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Susan D. Cranmer
Assistant Secretary and
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the southern electric system

January 10, 1997

**Original
FILE COPY**

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:

RE: Docket No. 970002-EG

Enclosed for official filing in the above referenced docket are an original and fifteen (15) copies of the following:

1. Petition of Gulf Power Company for Approval of the Final Conservation Cost Recovery True-up Amounts" for October 1995 through September 1996; Estimated Conservation Cost Recovery True-up Amounts for October 1996 through March 1997; and Projected Conservation Cost Recovery Amounts for April 1997 through March 1998; and the Conservation Cost Recovery Factor to be Applied Beginning with the Period April 1997 through March 1998. — 00403-97
2. Prepared direct testimony and exhibit of — 00404-97
M. D. Neyman.

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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 MS-DOS based computer.

Sincerely,

Susan D. Cranmer

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Enclosures

cc: Beggs and Lane
J. A. Stone, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re. Conservation Cost Recovery)
_____)

Docket No. 960002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 10th day of January 1997 to the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery) Docket No. 970002-EG
Clause) Filed: January 13, 1997

PETITION OF GULF POWER COMPANY FOR APPROVAL OF THE "FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS" FOR OCTOBER 1995 THROUGH SEPTEMBER 1996; ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS FOR OCTOBER 1996 THROUGH MARCH 1997; PROJECTED CONSERVATION COST RECOVERY AMOUNTS FOR APRIL 1997 THROUGH MARCH 1998; AND THE CONSERVATION COST RECOVERY FACTOR TO BE APPLIED BEGINNING WITH THE PERIOD APRIL 1997 THROUGH MARCH 1998

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to Section 366.82(5) of the Florida Statutes and Rule 25-17.015 of the Florida Administrative Code, hereby petitions the Florida Public Service Commission for recovery of the "final conservation cost recovery true-up amounts" for October 1995 through September 1996; for approval of its estimated energy conservation true-up factor for the period October 1996 through March 1997; for approval of the projected energy

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conservation amounts for the period April 1997 through March 1998, and for approval of the proposed energy conservation cost recovery factor to be applied beginning with the period April 1997 through March 1998. In support thereof the Company would respectfully show

1. Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Pensacola, Florida 32520. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.

2. Pursuant to Section 366.82 of the Florida Statutes, Gulf's energy conservation

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programs and goals have been approved and adopted by order of this Commission. The implementation of these programs has resulted in certain reasonable and prudent unreimbursed costs incurred or to be incurred which the Company hereby petitions to be recovered through its rates and charges pursuant to Rule 25-17.015, F.A.C., and the orders and procedures of this Commission.

3. Incorporated by reference into this petition are the testimony and exhibit of M. D. Neyman submitted on November 19, 1996 and the testimony and exhibits of M. D. Neyman submitted with this petition.¹ The two composite exhibits present reports of Gulf's various programs and incorporate the appropriate and necessary data and information to show the energy conservation cost calculations projected for the period April 1997 through March 1998 and the appropriate true-up adjustment to be applied based on actual data through November 1996 and estimated data for the remainder of the period through March 1997.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in November 1996 as shown on Schedule CT-1.² The final true-up amount for the period October 1995 through September 1996, as presented in the testimony and exhibits of M. D.

¹The composite exhibit attached to the November testimony contains the Company's C1 schedules for the twelve month period ending September 1996. The composite exhibit attached to the January testimony contains the Company's C schedules for the twelve month period ending March 1998 and includes data related to the six month period October 1996 through March 1997.

²As approved by the Commission, the estimated true-up amount for the period ending March 1996 was \$189,287 under recovery. This amount was incorporated with the approved actual end of period true-up amount for the prior period (April 1995 through September 1995) and the projected future incremental costs for the period April 1996 through March 1997 to develop the cost recovery factor that was approved for use in the period April 1996 through March 1997.

Neyman filed in November 1996, is \$290,415 over recovery which amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be refunded in the next period.

5. Gulf has calculated its estimated true-up amount for the period October 1996 through March 1997 to be an over recovery of \$335,549. This amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be refunded during the projection period.

6. Gulf projects recoverable expenditures of \$3,309,350 for its approved conservation programs during the twelve month period beginning April 1997 and ending March 1998.

7. Gulf projects its retail energy sales during the period April 1997 through March 1998 will be 8,936,558,144 kilowatthours (KWH), unadjusted for line losses.


8. On the basis of the final true-up for the period October 1995 through September 1996, the estimated true-up for the period October 1996 through March 1997, the cost projections for the period April 1997 through March 1998, and proper consideration of both projected kilowatt-hour sales and the adjustment for revenue taxes, the Company's proposed conservation cost recovery factors by customer class for the period April 1997 through March 1998 are as follows:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RST	0.035
GS, GST	0.034
GSD, GSDT	0.034
LP, LPT	0.033
PX, PXT, RTP	0.032
OSI, OSII	0.033
OSIII	0.034
OSIV	0.035
SBS	0.032

WHEREFORE, Gulf Power Company respectfully requests the Commission to authorize the Company to recover its unreimbursed costs reasonably and prudently incurred in accordance with this petition and thereby approve the final conservation cost recovery true-up amounts for the period October 1995 through September 1996, the estimated conservation cost recovery true-up amount for October 1996 through March 1997, the projected conservation cost

recovery amounts for April 1997 through March 1998, and the conservation cost recovery factors to be applied beginning with the period April 1997 through March 1998.

Dated this 10th day of January, 1997


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