



October 14, 2002

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

Dear Ms. Bayo:

RE: Docket No. 020001-EI

Enclosed are an original and ten copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions to be filed in the above docket.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Statement in WordPerfect for Windows format as prepared on a Windows NT based computer.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosure

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

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and)
Generating Performance Incentive)
Factor)
_____)

Docket No. 020001-EI
Filed: October 15, 2002

PRELIMINARY STATEMENT OF GULF POWER COMPANY
REGARDING ISSUES AND POSITIONS

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"), by and through its undersigned attorneys, hereby files this preliminary statement of issues and positions, saying:

Generic Fuel Adjustment Issues

ISSUE 1: What are the final fuel adjustment true-up amounts for the period January 2001 through December 2001?

GULF: Under recovery \$12,368,122. (Oaks, Bell, Davis)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period January 2002 through December 2002?

GULF: Under recovery \$16,703,076. (Oaks, Bell, Davis)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period January, 2003 through December, 2003?

GULF: Under recovery \$29,071,198. (Davis)

ISSUE 4: What is the appropriate levelized fuel cost recovery factor for the period January, 2003 through December, 2003?

GULF: 2.348¢/KWH. (Oaks, Bell, Davis)

ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and capacity cost recovery charge for billing purposes?

The new fuel factors should be effective beginning with the specified billing cycle and thereafter for the period January, 2003, through December, 2003. Billing cycles may start before January 1, 2003, and the last cycle may be read after December 31, 2003, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

ISSUE 6: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

GULF: See table below: (Davis)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, SBS, OSIII, OSIV	1.00482
B	LP, LPT, SBS	0.98404
C	PX, PXT, RTP, SBS	0.97453
D	OSI/II	1.00469

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

GULF: See table below: (Davis)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS, OSIII, OSIV	2.359	2.749	2.193
B	LP, LPT, SBS	2.311	2.692	2.148
C	PX, PXT, RTP, SBS	2.288	2.666	2.127
D	OSI/II	2.333	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.

ISSUE 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January, 2003 through December 2003?

GULF: 1.00072. (Davis)

Company-Specific Fuel Adjustment Issues

NONE RAISED BY GULF POWER COMPANY

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period January, 2001 through December, 2001?

GULF: \$369,498 penalty. (Noack)

ISSUE 14: What should the GPIF targets/ranges be for the period January 2003 through December 2003?

GULF: See table below: (Noack)

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	91.2	6.3	2.5	10,591
Crist 5	89.8	6.3	3.9	10,418
Crist 6	84.3	8.2	7.5	10,501
Crist 7	79.5	8.2	12.3	10,150
Smith 1	86.8	11.0	2.2	10,029
Smith 2	67.8	27.9	4.3	10,113
Daniel 1	70.1	23.0	6.9	10,042
Daniel 2	83.0	8.2	8.8	9,789

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

Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Generic Capacity Cost Recovery Issues

ISSUE 20: What is the final purchased power capacity cost recovery true-up amount for the period January, 2001 through December, 2001?

GULF: Under recovery of \$819,509. (Bell, Davis)

ISSUE 21: What is the estimated purchased power capacity cost recovery true-up amount for the period January, 2002 through December, 2002?

GULF: Over recovery of \$353,333. (Bell, Davis)

ISSUE 22: What is the total capacity cost recovery true-up amount to be collected during the period January, 2003 through December, 2003?

GULF: \$466,176. (Davis)

ISSUE 23: What is the appropriate projected net purchased power capacity cost amount to be included in the recovery factor for the period January, 2003 through December, 2003?

GULF: \$6,624,884. (Bell, Davis)

ISSUE 24: What are the appropriate capacity cost recovery factors for the period January, 2003 through December, 2003?

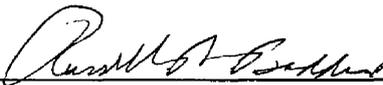
GULF: See table below: (Davis)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RSVP	.075
GS, GST, GSTOU	.072
GSD, GSDT	.060
LP, LPT	.052
PX, PXT, RTP, SBS	.045
OSI/II	.022
OSIII	.047
OSIV	.022

Company-Specific Capacity Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 14th day of October, 2002.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)
_____)

Docket No. 020001-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 14th day of October 2002 on the following:

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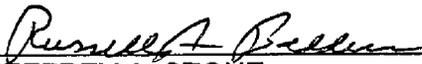
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