

ORIGINAL



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January 24, 2002

Ms. Blanca S. Bayó, Director
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0870

RE: Docket No. 010949-EI

Dear Ms. Bayó:

Enclosed is an original and a 15 copies of Citizens' Prehearing Statement for filing in the above referenced docket.

Also enclosed is a 3.5 inch diskette containing Citizens' Prehearing Statement in WordPerfect for Windows 6.1. Please indicate receipt of filing by date-stamping the attached copy of this letter and returning it to this office. Thank you for your assistance in this matter.

Sincerely,

Stephen C. Burgess
Deputy Public Counsel

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for Rate Increase)
by Gulf Power Company)
_____)

Docket No.: 010949-EI
Date: January 24, 2002

CITIZENS' PREHEARING STATEMENT

The Citizens of the State of Florida, through their attorney, the Public Counsel, consistent with Order No. PSC-01-2035-PCO-EI, hereby file this Prehearing Statement. The Citizens submit:

APPEARANCES:

STEPHEN C. BURGESS, ESQUIRE
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, Florida 32399-1400
On behalf of the Citizens of the State of Florida

A. & B. WITNESSES & EXHIBITS:

The Citizens identify the following witnesses, along with the respectively identified subject matter and exhibits:

James A. Rothschild - Cost of Capital
and capital Structure.

Appendix of testifying experience.

JAR1-Gulf Power Overall Cost of Capital

JAR2-Cost of Equity Summary

JAR3-(4 pages) - Comparative Companies
Data

JAR4-(2 pages) - Comparative Companies
Selected by Gulf

JAR5-(8 pages) - Comparative Companies
Complex DCF Method.

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JAR6-Comparative Companies Projected Dividends per share.

JAR7-Comparative Companies Equity Ratio

JAR8-Comparative Companies External Financing Rate

JAR9-Inflation Risk Premium Method

JAR10-(6 pages) Risk Premium/CAPM Method

Kimberly H. Dismukes - Affiliate Transactions and Marketing Expenses

Appendix I -Qualifications

Schedule 1 (5 pages) - Statistical Comparisons

Schedule 2 (multi-page) SCS Allocations

Schedule 3 (5 pages) - SCS Allocations - Test Year

Schedule 4 - SCS Wholesale Energy Adjustments

Michael J. Majoros - Plant Depreciation

Appendix A (7 pages) - Qualifications

MJM 1 - Gulf Response to Interrogatory 16

MJM 2 (2 pages) - Analysis Results

MJM 3 - Confidential Information Redacted

MJM 4 (8 pages) - National Study

MJM 5 (11 pages) - National Study

Helmuth W. Schultz, III - Various Accounting Adjustments

Appendix 1 - Qualifications

HWS 1 - OPC's Recommended Adjustments

HWS 2 - Gulf Response to Citizens' POD Request 9

HWS 3 - 2000 O&M Budget Deviation

HWS 4 - Budget Analysis

HWS 5 - (9 pages) O&M Analysis by FERC and SUB

HWS 6 - Production O&M Expenses Analysis

William M. Zaetz - Generation Plant

Appendix A - Qualifications

WMZ 1 - (14 pages) Combined Cycle Technology

WMZ 2 - Site Visit Pictures

WMZ 3 - Plant Wansley

WMZ 4 - (18 pages) Manufacturer's Catalog

WMZ 5 - (8 pages) Status of Retired Generating Units

C. STATEMENT OF BASIC POSITION

Gulf Power has overstated its revenue needs by at least \$54,853,000. A wide array of adjustments must be made to Gulf's filing. The Citizens have recommended a number of adjustments and currently are waiting for discovery responses that may call for additional changes.

