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June 18, 2001

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. 010001-EI, Staff Workshop on Length of Fuel Clause Recovery Period

Gulf Power Company is pleased to have the opportunity to offer pre-workshop comments concerning the length of the fuel clause recovery period.

Gulf Power has long been a supporter of annual cost recovery clause periods and strongly supported the staff recommendation in 1998 to go to a calendar year cost recovery period. The five reasons for implementing this change that are outlined in Attachment 1 to staff's letter dated May 25, 2001 and in order PSC-98-0691-FOF-PU are still relevant for the Company today. Although some of the other utilities have requested mid-course corrections, no one knows if that will become a trend or if it is the result of temporary changes in the oil and gas markets.

Although circumstances may differ from one utility to another, Gulf Power would urge the Commission to consider allowing utilities to continue with the current procedures for the fuel clause. Gulf's customers have become accustomed to and are well satisfied with annual cost recovery factors for all the cost recovery clauses.

We look forward to participating in the workshop next week.

Sincerely,

Susan D. Ritenour

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

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