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September 30, 2005

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. 050007-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.

Sincerely,

Susan D. Ritenour

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Enclosure

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

DOCUMENT NUMBER-DATE
09348 OCT-3 05
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)
Recovery Clause.)
_____)

Docket No. 050007-EI
Filed: October 3, 2005

**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 Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period January 2004 through December 2004?

GULF: Over recovery \$628,050. (Vick, Davis)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January, 2005 through December, 2005?

GULF: Over recovery \$646,587. (Vick, Davis)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected/refunded during the period January 2006 though December 2006?

GULF: Refund of \$1,274,637. (excluding revenue taxes). (Davis)

ISSUE 4: What are the appropriate projected environmental cost amounts to be included in the recovery factors for the period January 2006 through December 2006?

GULF: \$41,572,348. (Vick, Davis)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2006 through December 2006?

GULF: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. (Davis)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2006 through December 2006?

GULF: The demand jurisdictional separation factor is 96.64872%. Energy jurisdictional separation factors are calculated each month based on retail KWH sales as a percentage of projected total territorial KWH sales. (Davis)

ISSUE 7: What are the appropriate Environmental Cost Recovery Factors for each rate group?

GULF: See table below: (Davis)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RSVP	.364
GS	.362
GSD, GSDT, GSTOU	.356
LP, LPT	.346
PX, PXT, RTP, SBS	.337
OS-I/II	.334
OSIII	.345

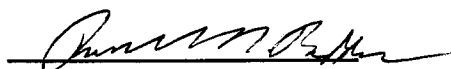
ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

GULF: The factors should be effective beginning with the specified billing cycle and thereafter for the period January, 2006, through December, 2006. Billing cycles may start before January 1, 2006, and the last cycle may be read after December 31, 2006, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Davis)

Company-Specific Environmental Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 3rd day of October, 2005.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 050007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 30th day of September 2005 by U.S. Mail or hand delivery to the following:

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