

ORIGINAL



October 9, 1998

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. 980001-EI are an original and ten copies of the following:

1. Petition of Gulf Power Company for Approval of GPIF Adjustment for October 1997 through March 1998; Estimated Fuel Cost True-up Amounts for April 1998 through September 1998 and for October 1998 through December 1998; Projected Fuel Cost Recovery Amounts for January 1999 through December 1999; Estimated Purchased Power Capacity Cost True-up Amounts for October 1997 through September 1998 and for October 1998 through December 1998; Projected Purchased Power Capacity Cost Recovery Amount for January 1999 through December 1999; GPIF Targets and Ranges for October 1998 through December 1998 and for January 1999 through December 1999; Estimated As-available Avoided Energy Costs and Fuel Cost Recovery Factors to be applied beginning with the period January 1999 through December 1999; Capacity Cost Recovery Factors to be applied beginning with the period January 1999 through December 1999.

2. Prepared direct testimony and exhibit of M. F. Oaks. 11369-98
3. Prepared direct testimony and exhibit of G. D. Fontaine. 11370-98
4. Prepared direct testimony and exhibit of M. W. Howell. 11371-98
5. Prepared direct testimony and exhibit of S. D. Cranmer. 11372-98

ACK _____
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APP _____
CAF _____
CMU _____
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LIN 3 to 5 list
QPC _____
RCH _____
SEC 1
WAS _____
OTH _____

Petition
DOCUMENT NUMBER-DATE

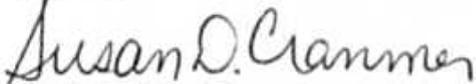
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FPSC-RECORDS/REPORTING

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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 NT computer.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Cranmer".

Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

ORIGINAL

GULF POWER COMPANY

**Before the Florida Public Service
Commission**

**Prepared Direct Testimony & Exhibit of
Michael F. Oaks**

Docket No. 980001-EI

Date of Filing: October 12, 1998

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission

3 Prepared Direct Testimony and Exhibit of

4 Michael F. Oaks

Docket No. 980001-EI

Date of Filing: October 12, 1998

5 Q. Please state your name and business address.

6 A. My name is Michael F. Oaks and my business address is One Energy
7 Place, Pensacola, Florida 32520-0328.

8
9 Q. What is your occupation?

10 A. I am the Compliance and Fuel Supply Supervisor at Gulf Power
11 Company.

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

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

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

23 A. I supervise and administer the Company's fuel procurement,
24 transportation, budgeting, contract administration, and quality control to
25 ensure the generating plants are provided an adequate low cost fuel

1 supply with minimal operational problems.

2

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

5 A. Yes.

6

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

8 A. The purpose of my testimony is to support Gulf Power Company's
9 projection of fuel expenses for the period January 1, 1999 to
10 December 31, 1999 and to be available to answer any questions that may
11 occur concerning the Company's fuel procurement procedures.

12

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

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

19

20 Counsel: We ask that Mr. Oaks' exhibit consisting of one schedule be
21 marked as Exhibit No. _____ (MFO-1).

22

23 Q. Has Gulf Power Company made any changes to its methods in this period
24 for projecting fuel cost?

25 A. No.

1 Q. Does the 1999 projection of fuel expenses reflect any major changes in
2 Gulf's fuel purchasing program during this period?

3 A. No. However, a change in fuel supply for Plant Daniel is planned in 1999.
4 The details of such a change have not been finalized at the time of this
5 filing.

6
7 Q. How much spot market coal does Gulf Power project it will purchase
8 during the January 1999 through December 1999 period.

9 A. We are projecting the purchase of approximately 1,715,436 tons on the
10 spot market. This represents approximately 29% of our projected
11 purchase requirements.

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13 Q. Mr. Oaks, does this conclude your testimony?

14 A. Yes.

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**GULF POWER COMPANY
PROJECTED VS ACTUAL FUEL COST OF SYSTEM NET
GENERATION**

c/KWH Fuel Cost (1)

Period Ending	Projected	Actual	Difference %
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	1.9639	(3.75)
March 1997	1.9282	2.0332	5.45
September 1997	1.9434	1.9431	(0.02)
March 1998	1.8734	1.8647	(0.46)
September 1998	1.5916	-	-
December 1999	1.5284	-	-

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

AFFIDAVIT

STATE OF FLORIDA)
)
COUNTY OF ESCAMBIA)

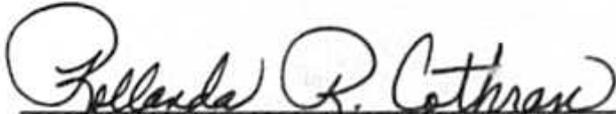
Docket No. 980001-EI

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

Sworn to and subscribed before me this



Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