D. ISSUES AND POSITIONS

Test Period

ISSUE 1: Is Gulf's projected test period of the 12 months ending May 31, 2003 (May 2003 projected test year) appropriate? (L. Romig)

OPC: No. The test year is entirely projected. It was therefore imperative that Gulf's filing provide the level of cohesive detail necessary for the parties to determine the basis and purported justification for each expenditure sought for recovery. Neither Gulf's filing, nor its subsequent discovery responses provide the level of cohesive detail necessary for the Commission to determine the propriety of the expenditures being sought, nor to properly compare the projected numbers to the relevant historical data. (Schultz)

ISSUE 2: Are Gulf's forecasts of Customers, KWH, and KW by Rate Class, for the May 2003 projected test year appropriate? (Stallcup)

OPC: No position at this time.

Quality of Service

ISSUE 3: Should Gulf be required to establish a mechanism that would provide for a payment or credit to retail customers if frequent outages occur? (D. Lee, Matlock)

OPC: Yes.

ISSUE 4: Should adjustments be made to Gulf's projected test year due to customer complaints? (Lowery)

OPC: The Citizens are not recommending any adjustments due to the complaints made by Gulf's customers.

ISSUE 5: Is the quality of electric service provided by Gulf adequate? (D. Lee, Matlock, Lowery)

OPC: No position.

Rate Base

ISSUE 6: Should an adjustment be made to production related additions included in Plant in Service? (Haff)

OPC: Yes. A number of budgeted items for production related items appear to be overstated. OPC is awaiting further information from Gulf to explain the items more fully. In addition, OPC recommends a reduction to depreciation expense for Smith Unit 3, a corresponding reduction should be made to accumulated depreciation. (Schultz, Majoros)

ISSUE 7: Should an adjustment be made to transmission and distribution related additions included in Plant in Service? (Haff, D. Lee)

OPC: Yes. In its initial testimony, Gulf failed to provide a description of \$162,822,000 of distribution transmission and general plant. Unless Gulf can justify the amounts and justify why it failed to provide adequate explanations in its initial filing, the Commission should disallow these items. (Schultz)

ISSUE 8: Should an adjustment be made to general plant related additions included in Plant in Service? (Meeks)

OPC: Yes. OPC position in response to Issue 7 above also includes amounts associated with general plant. (Schultz)

ISSUE 9: Should the deferral of the return on the third floor of the corporate offices be allowed in rate base? (L. Romig)

OPC: No. Working capital should be reduced by \$2,893,000.

ISSUE 10: Should an adjustment be made to Smith Unit 3? (Haff)

OPC: No position at this time.

ISSUE 11: Is Gulf's decision to include Smith Unit 3 in rate base consistent with Gulf's proposal in Docket No. 010827-EI to transfer ownership of Smith Unit 3 to Southern Company and purchase the plant's output? (Haff)

OPC: No position at this time.

ISSUE 12: What are the appropriate adjustments, if any, that should be made to Gulf's test year rate base to account for the additional security measures implemented in response to the increased threat of terrorist attacks since September 11, 2001? (McNulty, Mills)

OPC: No position at this time.

ISSUE 13: Should the capitalized items currently approved for recovery through the Environmental Cost Recovery Clause be included in rate base for Gulf? (D. Lee, L. Romig)

OPC: No position at this time.

ISSUE 14: Should adjustments be made for the rate base effects of transactions with affiliated companies for Gulf? (L. Romig, Merta)

OPC: No position at this time.

ISSUE 15: Has the Company removed all non-utility activities from rate base? (Meeks, L. Romig)

OPC: No position at this time.

ISSUE 16: Is Gulf's requested level of Plant in Service in the amount of \$1,966,492,000 (\$2,015,013,000 system) for the May 2003 projected test year appropriate? (Meeks, Haff, Green, L. Romig)

OPC: No. It should be no higher than \$1,962,784 (\$2,011,213 system).

ISSUE 17: What adjustments should be made to Accumulated Depreciation to reflect the Commission's decision in Docket No. 0107879-EI? (Meeks)

OPC: No position at this time.

