

One Energy Place
Pensacola, Florida 32520

Tel 850 444 6000

ORIGINAL



January 9, 1998

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0871

Dear Ms. Bayo:

Enclosed for official filing in Docket No. ~~980001-51~~ are an original and ten copies of the following:

1. Petition of Gulf Power Company for Approval of Final Fuel Cost True-up Amounts and GPIF Adjustment for April 1997 through September 1997; Estimated Fuel Cost True-up Amounts for October 1997 through March 1998; Projected Fuel Cost Recovery Amounts for April 1998 through September 1998; GPIF Targets and Ranges for April 1998 through September 1998; Estimated As-available Avoided Energy Costs and Fuel Cost Recovery Factors to be applied beginning with the period April 1998 through September 1998.
2. Prepared direct testimony and exhibit of M. F. Oaks.
3. Prepared direct testimony and exhibit of G. D. Fontaine.
4. Prepared direct testimony and exhibit of M. W. Howell.
5. Prepared direct testimony and exhibit of S. D. Cranmer.

ACK _____
 AFA Vandiver
 APP _____
 CAF _____
 CMU _____
 CIR _____
 EAG _____
 LEG 1
 LIT 3 + orig test
 OPC _____
 RCH _____
 REC 1
 WAS _____

DOC# Petition DATE
00569 JAN 12 88

DOC# Oaks DATE
00570 JAN 12 88

DOC# Fontaine DATE
00571 JAN 12 88

MAIL ROOM
 88 JAN 12 AM 7:51
 00572 JAN 12 88
 00573 JAN 12 88
 DOCUMENT DATE
 DOCUMENT DATE
 DOCUMENT DATE

FPSC RECORDS/REPORTING

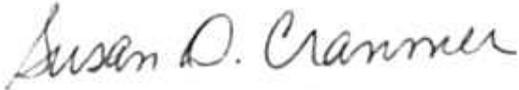
FPSC RECORDS/REPORTING

FPSC RECORDS/REPORTING

Ms. Blanca S. Bayo
January 9, 1998
Page Two

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
Assistant Secretary and Assistant Treasurer

lw

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. 980001-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 9th day of January 1998 on the following:

Leslie J. Paugh, Esquire
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0833

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

Suzanne Brownless, Esquire
Miller & Brownless, P.A.
1311-B Paul Russell Road
Suite 201
Tallahassee FL 32301

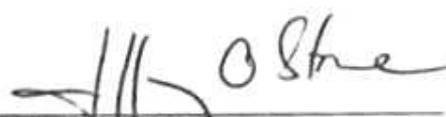
Joseph A. McGlothlin, Esq.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
117 S. Gadsden Street
Tallahassee FL 32301

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

John W. McWhirter, Jr., Esq.
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas, P.A.
P. O. Box 3350
Tampa FL 33601-3350

William B. Willingham, Esq.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee FL 32302-0551

Michael B. Twomey, Esquire
P. O. Box 5256
Tallahassee FL 32314-5256



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 0007455

BEGGS & LANE

P. O. Box 12950

Pensacola FL 32576

(850) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
 Recovery Clauses and Generating) Docket No.: 980001-EI
 Performance Incentive Factor) Filed: January 12, 1998
)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
 FINAL FUEL COST TRUE-UP AMOUNTS AND GPIF ADJUSTMENT
 FOR APRIL 1997 THROUGH SEPTEMBER 1997;
 ESTIMATED FUEL COST TRUE-UP AMOUNTS
 FOR OCTOBER 1997 THROUGH MARCH 1998;
 PROJECTED FUEL COST RECOVERY AMOUNTS
 FOR APRIL 1998 THROUGH SEPTEMBER 1998;
 GPIF TARGETS AND RANGES FOR APRIL 1998 THROUGH SEPTEMBER 1998;
 ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS AND FUEL COST
 RECOVERY FACTORS TO BE APPLIED BEGINNING WITH THE PERIOD
 APRIL 1998 THROUGH SEPTEMBER 1998.**

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

Jeffrey A. Stone
 Russell A. Badders
 Beggs & Lane
 P. O. Box 12950
 Pensacola, FL 32576-2950

Susan D. Cranmer
 Assistant Secretary and Assistant Treasurer
 Gulf Power Company
 One Energy Place
 Pensacola, FL 32520-0780

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

DOCUMENT NUMBER DATE

00569 JAN 12 88

FPSC-RECORDS/REPORTING

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 1997 hearings, estimated fuel true-up amounts were approved by the Commission, subject to establishing the actual fuel true-up amounts. According to the revised data filed by Gulf for the period ending September 30, 1997, the actual fuel true-up amount for the subject six months should be an over recovery of \$2,028,968 instead of the estimated under recovery amount of \$857,475 as approved previously by this Commission. The difference between these two amounts, \$2,886,443, 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) On November 20, 1997, Gulf filed the testimony and exhibit of G. D. Fontaine containing the Company's actual operating results for the period April 1997 through September 1997. Based on the actual operating results for the period April 1997 through September 1997 as adjusted, Gulf should receive a GPIF penalty in the amount of \$300,745. 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 1997 through March 1998. 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 1997 through March 1998) is \$1,127,041 under recovery. 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, 1997, to reach the total fuel cost true-up to be addressed in the factors for the next fuel cost recovery period. The proposed levelized fuel factor of 1.626¢/KWH reflects the refund of this total true-up amount, \$1,759,402, during the period of April 1998 through September 1998.

PROJECTED FUEL COST RECOVERY AMOUNTS

(4) Gulf has calculated its projected fuel cost recovery amounts for the months April 1998 through September 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-E1 and with the orders entered in this 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 \$67,997 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-11 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.

ESTIMATED AS-AVAILABLE AVOIDED ENERGY COSTS

(5) 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

(6) Gulf also seeks approval of the GPIF targets and ranges for the period April 1998 through September 1998 set forth below:

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	85.2	8.75	6.04	10,584
Crist 7	87.0	2.71	10.27	10,291
Smith 1	83.4	13.66	2.98	10,197
Smith 2	72.8	21.84	5.37	10,311
Daniel 1	67.9	25.67	6.40	10,508
Daniel 2	91.1	4.92	4.01	10,270

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

FUEL COST RECOVERY FACTORS

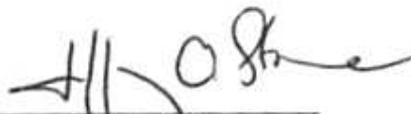
(7) The proposed fuel and purchased energy cost recovery factors, including GPIF and True-Up, herein requested are:

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	1.646	2.169	1.395
B	LP, SBS	0.98106	1.595	2.102	1.352
C	PX, PXT, RTP, SBS	0.96230	1.565	2.062	1.326
D	OSI, OSII	1.01228	1.463	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 Group A; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Group B; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Group C.

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve the final fuel cost true-up amounts for the period April 1997 through September 1997; the GPIF adjustment for the period April 1997 through September 1997; the estimated fuel cost true-up amounts for the period October 1997 through March 1998; the projected fuel cost recovery amounts for the period April 1998 through September 1998; the GPIF targets and ranges for the period April 1998 through September 1998; the fuel cost recovery factors to be applied beginning with the period April 1998 through September 1998.

Respectfully submitted this 9th day of January, 1998.



JEFFREY A. STONE
Florida Bar No. 525953
RUSSELL A. BADDERS
Florida Bar No. 007455
Beggs & Lane
P. O. Box 12950
(700 Blount Building)
Pensacola, FL 32576-2950
(850) 432-2451
Attorneys for Gulf Power Company