

period October 1997 through September 1998; for approval of its GPIF targets and ranges for October 1997 through March 1998; for approval of its estimated as-available avoided energy costs for QF's; for approval of its fuel cost recovery factors to be applied beginning with the period October 1997 through March 1998; and for approval of its capacity cost recovery factors to be applied beginning with the period October 1997 through September 1998.

As grounds for the relief requested by this petition, the Company would respectfully show:

(1) Notices and communications with respect to this petition and docket should be addressed to:

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FINAL FUEL ADJUSTMENT TRUE-UP

(2) By vote of the Commission at the February 1997 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the final fuel true-up amounts. According to the data filed by Gulf for the period ending March 1, 1997, the actual fuel true-up amount for the subject six months should be an under recovery of \$5,863,665 instead of the estimated under recovery of \$2,698,394 as approved previously by this Commission. The difference between these two

amounts, \$3,165,271, is submitted for approval by the Commission to be collected in the next period. The supporting data has been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost procedures and fairly presents the Company's fuel and purchased energy expenses for the period. Amounts spent by the Company for fuel and purchased energy are reasonable and prudent, and the Company makes every effort to secure the most favorable price for all of the fuel it purchases and for its energy purchases.

GPIF ADJUSTMENT

(3) On May 20, 1997, Gulf filed the testimony and exhibit of G.D. Fontaine containing the Company's actual operating results for the period October 1996 through March 1997. Based on the actual operating results for the period October 1996 through March 1997, Gulf should receive a reward in the amount of \$11,349. The methodology used by Gulf in determining the various factors required to compute the GPIF is in accordance with the requirements of the Commission.

ESTIMATED FUEL COST TRUE-UP

(4) Gulf has calculated its estimated fuel cost true-up amount for the period April 1997 through September 1997. Based on two months actual experience and four months projected data, the Company's estimated fuel cost true-up amount for the current period (April 1997 through September 1997) is an under recovery

of \$857,475. The supporting data is provided in the testimony and schedules of S. D. Cranmer filed herewith. The estimated fuel cost true-up for the current period is combined with the net final fuel adjustment true-up for the period ending March 31, 1997 to reach the total fuel cost true-up to be addressed in the factors for the next fuel cost recovery period. The proposed fuel cost recovery factors reflect the collection of this total true-up amount, \$4,022,746, during the period of October 1997 through March 1998.

PROJECTED FUEL COST RECOVERY AMOUNTS

(5) Gulf has calculated its projected fuel cost recovery amounts for the months October 1997 through March 1998 for fuel and purchased energy in accordance with the procedures set out in this Commission's Orders Nos. 6357, 7890, 7501, and 9273 of Docket No. 74680-EI and with the orders entered in this ongoing cost recovery docket. The computations thereof are attached as Schedule E-1 of the exhibit to the testimony of S. D. Cranmer filed herewith. Included within the Company's projected cost recovery is the special contract recovery amount of \$66,921 determined in accordance with this Commission's Order Nos. 19613 and 25148, as shown on Schedule E-12. The supporting data prepared in accordance with the Commission Staff's suggested procedures and format is attached as Schedules E-1 through E-12 and H-1 of the exhibit to the testimony of S. D. Cranmer filed herewith. Said schedules are by reference made a part hereof.

The proposed amounts and supporting data have been prepared in accordance with the uniform system of accounts as applicable to the Company's fuel cost projection procedures and fairly present the Company's best estimate of fuel and purchased energy expense for the projected period. Amounts projected by the Company for fuel and purchased energy are reasonable and prudent, and the Company continues to make every effort to secure the most favorable price for all of the fuel it purchases and for its purchased energy.

FINAL PURCHASED POWER CAPACITY COST TRUE-UP

(6) By vote of the Commission at the August 1996 hearings, estimated purchased power capacity cost true-up amounts were approved by the Commission, subject to establishing the final purchased power capacity cost true-up amounts. According to the data filed by Gulf for the twelve-month period ending September 30, 1996, the final purchased power capacity cost true-up amount for the subject twelve months should be an actual over recovery of \$172,788 instead of the estimated over recovery of \$374,156 as approved previously by this Commission. The actual over recovery amount for October 1995 through September 1996 was included in Gulf's mid-course correction filing dated November 22, 1996; therefore \$0 is included to be refunded in the period October 1997 through September 1998. The supporting data has been prepared in accordance with the uniform system of accounts and fairly presents the Company's purchased power capacity expenses

for the period. Amounts spent by the Company for purchased power capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED PURCHASED POWER CAPACITY COST TRUE-UP

(7) Gulf has calculated its estimated purchased power capacity cost true-up amount for the period October 1996 through September 1997. Based on eight months actual and four months projected data, the Company's estimated capacity cost true-up amount for the current period (October 1996 through September 1997) is an over recovery of \$2,791,701. In Gulf's mid-course correction filing dated November 22, 1996, an estimated over recovery of \$3,315,668 was included for the October 1996 through September 1997 period. The difference between these two amounts, \$523,967, is submitted for recovery during the period October 1997 through September 1998. The net estimated capacity cost true-up for the current period is combined with the net final capacity cost true-up for the period ending September 30, 1997 to reach the total capacity cost true-up to be addressed in the factors for the next cost recovery period. The proposed capacity cost recovery factors reflect the collection of this total capacity cost true-up amount, \$523,967, during the period of October 1997 through September 1998.