ISSUE 18: Is Gulf's requested level of Accumulated Depreciation in the amount of \$854,099,000 (\$876,236,000 system) for the May 2003 projected test year appropriate? (Meeks, Green, L. Romig)

OPC: No. It should be \$850,891,000 (\$872,945,000 system).

ISSUE 19: Is Gulf's requested level of Construction Work in Progress in the amount of \$15,850,000 (\$16,361,000 system) for the May 2003 projected test year appropriate? (Haff, Meeks, Green, L. Romig)

OPC: The Citizens are not recommending an adjustment to CWIP at this time.

ISSUE 20: Should an adjustment be made to Plant Held for Future Use for Gulf's inclusion of the Caryville site in rate base? (Haff)

OPC: No position at this time.

ISSUE 21: Is Gulf's requested level of Property Held for Future Use in the amount of \$3,065,000 (\$3,164,000 system) for the May 2003 projected test year appropriate? (Haff, L. Romig)

OPC: No position at this time.

ISSUE 22: Should an adjustment be made to prepaid pension expense in its calculation of working capital? (Kaproth, Kyle)

OPC: No position at this time.

ISSUE 23: Should an adjustment be made to rate base for unfunded Other Post-retirement Employee Benefit (OPEB) liability? (Kaproth, Kyle)

OPC: No position at this time.

ISSUE 24: Should any adjustments be made to Gulf's fuel inventories? (Bohrmann, Matlock)

OPC: Yes. Gulf's coal inventory should be reduced by \$8,130,000 (system).

ISSUE 25: Is Gulf's requested level of Working Capital in the amount of \$67,194,000 (\$69,342,000 system) for the May 2003 projected test year appropriate? (Kaproth, L. Romig)

OPC: No. It should be reduced to \$56,512,000 (\$58,319,000 system)

ISSUE 26: What is the appropriate regulatory treatment for the balance sheet impacts from FAS 133 for Gulf? (Brinkley)

OPC: No position at this time.

ISSUE 27: Is Gulf's requested rate base in the amount of \$1,198,502,000 (\$1,227,644,000 system) for the May 2003 projected test year appropriate? (L. Romig)

OPC: No. It should be no higher than \$1,187,320 (\$1,216,112 system).

Cost of Capital

ISSUE 28: Has Gulf appropriately reflected Internal Revenue Service Notice 2001-82 in its projected May 2003 test year? (C. Romig)

OPC: No position at this time.

ISSUE 29: What is the appropriate amount of accumulated deferred taxes to include in the capital structure? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 30: What is the appropriate amount and cost rate of the unamortized investment tax credits to include in the capital structure? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 31: Have rate base and capital structure been reconciled appropriately? (D. Draper, Lester, C. Romig)

OPC: No position at this time.

ISSUE 32: What is the appropriate cost rate for short-term debt for the May 2003 projected test year? (Lester)

OPC: The Citizens have accepted the cost rate submitted by Gulf at this time.

ISSUE 33: What is the appropriate cost rate for long-term debt for the may 2003 projected test year? (Lester)

OPC: OPC has accepted the cost rate submitted by Gulf at this time.

ISSUE 34: In setting Gulf's ROE for use in establishing Gulf's revenue requirements and Gulf's authorized range, should the Commission make an adjustment to reject Gulf's performance?

OPC: No position.

ISSUE 35: What is the appropriate return on equity (ROE) to use in establishing Gulf's revenue requirement? (Lester)

OPC: 10.00%. (Rothschild)

ISSUE 36: What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure? (Lester)

OPC: 7.33%. (Rothschild)

ISSUE 37: What is the appropriate authorized range on ROE to be used by Gulf for regulatory purposes on a prospective basis? (D. Draper, Lester, Vendetti, McCaskill)

OPC: 9.50% to 10.50%.

ISSUE 38: Is Gulf's projected level of Total Operating Revenues in the amount of \$372,714,000 (\$379,009,000 system) for the May 2003 projected test year appropriate? (Wheeler, Stallcup, L. Romig)

OPC: The Citizens are accepting Gulf's projected operating revenues at this time.

