with the period October 1996 through September 1997.
2. Prepared direct testimony and exhibit of M. F. Oaks.
3. Prepared direct testimony and exhibit of G. D. Fontaine.
4. Prepared direct testimony and exhibit of M. W. Howell.
5. Prepared direct testimony and exhibit of S. D. Cranmer.

ACK _____
 AFA 2
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG Bass
 LFS 1
 LIN 3
 QRC _____
 RCH _____
 SEC 1
 WAS _____
 OTH _____

RECEIVED & FILED
 JUN 24 1996
 DOCUMENT NUMBER-DATE
 Cranmer 06725 JUN 24 96
 Howell 06724 JUN 24 96
 FPSC-RECORDS/REPORTING

Petition
 DOCUMENT NUMBER-DATE
 06721 JUN 24 96
 FPSC-RECORDS/REPORTING

Oaks
 DOCUMENT NUMBER-DATE
 06722 JUN 24 96
 "Our business is customer satisfaction"
 FPSC-RECORDS/REPORTING

Fontaine Howell
 DOCUMENT NUMBER-DATE
 06723 JUN 24 96
 FPSC-RECORDS/REPORTING

Susan D. Cranmer

Ms. Blanca S. Bayo
June 21, 1996
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In addition to the schedules attached to the testimony, enclosed is one copy for the hearing record of Schedules A1 through A9 previously filed with the Commission for the months of December 1995, January, February, March, April, and May 1996. 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 6.1 format as prepared on a MS-DOS based computer.

Sincerely,



lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No. 960001-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 21st day of June 1996 on the following:

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ORIGINAL
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960001-EI

PREPARED DIRECT TESTIMONY
AND EXHIBIT OF

OF
MICHAEL F. OAKS

FUEL AND PURCHASED POWER COST RECOVERY

OCTOBER 1996 - MARCH 1997

JUNE 24, 1996

 **GULF POWER** 

DOCUMENT NUMBER-DATE

06722 JUN 24 88

FPSC-RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony of

4 Michael F. Oaks

Docket No. 960001-EI

5 Date of Filing: June 24, 1996

6 Q. Please state your name and business address.

7 A. My name is Michael F. Oaks and my business address is 500 Bayfront
8 Parkway, Post Office Box 1151, Pensacola, Florida 32520-0328.

9 Q. By whom are you employed and in what capacity?

10 A. I am the Supervisor of Fuel Supply at Gulf Power Company and I also
11 serve as the Company's Compliance Administrator.

12 Q. Mr. Oaks, will you please describe your education and experience?

13 A. I graduated from Belhaven College in Jackson, Mississippi, in 1977 with a
14 Bachelor of Science Degree in Chemistry. I joined Gulf Power Company
15 in 1977 as a Chemist. Since then, I have held various positions with the
16 Company, including Water Chemistry Specialist, Water Quality Specialist,
17 Environmental Affairs Specialist, Environmental Audit Administrator, and
18 Compliance Administrator. I was promoted to my present position as
19 Supervisor of Fuel Supply in May 1996.
20

21 Q. What are your duties as Supervisor of Fuel Supply?

22 A. I supervise and administer the Company's fuel procurement,
23 transportation, budgeting, contract administration, and quality control to
24
25

1 ensure the generating plants are provided an adequate low cost fuel
2 supply with minimal operational problems.

3
4 Q. Are you the same Michael F. Oaks who has previously submitted
5 testimony in this proceeding?

6 A. Yes.

7
8 Q. Mr. Oaks, what is the purpose of your testimony in this docket?

9 A. The purpose of my testimony is to support Gulf Power Company's
10 projection of fuel expenses for the period October 1, 1996 to March 31,
11 1997 and to be available to answer any questions that may occur
12 concerning the Company's fuel procurement procedures.

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

16 A. Yes. I have prepared an exhibit consisting of one schedule. Schedule 1
17 of my exhibit is a tabulation of projected and actual fuel cost for the past
18 ten years. The purpose of this schedule is to illustrate the accuracy of our
19 short term projections of fuel expenses.

20
21 COUNSEL: We ask that Mr. Oaks' exhibit, consisting of one schedule,
22 be marked as Exhibit No. _____ (MFO-2).

23
24
25

1 Q. Has Gulf Power Company made any changes to its projection methods
2 for this period?

3 A. No.

4
5 Q. Will there be any major changes in Gulf's fuel purchasing program during
6 this period?

7 A. No.

8
9 Q. How much spot market coal does Gulf Power project it will purchase
10 during the October 1996 through March 1997 period?

11 A. We are projecting the purchase of approximately 846,000 tons. This
12 includes 500,000 tons of Peabody contract replacement coal to be
13 purchased on the spot market and represents approximately 35% of our
14 projected purchase requirements.

15
16 Q. Mr. Oaks, does this conclude your testimony?

17 A. Yes.

18

19

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21

22

23

24


25

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

Docket No. 960001-EI

Before me the undersigned authority, personally appeared Michael F. Oaks, who being first duly sworn, deposes, and says that he is the Compliance Administrator and Supervisor of Fuel Supply at 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.



Michael F. Oaks
Supervisor of Fuel Supply

Sworn to and subscribed before me this 21st day of June 1996.



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:



GULF POWER COMPANY
PROJECTED VS ACTUAL FUEL COST OF GENERATED POWER

<u>Period Ending</u>	<u>¢/KWH Fuel Cost (1)</u>		
	<u>Projected</u>	<u>Actual</u>	<u>Difference %</u>
September 1987	2.3348	2.0639	(11.60)
March 1988	1.8588	1.8008	(3.12)
September 1988	1.8360	1.8160	(1.09)
March 1989	1.9630	1.9056	(2.92)
September 1989	2.0260	2.0724	2.29
March 1990	1.9688	1.9930	1.23
September 1990	2.0672	2.1840	5.65
March 1991	2.1028	2.2128	5.23
September 1991	2.1184	2.1255	0.34
March 1992	1.9524	2.0660	6.84
September 1992	1.9448	2.0401	4.90
March 1993	1.9458	1.9425	(0.17)
September 1993	1.9924	2.0408	2.43
March 1994	1.9050	2.0498	7.60
September 1994	1.8662	1.9373	3.81
March 1995	1.8874	2.0388	8.02
September 1995	2.0456	2.0344	(0.55)
March 1996	1.9795	2.0743	4.79
September 1996	2.0405	-	-
March 1997	1.9282	-	-

(1) Line No. 1 from FPSC Schedule A-1.