

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



September 12, 2008

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

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COMMISSION
CLERK

Dear Ms. Cole:

Re: Docket No. 080007-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Preliminary List of Issues, to be filed in the above referenced Environmental Cost Recovery Clause docket.

Sincerely,

Susan D. Ritenour (lw)

mv

Enclosures

cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Environmental Cost**)
Recovery Clause)
_____)

Docket No.: **080007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 12th day of September, 2008, by regular U. S. Mail to the following:

Martha Carter Brown, Esq.
Senior Counsel
FL Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee FL 32399-0850

John W. McWhirter, Jr., Esq.
McWhirter Reeves & Davidson
P.O. Box 3350
Tampa, FL 33601-3350

Paula K. Brown, Administrator
Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa FL 33601

John T. Butler, Esq.
Attorney for Florida Power & Light
Company
700 Universe Boulevard
Juno Beach FL 33408-0420

Lee L. Willis, Esq.
James D. Beasley, Esq.
Attorneys for Tampa Electric Co.
Ausley & McMullen
P. O. Box 391
Tallahassee FL 32302

Cheryl Martin
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach FL 33402-3395

J. R. Kelly
Office of Public Counsel
111 W. Madison St., Room 812
Tallahassee FL 32399-1400

John T. Burnett, Esq.
R. Alexander Glenn, Esq.
Progress Energy Service Co.
P. O. Box 14042
St. Petersburg FL 33733-4042

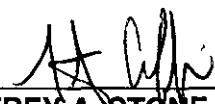
Gary V. Perko, Esq.
Hopping Green & Sams
P. O. Box 6526
Tallahassee FL 32314

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Ave., Ste. 800
Tallahassee FL 32301-7740

Jeffrey S. Bartel
Florida Power & Light Co.
215 South Monroe St., Suite 810
Tallahassee FL 32301-1859

Norman H. Horton, Jr., Esq.
Messer, Caparello & Self, P.A.
P. O. Box 15579
Tallahassee FL 32317

R. Wade Litchfield, Esq.
Associate General Counsel for
Florida Power & Light Company
700 Universe Boulevard
Juno Beach FL 33408-0420



JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 007455
STEVEN GRIFFIN
Florida Bar No. 0627569
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 080007 - EI
Filed: September 15, 2008

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 final environmental cost recovery true-up amounts for the period January 2007 through December 31, 2007?

GULF: Over recovery of \$1,470,471. (Vick, Ritenour)

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2008 through December 2008?

GULF: Under recovery of \$2,810,290. (Vick, Ritenour)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2009 through December 2009?

GULF: \$84,761,585. (Vick, Ritenour)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2009 through December 2009?

GULF: Recovery of \$86,101,404 (excluding revenue taxes). (Ritenour)

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 2009 through December 2009?

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. (Ritenour)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2009 through December 2009?

GULF: The demand jurisdictional separation factor is 96.642160%. Energy jurisdictional separation factors are calculated each month based on retail KWH sales as a percentage of projected total territorial KWH sales. (Ritenour)

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

GULF: See table below: (Ritenour)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RSVP	.735
GS	.729
GSD, GSDT, GSTOU	.720
LP, LPT	.703
PX, PXT, RTP, SBS	.690
OS-I/II	.686
OSIII	.710

ISSUE 8:

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

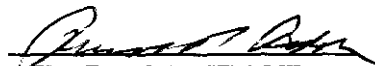
GULF:

The new environmental cost recovery factors should be effective beginning with the first billing cycle for January 2009 and thereafter through the last billing cycle for December 2009. The first billing cycle may start before January 1, 2009, and the last cycle may be read after December 31, 2009, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Ritenour)

Company-Specific Environmental Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 12th day of September, 2008.



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 7455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company