ISSUE 39: What are the appropriate inflation factors for use in forecasting the test year budget? (Stallcup, Lester, L. Romig)

OPC: No position at this time.

ISSUE 40: Should the commission accept Gulf Power's modified zero based budget as support for the requested increase? (L. Romig)

OPC: No.

ISSUE 41: Is Gulf's requested level of O&M Expense in the amount of \$182,419,000 (\$186,354,000 system) for the May 2003 projected test year appropriate? (L. Romig)

OPC: No. It should be \$159,402 (\$162,840 system).

ISSUE 42: Should wholesale energy costs to Gulf Power be adjusted? (Wheeler)

OPC: No position at this time.

ISSUE 43: Has Gulf made the appropriate test year adjustments to remove fuel revenues and fuel expenses recoverable through the Fuel Adjustment Clause? (Bohrmann, L. Romig, C. Romig)

OPC: No position at this time.

ISSUE 44: Has Gulf made the appropriate test year adjustments to remove conservation revenues and conservation expenses recoverable through the Conservation Cost Recovery Clause? (Haff, L. Romig, C. Romig)

OPC: No position at this time.

ISSUE 45: Has Gulf made the appropriate test year adjustments to remove capacity revenues and capacity expenses recoverable through the Capacity Cost Recovery Clause? (D. Lee, L. Romig, C. Romig)

OPC: No position at this time.

ISSUE 46: Has Gulf made the appropriate test year adjustments to remove environmental revenues and environmental expenses recoverable through the Environmental Cost Recovery Clause? (D. Lee L. Romig, C. Romig)

OPC: No position at this time.

ISSUE 47: What are the appropriate adjustments, if any, to Gulf's test year operating expenses to account for the additional security measures implemented in response to the increased threat of terrorist attacks since September 11, 2001? (McNulty, Mills)

OPC: No position at this time.

ISSUE 48: Should an adjustment be made to advertising expenses for the May 2003 projected test year? (Kaproth, L. Romig)

OPC: Yes. Advertising expense should be reduced by \$550,000 (system). (Dismukes)

ISSUE 49: Has Gulf made the appropriate adjustments to remove lobbying expenses from the May 2003 projected test year? (L. Romig)

OPC: No position at this time.

ISSUE 50: Should an accrual for incentive compensation be allowed? (Kaproth, L. Romig)

OPC: No. Because Gulf did not submit any support for the incentive compensation, the accrual should be disallowed and expenses reduced by \$4,917,000 (system). (Schultz)

ISSUE 51: Should an adjustment be made to Gulf's requested level of Salaries and Employee Benefits for the May 2003 projected test year? (Kaproth, L. Romig)

OPC: Yes. Because Gulf has not justified the increased number of "Non-Smith" employees, payroll expense should be reduced by \$701,420 (system) and benefits by \$131,177.

ISSUE 52: Should an adjustment be made to Other Post Employment Benefits Expense for the May 2003 projected test year? (Kyle, Kaproth, L. Romig)

OPC: No position at this time.

ISSUE 53: Should an adjustment be made to Pension Expense for the May 2003 projected test year? (Kyle, L. Romig)

OPC: No position at this time.

ISSUE 54: Should adjustments be made for the net operating income effects of transactions with affiliated companies for Gulf? (L. Romig, Merta)

OPC: Yes. Gulf's expenses should be reduced by \$2,618,000 (system) to reflect a more appropriate allocation factor. (Dismukes)

ISSUE 55: Should an adjustment be made to the accrual for storm damage for the May 2003 projected test year? (L. Romig)

OPC: No position at this time.

ISSUE 56: Should an adjustment be made to the accrual for the Injuries & Damages reserve for the May 2003 projected test year? (L. Romig, Kaproth, Stern)

OPC: Yes. The accrual should be reduced by \$1,680,000 (system). (Schultz)

ISSUE 57: Should interest on tax deficiencies for the May 2003 projected test year be included above-the-line? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 58: Should an adjustment be made to Rate Case Expense for the May 2003 projected test year? (Kaproth, L. Romig)

OPC: Yes.

