

Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola, FL 32520-0781
Telephone 904 444-6231

ORIGINAL
THE COPY

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

January 22, 1997

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:

RE: Docket No. 970001-EI

Enclosed is a 3.5 inch double sided, high density diskette containing the Preliminary Statement of Gulf Power Company Regarding Issues and Positions in the above docket in WordPerfect for Windows 6.1 format as prepared on a MS-DOS based computer.

Sincerely,

Susan D. Cranmer

lw

Enclosure

cc: Beggs and Lane
Jeffrey A. Stone, Esquire



Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Pensacola, FL 32520-0781
Telephone 904 444-6231

ORIGINAL
FILE COPY

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

January 21, 1997

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:

RE: Docket No. 970001-EI

Enclosed for official filing are an original and fifteen copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions in the above docket.

Sincerely,

Susan D. Cranmer

ACK _____
AFA 1
APP _____
CAF _____
CMU _____
CTR _____
EAG Bar
LEG 1
LIN 3
OPC _____
RCH _____
SEC 1
WAS _____
OTH _____

JAN 21 1997
MAIL ROOM

cc: **Beggs and Lane**
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER DATE

00765 JAN 22 97

FPSC-RECORDS/REPORTING

"Our business is customer satisfaction"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and) Docket No. 970001-EI
Generating Performance Incentive) Filed: January 22, 1997
Factor)
_____)

**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 appropriate final fuel adjustment true-up amounts for the period April, 1996 through September, 1996?

GULF: Over recovery \$3,892,089. (Oaks, Howell, Cranmer)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October, 1996 through March, 1997?

GULF: Under recovery \$2,698,394. (Oaks, Howell, Cranmer)

ISSUE 3: What are the total fuel adjustment true-up amounts to be refunded during the period April, 1997 through September, 1997?

GULF: Over recovery \$1,193,695. (Cranmer)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1997 through September, 1997?

GULF: 2.154¢/KWH. (Oaks, Howell, Cranmer)

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 factors should be effective beginning with the specified billing cycle and thereafter for the period April, 1997, through September, 1997. Billing cycles may start before April 1, 1997, and the last cycle may be read after September 30, 1997, so that each customer is billed for six 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: (Cranmer)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, RTP, SBS	0.96230
D	OSI, OSII	1.01228

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

GULF: See table below: (Cranmer)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS, OSIII, OSIV	2.180	2.662	1.952
B	LP, SBS	2.113	2.580	1.892
C	PX, RTP, SBS	2.073	2.531	1.856
D	OSI, OSII	2.014	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.

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 April, 1997 through September, 1997?

GULF: Reward of \$82,198. (Fontaine)

ISSUE 14: What should the GPIF targets/ranges be for the period April, 1997 through September, 1997?

GULF: See table below: (Fontaine)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	84.4	8.7	6.9	10,833
Crist 7	80.0	8.7	11.3	10,499
Smith 1	96.2	0.0	3.8	10,244
Smith 2	82.6	10.4	7.0	10,406
Daniel 1	87.8	4.9	7.3	10,253
Daniel 2	91.9	4.9	3.2	10,062

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

Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 21st day of January, 1997.

Russell A Badders

JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 7455
Beggs & Lane
P. O. Box 12950
(700 Blount Building)
Pensacola, FL 32576-2950
(904) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 970001-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 21st day of January 1997 on the following:

Vicki D. Johnson, Esquire
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

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

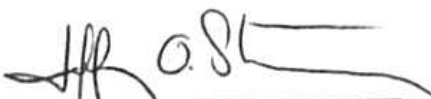
Suzanne Brownless, Esquire
1311-B Paul Russell Road
Suite 202
Tallahassee FL 32301

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
Macfarlane Ausley Ferguson
& 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

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



JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 0007455
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32576
(904) 432-2451
Attorneys for Gulf Power Company