

Jack L. Haskins  
Manager of Rates and Regulatory Matters  
and Assistant Secretary

THE SOUTHERN POWER COMPANY

January 13, 1995

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Enclosed for official filing in Docket No. 950001-EI are an original and fifteen copies of the following:

- 00616-95
1. Petition of Gulf Power Company for Approval of Final Fuel Cost True-up Amounts and GPIF Adjustment for April 1994 through September 1994; Estimated Fuel Cost True-up for October 1994 through March 1995; Projected Fuel Cost Recovery Amounts for April 1995 through September 1995; Final Purchased Power Capacity Cost True-up Amounts for April 1994 through September 1994; Estimated Purchased Power Capacity Cost True-up for October 1994 through March 1995; Projected Purchased Power Capacity Cost Recovery Amount for April 1995 through September 1995; GPIF Targets and Ranges for April 1995 through September 1995; Estimated As-available Avoided Energy Costs, Fuel Cost Recovery Factors, and Capacity Cost Recovery Factors, to be Applied Beginning with the Period April 1995 through September 1995.

00617-95 2. Prepared direct testimony and exhibit of M. L. Gilchrist.

00618-95 3. Prepared direct testimony and exhibit of G. D. Fontaine.

00619-95 4. Prepared direct testimony and exhibit of M. W. Howell.

*J. Gilchrist*  
*Brown*  
*orig/lat*  
*x 4*

*Petition*

DOCUMENT NUMBER-DATE

00616 JAN 17 95

FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

Ms. Blanca S. Bayo  
January 13, 1995  
Page Two

00630-95  
5.

Prepared direct testimony and exhibit of  
S. D. Cranmer.

- Schedule E1: Fuel and Purchased Power Cost Recovery Clause Calculation
- Schedule E2: Fuel and Purchased Power Cost Recovery Clause Calculation
- Schedule E3: Generating System Comparative Data by Fuel Type
- Schedule E4: System Net Generation and Fuel Costs
- Schedule E-5: System Generated Fuel Cost Inventory Analysis
- Schedule E-6: Power Sold
- Schedule E-7: Purchased Power (Exclusive of Economy Energy Purchases)
- Schedule E-8: Energy Payment to Qualifying Facilities
- Schedule E-9: Economy Energy Purchases
- Schedule E-10: Residential Bill Comparison for Monthly Usage of 1000 KWH
- Schedule 11: As-Available Avoided Energy Cost
- Schedule 12: Special Contract Recovery Calculations
- Schedule H1: Generating System Comparative Data by Fuel Type
- Schedule CCE-1: Purchased Power Capacity Payments/ (Receipts)
- Schedule CCE-2: Calculation of Purchased Power Capacity Cost Recovery Factor

Jack I. Hopkins

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*Forwarded  
to Linda  
for  
transcript*  
In addition to the schedules attached to the testimony, enclosed is one copy for the hearing record of Schedules A1 through A12 previously filed with the Commission for the months of June, July, August, September, October, and November 1994. 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 6.0a format as prepared on a MS-DOS based computer.

Sincerely,

*Jack I Hopkins*

lw

Enclosures

cc: Beggs and Lane  
Jeffrey A. Stone, Esquire  
McNees, Wallace & Nurick  
David M. Kleppinger, Esquire

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 13<sup>th</sup> day of January, 1995 on the following:

Martha Brown, Esquire  
FL Public Service Commission  
101 East Gaines Street  
Tallahassee FL 32399-0863

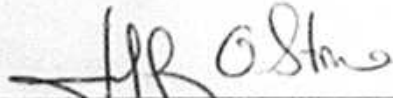
Jack Shreve, Esquire  
Office of Public Counsel  
111 W. Madison St., Suite 812  
Tallahassee FL 32399-1400

James McGee, Esquire  
Florida Power Corporation  
P. O. Box 14042  
St. Petersburg FL 33733-4042

Matthew M. Childs, Esquire  
Steel, Hector & Davis  
215 South Monroe, Suite 601  
Tallahassee FL 32301-1804

Lee L. Willis, Esquire  
James D. Beasley, Esquire  
Macfarlane Ausley Ferguson  
& McMullen  
P. O. Box 391  
Tallahassee FL 32302

Floyd R. Self, Esquire  
Messer, Vickers, Caparello,  
French and Madison  
P. O. Box 1876  
Tallahassee FL 32302-1876



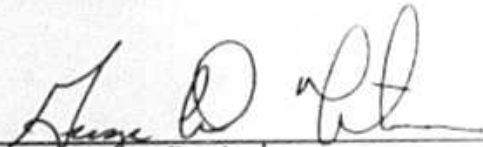
\_\_\_\_\_  
G. EDISON HOLLAND, JR.  
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Florida Bar No. 325953  
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Attorneys for Gulf Power Company

AFFIDAVIT

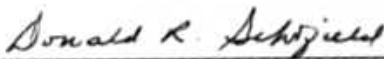
STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA    )

Docket No. 950001-EI

Before me the undersigned authority, personally appeared George D. Fontaine, who being first duly sworn, deposes, and says that he is the Performance Test Specialist of 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.