ISSUE 59: Should an adjustment be made to marketing expenses for Gulf's marketing of high efficiency electric technologies for heating and water heating? (Haff)

OPC: No position at this time.

ISSUE 60: What is the appropriate amount of expense to include for planned outages? (Haff, Merta)

OPC: No position at this time.

ISSUE 61: What is the appropriate amount of expense to include for special projects? (Haff, Merta)

OPC: The OPC adjustment for this expense is subsumed within Issue #62.

ISSUE 62: Should an adjustment be made to Production Expenses for the May 2003 projected test year? (Haff, Merta)

OPC: Yes. Production expenses should be reduced by \$10,251,700 (system). (Schultz)

ISSUE 63: Should an adjustment be made to Transmission Expenses for the May 2003 projected test year? (Haff, Merta)

OPC: No position at this time.

ISSUE 64: Should an adjustment be made to cable inspection expense? (Matlock, D. Lee, Merta)

OPC: Yes. Cable inspection expense should be reduced by \$129,763 (system). (Schultz)

ISSUE 65: Should an adjustment be made to substation maintenance expense? (Matlock, D. Lee, Merta)

OPC: Yes. The expense should be reduced by \$391,316 (system). (Schultz)

ISSUE 66: Should adjustments be made to tree trimming expense? (Matlock, D. Lee, Merta)

OPC: Yes. The expense should be reduced by \$1,379,080. (Schultz)

ISSUE 67: Should an adjustment be made to pole line inspection expense? (Matlock, D. Lee, Merta)

OPC: Yes. The expense should be reduced by \$526,726. (Schultz)

ISSUE 68: Should an adjustment be made to street and outdoor light maintenance expense? (Matlock, D. Lee, Merta)

OPC: Yes. The expense should be reduced by \$320,143. (Schultz)

ISSUE 69: Should an adjustment be made to Distribution Expenses for the May 2003 projected test year? (Matlock, D. Lee, Marta)

OPC: Yes. They should be reduced consistent with OPC positions on Issues #64 - #68. (Schultz)

ISSUE 70: Should an adjustment be made to Bad Debt Expense for the May 2003 projected test year? (L. Romig)

OPC: No position at this time.

ISSUE 71: Should an adjustment be made to Customer Accounts Expense for the May 2003 projected test year? (L. Romig, Kaproth)

OPC: Yes. It should be reduced by \$974,236. (Schultz)

ISSUE 73: If the deferral of the return on the third floor of the corporate offices is allowed in rate base, what amortization period should be used? (L. Romig)

OPC: No position at this time.

ISSUE 74: What adjustments, if any, should be made to the depreciation expense and the fossil dismantlement accrual to reflect the Commission's decision in Docket No. 010789-EI? (Meeks)

OPC: No position at this time.

ISSUE 74: What is the appropriate depreciation rate and dismantlement provision for Smith Unit 3? (Meeks)

OPC: The proper depreciation basis is thirty years. (Majoros)

ISSUE 75: Should an adjustment be made to Depreciation Expense for the May 2003 projected test year? (Meeks)

OPC: Yes. Depreciation expense should be reduced by \$4,324,000. (Majoros, Zaetz, Schultz)

ISSUE 76: What adjustments, if any, should be made to the projected test year expenses to recognize implementation of FAS 143? (Meeks)

OPC: No position at this time.

ISSUE 77: What adjustments, if any, should be made to the projected test year expenses to recognize implementation of the AcSEC Statement of Position regarding accounting for certain costs and activities related to property, plant, and equipment? (Meeks)

OPC: No position at this time.

ISSUE 78: Should the total amount of Gross Receipts tax be removed from base rates and shown as a separate line item on the bill? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 79: Should an adjustment be made to Taxes Other Than Income Taxes for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 80: Should an adjustment be made to the consolidating tax adjustments for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

OPC: No position at this time.

