

One Energy Place
Pensacola, Florida 32520

Tel 850.444.6111



October 12, 2001

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. 010001-EI

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

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 8.0 format as prepared on a Windows NT based computer.

Sincerely,

A handwritten signature in cursive script that reads "Linda G. Malone".

Linda G. Malone
Assistant Secretary and Assistant Treasurer

dhr

Enclosures

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

DOCUMENT NUMBER-DATE

13054 OCT 15 2001

FPSO-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 010001-EI
Filed: October 15, 2001

**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 2000 through December 2000?

GULF: Over recovery \$6,907,921. (Oaks, Howell, Davis)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period January 2001 through December 2001?

GULF: Under recovery \$17,609,612. (Oaks, Howell, Davis)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period January, 2002 through December, 2002?

GULF: Under recovery \$10,701,691. (Davis)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period January, 2002 through December, 2002?

GULF: 2.212¢/KWH. (Oaks, Howell, 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, 2002, through December, 2002. Billing cycles may start before January 1, 2002, and the last cycle may be read after December 31, 2002, 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	1.01228
B	LP, LPT, SBS	0.98106
C	PX, PXT, RTP, SBS, CSA	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: (Davis)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, RSVP, GS, GSD, SBS, OSIII, OSIV	2.239	2.713	2.038
B	LP, LPT, SBS	2.170	2.629	1.975
C	PX, PXT, RTP, SBS	2.129	2.579	1.938
D	OSI, OSII	2.208	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, 2002 through December 2002?

GULF: 1.01597. (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, 2000 through December, 2000?

GULF: \$379,732 reward. (Douglas)

ISSUE 14: What should the GPIF targets/ranges be for the period January 2002 through December 2002?

GULF: See table below: (Douglas)

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	90.9	6.3	2.8	10,499
Crist 6	77.3	15.9	6.8	10,546
Crist 7	79.7	10.1	10.2	10,196
Smith 1	90.7	6.8	2.5	10,054
Smith 2	86.6	10.7	2.7	10,050
Daniel 1	86.6	0.0	13.4	10,169
Daniel 2	87.2	0.0	12.8	9,774

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, 2000 through December, 2000?

GULF: Over recovery of \$340,856. (Howell, Davis)

ISSUE 21: What is the estimated purchased power capacity cost recovery true-up amount for the period January, 2001 through December, 2001?

GULF: Over recovery of \$1,515,391. (Howell, Davis)

ISSUE 22: What is the total capacity cost recovery true-up amount to be refunded during the period January, 2002 through December, 2002?

GULF: \$1,856,247. (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, 2002 through December, 2002?

GULF: \$3,307,150. (Howell, Davis)

ISSUE 24: What are the appropriate capacity cost recovery factors for the period January, 2002 through December, 2002?

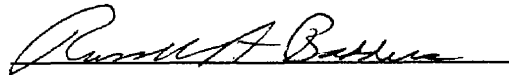
GULF: See table below: (Davis)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST, RSVP	.038
GS, GST	.038
GSD, GSDT	.029
LP, LPT	.026
PX, PXT, RTP, SBS	.022
OSI, OSH	.005
OSIII	.023
OSIV	.011

Company-Specific Capacity Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 12th day of October, 2001.



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

(850) 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. 010001-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 12th day of October 2001 on the following:

Wm. Cochran Keating, Esquire
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

Vicki G. Kaufman, Esq.
McWhirter Reeves
117 S. Gadsden Street
Tallahassee FL 32301

John Roger Howe, Esquire
Office of Public Counsel
111 W. Madison St., Suite 812
Tallahassee FL 32399-1400

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

James McGee, Esquire
Florida Power Corporation
P. O. Box 14042
St. Petersburg FL 33733-4042

John W. McWhirter, Jr., Esq.
McWhirter Reeves
400 N Tampa St Suite 2450
Tampa FL 33602

Matthew M. Childs, Esquire
Steel, Hector & Davis
215 South Monroe, Suite 601
Tallahassee FL 32301-1804

Norman H. Horton, Jr., Esquire
Messer, Caparello & Self, P.A.
P. O. Box 1876
Tallahassee FL 32302-1876



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