  
\_\_\_\_\_  
George D. Fontaine  
Performance Test Specialist

Sworn to and subscribed before me this 11<sup>th</sup> day of January, 1995.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

Commission Number:           DONALD R. SCHOFIELD            
                                  "Notary Public State of FL"  
Commission Expires:           Comm. Exp. May 17, 1998            
                                  Comm. No. CC 372907

ORIGINAL  
FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

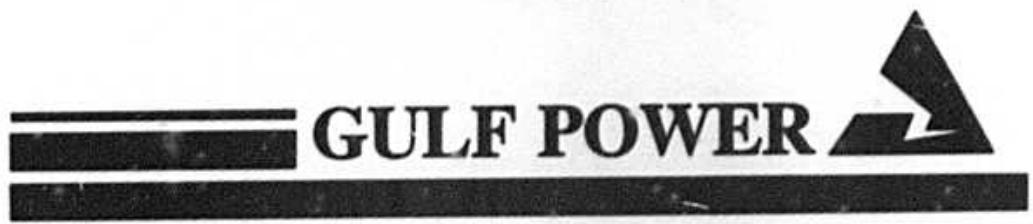
DOCKET NO. 950001-EI

PREPARED DIRECT TESTIMONY  
AND EXHIBIT OF  
M. L. GILCHRIST

PROJECTED FUEL COST RECOVERY AND  
PURCHASED POWER CAPACITY COST RECOVERY

APRIL 1995 - SEPTEMBER 1995

JANUARY 17, 1995



DOCUMENT NUMBER-DATE  
00617 JAN 17 95  
FPSC-RECORDS/REPORTING

1 GULF POWER COMPANY

2 Before the Florida Public Service Commission  
3 Prepared Direct Testimony of  
4 M. L. Gilchrist  
5 Docket No. 950001-EI  
6 Date of Filing January 17, 1995

7 Q. Please state your name and business address.

8 A. My name is M. L. Gilchrist, and my business address is 500 Bayfront  
9 Parkway, Pensacola, Florida, 32520-0328.

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

11 A. I am Manager of Fuel and Environmental Affairs for Gulf Power Company.

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

13 A. I graduated from Auburn University in 1958 with a Bachelor of Science  
14 Degree in Electrical Engineering. I joined Gulf Power Company in 1961  
15 as a Field Engineer. Since then, I have held various positions with the  
16 Company, including Power Sales Engineer, Division Sales Supervisor,  
17 Division Engineer, Supervisor of Fuel Supply, Assistant Plant Manager at  
18 Crist Electric Generating Plant, and Manager of Interchange and Fuel  
19 Supply. I was promoted to my present position June 1, 1989.

20 Q. What are your duties as Manager of Fuel and Environmental Affairs?

21 A. I manage the fuel supply and environmental compliance activities of the  
22 Company. My responsibilities include fuel procurement, fuel contract  
23 administration, and fuel budgeting.  
24  
25



1 Q. Are you the same Lane Gilchrist who has previously testified before this  
2 Commission on various fuel matters?

3 A. Yes.  
4

5 Q. Mr. Gilchrist, what is the purpose of your testimony in this docket?

6 A. The purpose of my testimony is to support Gulf Power Company's  
7 projection of fuel expenses for the period April 1, 1995 to September 30,  
8 1995 and to be available to answer any questions that may occur  
9 concerning the Company's fuel procurement  
10

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

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

18 COUNSEL: We ask that Mr. Gilchrist's exhibit, consisting of one  
19 schedule, be marked as Exhibit No. \_\_\_\_\_ (MLG-2).  
20

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

23 A. No.  
24  
25



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2 Commission on various fuel matters?

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20

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

23 A. No.  
24  
25

1 Q. Will there be any major changes in Gulf's fuel purchasing program during  
2 this period?

3 A. No.  
4

5 Q. Has the Company included expenditures for emission allowances in its  
6 projection of fuel costs for this filing?

7 A. Yes. Phase I of the CAA became effective January 1, 1995, therefore,  
8 this projection does include an estimate of the cost of allowances to be  
9 expended during the period.  
10

11 Q. How is the number of allowances expected to be used projected?

12 A. The same fuel budget model that predicts the coal burn also forecasts the  
13 number of tons of sulfur burned, which is readily converted to tons of SO<sub>2</sub>.  
14 The nominal percent sulfur in the coal is simply multiplied by the tons of  
15 coal burned.  
16

17 Q. How was the cost of allowances to be expended determined for the  
18 forecast?

19 A. The projected cost of allowances was determined by a method very  
20 similar to fuel inventory as specified by FERC procedures. In other  
21 words, allowances are held "in stock" at cost and are "issued" at the  
22 projected cost of allowances which is based on anticipated allowances  
23 granted net of allowance sales, purchases, and transfers.  
24  
25

1 Q. How much spot market coal does Gulf Power project it will purchase  
2 during April 1995 through September 1995?

3 A. We are projecting the purchase of approximately 470,000 tons. This  
4 represents approximately 33% of our projected purchase requirements.  
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6 Q. Mr. Gilchrist, does this conclude your testimony?

7 A. Yes.  
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AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 950001-EI

Before me the undersigned authority, personally appeared M. L. Gilchrist, who being first duly sworn, deposes, and says that he is the Manger and Fuel and Environmental Affairs of 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.

  
\_\_\_\_\_  
M. L. Gilchrist  
Manager of Fuel and Environmental Affairs

Sworn to and subscribed before me this 12th day of January, 1995.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

Commission Number: CC 346358  
Commission Expires: 02/26/98