ISSUE 81: Should an adjustment be made to Income Tax expense for the May 2003 projected test year? (C. Romig, Vendetti, McCaskill)

OPC: Yes. Adjustments need to be made to reflect the adjustments to various expense components. (Schultz)

ISSUE 82: Is Gulf's projected Net Operating Income in the amount of \$61,378,000 (\$61,658,000 system) for the May 2003 projected test year appropriate? (L. Romig)

OPC: This is an issue that will result from the determination of a number of other issues.

Revenue Requirements

ISSUE 83: What is the appropriate revenue expansion factor and the appropriate net operating income multiplier, including the appropriate elements and rates for Gulf? (C. Romig, L. Romig)

OPC: No position at this time.

ISSUE 84: Is Gulf's requested annual operating revenue increase of \$69,867,000 for the May 2003 projected test year appropriate? (L. Romig)

OPC: No. The increase is overstated by at least \$54,853,000.

Cost of Service and Rate Design

ISSUE 85: Is Gulf's proposed separation of costs and revenues between the wholesale and retail jurisdictions appropriate? (Wheeler)

OPC: No position at this time.

ISSUE 86: Are Gulf's estimated revenues from sales of electricity by rate class at present rates for the projected 2003 test year appropriate? (E. Draper)

OPC: No position.

ISSUE 87: Is the method used by Gulf to develop its estimates by rate class of the 12 monthly coincident peak hour demands and the class non-coincident peak hour demands appropriate? (Wheeler)

OPC: No position.

ISSUE 88: What is the appropriate cost of service methodology to be used in designing Gulf's rates? (Wheeler)

OPC: No position.

ISSUE 89: What is the appropriate treatment of distribution costs within the cost of service study? (Wheeler)

OPC: No position.

ISSUE 90: If a revenue increase is granted, how should it be allocated among the customer classes? (Wheeler)

OPC: No position.

ISSUE 91: What are the appropriate demand charges? (E. Draper, Wheeler)

OPC: No position.

ISSUE 92: What are the appropriate energy charges? (Wheeler)

OPC: No position

ISSUE 93: What are the appropriate customer charges? (Hudson)

OPC: No position.

ISSUE 94: What are the appropriate service charges? (Hudson)

OPC: No position.

ISSUE 95: What are the appropriate Street (OS-I) and Outdoor (OS-II) lighting rate schedule charges? (Springer)

OPC: No position.

ISSUE 96: How should Gulf's time-of-use rates be designed? (E. Draper)

OPC: No position.

ISSUE 97: What are the appropriate charges under the Interruptible Standby Service (ISS) rate schedule? (E. Draper)

OPC: No position.

ISSUE 98: What are the appropriate charges under the Standby and Supplementary Service (SBS) rate schedule? (E. Draper)

OPC: No position.

ISSUE 99: What is the appropriate rate design for Gulf's Real Time Pricing (RTP) rate schedule? (E. Draper, Wheeler)

OPC: No position.

ISSUE 100: What is the appropriate monthly charge under Gulf's Goodcents Surge Protection (GCSP) rate schedule? (Hudson)

OPC: No position.

ISSUE 101: What are the appropriate transformer ownership discounts? (Springer)

OPC: No position.

ISSUE 102: What is the appropriate minimum monthly bill demand charge under the PX rate schedule? (Hudson)

OPC: No position.

ISSUE 103: What is the appropriate minimum monthly bill demand charge under the PXT rate schedule? (Hudson)

OPC: No position.

ISSUE 104: If the Commission decides to recognize migrations between rate classes, how should the revenue shortfall, if any, be recovered? (Wheeler)

OPC: No position.

ISSUE 105: Should Gulf's GST and RST rate schedules be eliminated? (Hudson)

OPC: No position.

ISSUE 106: Should Gulf's Supplemental Energy (SE) Rate Rider be eliminated? (E. Draper)

OPC: No position.

