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

the southern electric system

January 22, 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 April 1995 through September 1995; Estimated Fuel Cost True-up Amounts for October 1995 through March 1996; Projected Fuel Cost Recovery Amounts for April 1996 through September 1996; GPIF Targets and Ranges for April 1996 through September 1996; Estimated As-available Avoided Energy Costs and Fuel Cost Recovery Factors, to be Applied Beginning with the Period April 1996 through September 1996. 00717-96

ACK ✓
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2. Prepared direct testimony and exhibit of M. L. Gilchrist. 00718-96
3. Prepared direct testimony and exhibit of G. D. Fontaine. 00719-96
4. Prepared direct testimony of M. W. Howell. 00720-96

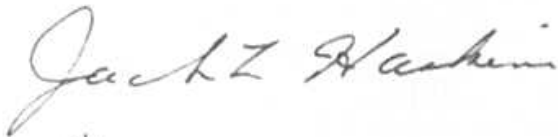
Ms. Blanca S. Bayo
January 19, 1996
Page Two

5. Prepared direct testimony and exhibit of S. D. Cranmer. 00721-96

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 June, July, August, September, October and November 1995. 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,



ab

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 22 day of January 1996 on the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE:	Fuel and Purchased Power)	
	Cost Recovery Clauses and)	Docket No. 960001-EI
	Generating Performance)	Filed: January 22, 1996
	Incentive Factor)	
)	

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
 FINAL FUEL COST TRUE-UP AMOUNTS AND GPIF ADJUSTMENT
 FOR APRIL 1995 THROUGH SEPTEMBER 1995;
 ESTIMATED FUEL COST TRUE-UP FOR OCTOBER 1995 THROUGH MARCH 1996;
 PROJECTED FUEL COST RECOVERY AMOUNTS
 FOR APRIL 1996 THROUGH SEPTEMBER 1996;
 GPIF TARGETS AND RANGES FOR APRIL 1996 THROUGH SEPTEMBER 1996;
 ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS, AND FUEL COST RECOVERY
 FACTORS, TO BE APPLIED BEGINNING WITH THE PERIOD APRIL 1996
 THROUGH SEPTEMBER 1996**

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, hereby petitions this Commission for approval of the Company's final fuel adjustment true-up amounts and GPIF adjustment for the period April 1995 through September 1995; for approval of its estimated fuel cost true-up amounts for the period October 1995 through March 1996; for approval of its projected fuel cost recovery amounts for the period April 1996 through September 1996; for approval of its GPIF targets and ranges for April 1996 through September 1996; for approval of its estimated as-available avoided energy costs for QF's; and for approval of its fuel cost recovery factors, to be applied beginning with the period April 1996 through September 1996.

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

FINAL FUEL ADJUSTMENT TRUE-UP

(1) By vote of the Commission at the August 1995 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the final fuel true-up amounts. According

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to the data filed by Gulf for the period ending September 30, 1995, the final fuel true-up amount for the subject six months should be an actual over-recovery of \$885,397 instead of the estimated under recovery of \$875,443 as approved previously by this Commission. The difference between these two amounts, \$1,760,840 is submitted for approval by the Commission to be refunded 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

(2) Based on the actual operating results for the period April 1995 through September 1995 and the Generating Performance Incentive Factor (GPIF) previously established by this Commission, Gulf should receive a GPIF penalty in the amount of \$483,077 as provided for by the GPIF plan. The supporting data for the GPIF is provided in the testimony and exhibit schedules of G. D. Fontaine filed for the period ending September 30, 1995, incorporated herein by reference. 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

(3) Gulf has calculated its estimated fuel cost true-up amount for the period October 1995 through March 1996. Based on two months actual experience and four months projected data, the Company's estimated fuel cost true-up amount for the current period (October 1995 through March 1996) is an under recovery of \$496,180. 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 September 30, 1995 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 refund of this total true-up amount, \$1,264,660, during the period of April 1996 through September 1996.

PROJECTED FUEL COST RECOVERY AMOUNTS

(4) Gulf has calculated its projected fuel cost recovery amounts for the months April 1996 through September 1996 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 \$175,431 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.

GPIF TARGETS AND RANGES

(8) Gulf also seeks approval of the GPIF targets and ranges for the period April 1996 through September 1996 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	82.2	8.7	9.1	10,597
Crist 7	71.6	15.3	13.1	10,500
Smith 1	87.3	8.7	4.0	10,219
Smith 2	91.7	0.0	8.3	10,422
Daniel 1	92.8	0.0	7.2	10,493
Daniel 2	96.7	0.0	3.3	10,280

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

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 estimated averages 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 estimated averages for these costs set forth on Schedule E-11.

FUEL COST RECOVERY FACTORS

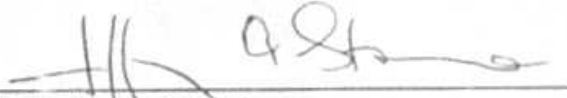
(10) The proposed levelized fuel and purchased energy cost recovery factor, including GPIF and True-Up, herein requested is 2.166¢/KWH. The proposed factors by rate schedule are:

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	2.193	2.644	1.980
B	LP, SBS	0.98106	2.125	2.563	1.919
C	PX, SBS	0.96230	2.084	2.514	1.882
D	OSI, OSII	1.01228	2.039	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.

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

Dated the 19th day of January, 1996.



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