PROJECTED PURCHASED POWER CAPACITY COST RECOVERY AMOUNTS

(8) Gulf has calculated its projected purchased power capacity cost recovery amounts for the months October 1997 through September 1998 in accordance with the procedures set out in this Commission's Order No. 25773 and Order No. PSC-93-0047-FOF-EI. The proposed factors reflect the recovery of the net capacity cost recovery amount of \$4,013,394 projected for the period October 1997 through September 1998.

The computations and supporting data for the Company's purchased power capacity cost recovery factors are set forth on Schedules CCE-1 (including CCE-1a and CCE-1b) and CCE-2 attached as part of the exhibit to the testimony of S. D. Cranmer filed herewith. Additional supporting data for the purchased power capacity cost recovery factors is provided in the testimony and exhibit of M. W. Howell also filed herewith. The methodology used by Gulf in determining the amounts to include in these factors and the allocation to rate classes, based 12/13th on demand and 1/13th on energy, is in accordance with the requirements of the Commission as set forth in Order No. 25773. The amounts included in the factors for this projection period are based on reasonable projections of the capacity transactions that are expected to occur during the period October 1997 through September 1998. The proposed factors and supporting data have been prepared in accordance with the uniform system of accounts and fairly present the Company's best estimate of purchased power capacity costs for the projected period. Amounts projected by

the Company for purchased power capacity are reasonable and prudent, and in the best long-term interests of Gulf's general body of ratepayers.

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS

(9) Pursuant to Order 13247 (entered May 1, 1984) in Docket No. 830377-EI and Order No. 19548 (entered June 21, 1988) in Docket No. 880001-EI, Gulf has calculated estimates of as-available avoided energy costs for QF's in accordance with the procedures required in said orders. The resultant costs are attached to the testimony of S. D. Cranmer as Schedule E-11 and by reference made a part hereof. Gulf Power requests that the Commission approve the estimates for these costs set forth on Schedule E-11.

GPIF TARGETS AND RANGES

(10) Gulf also seeks approval of the GPIF targets and ranges for the period October 1997 through March 1998 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	78.6	16.5	4.9	10,975
Crist 7	83.2	4.9	11.9	10,521
Smith 1	92.3	5.0	2.7	10,264
Smith 2	79.6	17.6	2.8	10,318
Daniel 1	67.8	18.7	13.6	10,428
Daniel 2	88.4	4.9	6.7	10,235

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

FUEL COST RECOVERY FACTORS

(11) The proposed levelized fuel and purchased energy cost recovery factor, including GPIF and True-Up, herein requested is 2.131¢/KWH. The proposed factors by rate schedule are:

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228	2.157	2.231	2.130
B	LP, LPT, SBS	0.98106	2.091	2.162	2.064
C	PX, PXT, RTP, SBS	0.96230	2.051	2.121	2.025
D	OSI, OSII	1.01228	2.152	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.


CAPACITY COST RECOVERY FACTORS

(12) The proposed purchased power capacity cost recovery factors by rate class herein requested, including true-up, are:

RATE CLASS*	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	.054
GS, GST	.052
GSD, GSDT	.039
LP, LPT	.035
PX, PXT, RTP	.029
OSI, OSII	.013
OSIII	.031
OSIV	.065
SBS	.037

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final fuel adjustment true-up for the period October 1996 through March 1997; the GPIF adjustment for the period October 1996 through March 1997; the estimated fuel cost true-up for the period April 1997 through September 1997; the projected fuel cost recovery amount for the period October 1997 through March 1998; the final purchased power capacity cost true-up amount for the period October 1995 through September 1996; the estimated purchased power capacity cost recovery true-up amount for the period October 1996 through September 1997; the projected purchased power capacity cost recovery amount for the period October 1997 through September 1998; the GPIF targets and ranges for the period October 1997 through March 1998; the estimated as-available avoided energy costs for QF's; the fuel cost recovery factors to be applied beginning with the period October 1997 through March 1998; and the capacity cost recovery factors to be applied beginning with the period October 1997 through September 1998.

Dated the 20th day of June, 1997.



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