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October 4, 2016

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

RE: Docket No. 160002-EG

Dear Ms. Stauffer:

Attached is the Prehearing Statement of Gulf Power Company to be filed in the above-referenced docket. Pursuant to the Order Establishing Procedure, a copy of this Prehearing Statement prepared using Microsoft Word is being provided to Commission staff and all parties.

Sincerely,

A handwritten signature in blue ink that reads "Robert L. McGee, Jr." with a stylized flourish at the end.

Robert L. McGee, Jr.
Regulatory and Pricing Manager

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Attachments

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

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery) Docket No. 160002-EG
Clause) Date Filed: October 4, 2016
)

PREHEARING STATEMENT OF GULF POWER COMPANY

Gulf Power Company, (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned attorneys, and pursuant to Order No. PSC-16-102-PCO-EG, issued March 11, 2016, establishing the prehearing procedure in this docket, files this prehearing statement, saying:

A. APPEARANCES

JEFFREY A. STONE, Esquire, RUSSELL A. BADDERS, Esquire
and STEVEN R. GRIFFIN, Esquire, of Beggs & Lane, P.O. Box
12950, Pensacola, FL 32591-2950
On behalf of Gulf Power Company.

B. WITNESSES

All witnesses known at this time, who may be called by Gulf Power Company, along with the subject matter and issue numbers which will be covered by the witness' testimony, are as follows:

<u>Witness</u> <u>(Direct)</u>	<u>Subject Matter</u>	<u>Issues</u>
1. John N. Floyd ¹	True-up; components of Gulf's conservation plan and associated costs; projections and program results	1, 2, 3, 4, 7

¹ On October 4, 2016, Gulf filed its second amended Prepared Direct Testimony and Exhibit of John N. Floyd correcting 2015 customer participation levels for certain DSM programs. The corrections to the testimony and exhibits do not impact the final conservation cost recovery true-up amounts.

C. EXHIBITS

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
(JNF-1)	Floyd	Schedules CT-1 through CT-6
(JNF-2)	Floyd	Schedules C-1 through C-6

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the proposed ECCR factors present the best estimate of Gulf's Conservation expense at this time for the period January 2017 through December 2017, including the true-up calculations and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Energy Conservation Cost Recovery Issues

ISSUE 1: What are the final conservation cost recovery true-up amounts for the period January 2015 through December 2015?

GULF: Under recovery of \$2,225,904. (Floyd)

ISSUE 2: What are the total conservation cost recovery amounts to be collected during the period January 2017 through December 2017?

GULF: Recovery of \$16,871,225 (including prior true-up amounts and revenue taxes). (Floyd)

ISSUE 3: What are the conservation cost recovery factors for the period January 2017 through December 2017?

GULF: The Company's proposed conservation cost recovery factors by customer class for the period January 2017 through December 2017 are as follows: (Floyd)

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/kWh
RS	0.160
RSVP, Tier 1	(3.000)
RSVP, Tier 2	(0.774)
RSVP, Tier 3	7.247
RSVP, Tier 4	62.627
RSTOU On-peak	17.000
RSTOU Off-peak	(3.106)
GS	0.156
GSD, GSDT, GSTOU	0.151
LP, LPT	0.144
PX, PXT, RTP, SBS	0.141
OSI, OSII	0.126
OSIII	0.143

ISSUE 4: What should be the effective date of the new conservation cost recovery factors for billing purposes?

GULF: The new conservation cost recovery factors should be effective beginning with the first billing cycle for January 2017 and thereafter through the last billing cycle for December 2017. The first billing cycle may start before January 1, 2017, and the last cycle may be read after December 31, 2017, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Floyd)

ISSUE 7: Should the Commission approve revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding?

GULF: Yes. The Commission should approve revised tariffs reflecting the energy conservation cost recovery amounts and establishing energy conservation cost recovery factors determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Floyd)

F. STIPULATED ISSUES

GULF: Yet to be determined. Gulf is willing to stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be waived, and the witness's attendance at the hearing be excused.

G. PENDING MOTIONS

GULF: Joint Petition for Waiver of Rule 25-17.015(1)(b), F.A.C. filed on August 19, 2016.

H. PENDING CONFIDENTIALITY REQUEST

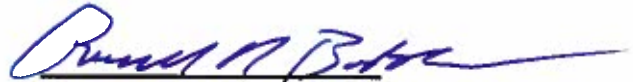
GULF: None.

I. OTHER MATTERS

GULF: To the best knowledge of counsel, Gulf has complied, or is able to comply, with all requirements set forth in the orders on procedure and/or the Commission rules governing this prehearing statement. If other issues are raised for determination at the hearings set for November 2-4, 2016, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 4th day of October, 2016.

Respectfully submitted,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Energy Conservation Cost**)
Recovery Clause)

Docket No.: 160002-EG

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 4th day of October, 2016 to the following:

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