

Gulf Power Company
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ORIGINAL
FILE COPY

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

August 6, 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:

RE: Docket No. 960001-EI

Enclosed are an original and fifteen copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 6.1 format as prepared on a MS-DOS based computer.

Sincerely,

Susan D. Cranmer

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Enclosure

cc: Beggs and Lane

Jeffrey A. Stone, Esquire

RECEIVED & FILED

EPSC-BUREAU OF RECORDS

Aug 7 8 00 AM '96

RECEIVED

DOCUMENT NUMBER-DATE

08238 AUG-7 96

FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 960001-EI
Filed: August 7, 1996

**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, 1995 through March, 1996?

GULF: Under recovery \$7,291,590. (Oaks, Howell, Cranmer)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period April, 1996 through September, 1996?

GULF: Under recovery \$2,727,188. (Oaks, Howell, Cranmer)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period October, 1996 through March, 1997?

GULF: Under recovery \$10,018,778. (Cranmer)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period October, 1996 through March, 1997?

GULF: 2.317¢/KWH. (Oaks, Howell, Cranmer)

DOCUMENT NUMBER-DATE

08238 AUG-7 96

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, 1996, through March, 1997. Billing cycles may start before October 1, 1996, and the last cycle may be read after March 31, 1997, so that each customer is billed for six months regardless of when the adjustment factor became effective.

The new capacity cost recovery charge should be effective beginning with the specified billing cycle and thereafter for the period October, 1996, through September, 1997. Billing cycles may start before October 1, 1996, and the last cycle may be read after September 30, 1997, 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)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, PXT, 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	2.345	2.420	2.318
B	LP, SBS	2.273	2.345	2.246
C	PX, RTP, SBS	2.230	2.301	2.203
D	OSI, OSII	2.340	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, 1995 through March, 1996?

GULF: \$44,234 penalty. (Fontaine)

ISSUE 14: What should the GPIF targets/ranges be for the period October, 1996 through March, 1997?

GULF: See table below: (Fontaine)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	90.2	4.9	5.0	10,710
Crist 7	81.9	4.9	13.3	10,626
Smith 1	92.2	4.9	2.9	10,269
Smith 2	91.8	4.9	3.3	10,354
Daniel 1	61.0	25.3	13.9	10,385
Daniel 2	79.9	13.7	6.5	10,141

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 purchased power capacity cost recovery true-up amount for the period April, 1995 through September, 1995.?

GULF: Over recovery \$410,705. (Howell, Cranmer)

ISSUE 20: What is the estimated purchased power capacity cost recovery true-up amount for the period October, 1995 through September, 1996?

GULF: Over recovery \$374,156 (Howell, Cranmer)

ISSUE 21: What is the total capacity cost recovery true-up amount to be refunded during the period October, 1996 through September, 1997?

GULF: Over recovery \$784,861. (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, 1996 through September, 1997?

GULF: \$12,118,326. (Howell, Cranmer)

ISSUE 23: What are the appropriate capacity cost recovery factors for the period October, 1996 through September, 1997?

GULE: See table below: (Cranmer)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	.167
GS, GST	.161
GSD, GSDT	.121
LP, LPT	.110
PX, PXT, RTP	.091
OSI, OSII	.040
OSIII	.096
OSIV	.203
SBS	.114

Company-Specific Capacity Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 6th day of August, 1996.

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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. 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 6th day of August 1996 on the following:

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