ISSUE 107: Gulf proposes to eliminate the Optional Method of Meter Payment provision in its GSDT rate schedule that allows customers to make an initial payment as a contribution-in-aid-of-construction to offset a portion of the additional cost of time-of-use metering. Is this appropriate? (Hudson)

OPC: No position

ISSUE 108: Should Gulf eliminate its OS-IV rate schedule and transfer the customers served under the rate to their otherwise applicable rate schedules, as required by order No. 23573 in Docket No. 891345-EI? (Springer)

OPC: No position.

ISSUE 109: Should the proposed changes to Gulf's Standby and Supplementary Service Rate (SBS) be approved? (E. Draper)

OPC: No position.

ISSUE 110: What is the appropriate monthly fixed charge carrying rate to be applied to the installed cost of OS-I and OS-II additional lighting facilities for which there is no tariffed monthly charge? (E. Draper)

OPC: No position.

ISSUE 111: Are the proposed revisions to the estimated kilowatt hour consumption of Gulf's high pressure sodium and metal halide lighting fixtures appropriate? (Springer)

OPC: No position.

ISSUE 112: Gulf has proposed to add a provision to its OS-I and OS-II lighting schedules that allows customers to change to different fixtures prior to the expiration of the initial lighting contract term. Is this provision appropriate? (Springer)

OPC: No position.

ISSUE 113: Should the Street Lighting (OS-I) and Outdoor Lighting (OS-II) subparts of Gulf's Outdoor Service rate schedule be merged? (Springer)

OPC: No position.

ISSUE 114: Should Gulf's proposed methodology for determining the price of new street and outdoor lighting offerings be approved? (Springer)

OPC: No position.

ISSUE 115: Should Gulf's proposed new FlatBill pilot program be approved? (Springer)

OPC: No position.

ISSUE 116: Should Gulf's proposed new Rate Schedule GSTOU be approved? (E. Draper)

OPC: No position.

ISSUE 117: Is Gulf's proposed reduction in the contract term required under its Real Time Pricing (RTP) rate schedule from five years to one year appropriate? (Wheeler)

OPC: No position.

ISSUE 118: Is Gulf's GoodCents Select Program cost effective? (Haff)

OPC: No position.

ISSUE 119: What is the appropriate design and level of charges for the Residential Service Variable Pricing (RSVP) rate schedule? (Wheeler)

OPC: No position.

ISSUE 120: Are Gulf's proposed changes to the P2 and P3 pricing periods under its RSVP rate schedule appropriate? (Wheeler)

OPC: No position.

ISSUE 121: Are Gulf's proposed changes to the Participation Charge and Reinstallation Fee charged under Rate RSVP appropriate? (Wheeler)

OPC: No position.

ISSUE 122: Should Gulf's proposed changes to the applicability section of its Budget Billing optional rider be approved? (Wheeler)

OPC: No position.

Other Issues

ISSUE 123: How will this docket be affected if the provisions in the Stipulation approved in Order No. PSC-99-2131-S-EI are not achieved? (L. Romig)

OPC: No position at this time.

ISSUE 124: Should Gulf be required to file, within 60 days after the date of the final order in this docket, a description of all entries or adjustments to its annual report, rate of return reports, and books and records which will be required as a result of the Commission's findings in this rate case? (L. Romig)

OPC: Yes.

E. PENDING MOTIONS

F. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

G. COMPLIANCE WITH ORDER NO.

Respectfully submitted,


Stephen C. Burgess
Deputy Public Counsel

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c/o The Florida Legislature
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400

(850) 488-9330

Attorneys for the Citizens of the
State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 010949-EI

I HEREBY CERTIFY that a true and correct copy of the foregoing Citizens' Prehearing Statement has been furnished by hand-delivery(*) or U.S. Mail to the following parties on this 24th day of January, 2002.

Marlene K. Stern, Esquire*
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Florida Public Service Commission
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Stephen C. Burgess
Deputy Public Counsel