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January 3, 1990

Mr. Steve Tribble, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399-0870

Re: Docket No. 890737-PU

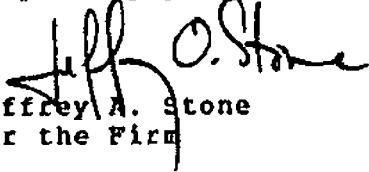
Dear Mr. Tribble:

Enclosed are an original and fifteen copies of Gulf Power Company's Comments submitted pursuant to Order No. 22306 for official filing in the docket referred to above.

Please acknowledge receipt and filing of the enclosed material by stamping the duplicate copy of this letter and returning same to the attention of the undersigned.

Thank you for your assistance in this matter.

Very truly yours,


Jeffrey A. Stone
For the Firm

ACK 2
AFA 3
APP _____
CAF _____
CMU _____
CTR _____
EAG 1
LEG 1 kb
LIN 6 Enclosures
OPC _____
RCH 1
SEC 1
WAS _____
OTH _____

DOCUMENT NUMBER-DATE
00098 JAN-4 1990
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Implementation of Section) Docket No. 890737-PU
366.80-.85, Florida Statutes,)
Conservation Activities of)
Electric and Natural Gas)
Utilities)
_____) Filed: January 3, 1990

COMMENTS OF GULF POWER COMPANY SUBMITTED
PURSUANT TO ORDER NO. 22306

Gulf Power Company ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and in conjunction with the proceedings to be held in this docket pursuant to Order No. 22306, files these comments concerning the Florida Power Corporation (FPC) protest of Proposed Agency Action Order No. 22176.

FPC's protest of Order No. 22176 relates to that portion of the order which requires electric utilities (1) to encourage the direct use of natural gas in space conditioning and water heating where such use would be a cost-effective method for slowing growth in electric demand; and (2) to develop cost-effective programs for the use of natural gas or provide an explanation why such programs can not be developed. It is Gulf's position that the active promotion of the use of natural gas should be left to the natural gas utilities. Economically and efficiently meeting the energy needs of Florida's population is a complex issue which can not be resolved by favoring one energy source over another with the simple admonition "...where such use is a cost-effective method of

DOCUMENT NUMBER-DATE

00098 JAN-4 1990

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slowing growth in electric demand."


Natural gas utilities are actively involved in promoting their product in the marketplace through extensive use of rebates and other promotional incentives. Gulf's various conservation programs have provided and will continue to provide, the customer with an analysis of the cost-effectiveness to him of alternative means for meeting particular energy needs, including natural gas or solar energy. Gulf believes providing such information to its customers is appropriate and useful. However, requiring Gulf and other electric utilities to actively promote the use of natural gas is likely to lead to confusion in the marketplace. Gulf is concerned with the economic distribution of energy resources in Northwest Florida. We strive to give our customers the most accurate information available so they can make purchasing decisions that would optimize their cost-effectiveness.

Each energy supplier should be concerned with keeping the cost of their product as low as possible in order to meet the energy needs of their customers in as cost-effective a manner as possible. Requiring one energy supplier to promote another supplier's product removes the "favored" supplier's incentive to operate as efficiently as possible in order to be competitive in the marketplace. The Commission's policy should

Gulf Power Comments
Docket No. 890737-PU
January 3, 1990
Page 3

not be stated in a fashion that discourages natural gas utilities from operating as efficiently as possible. The language protested by FPC can be interpreted and applied in such a fashion and should therefore be deleted from the Commission's order. Even with such deletion, the intent of the legislature behind the revised Florida Energy Efficiency and Conservation Act is effectively met by the remaining language of Proposed Agency Action Order No. 22176.

Respectfully submitted this 3rd day of January 1990.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Implementation of 366.80-.85,
Florida Statutes Conservation)
Activities of Electric and)
Natural Gas Utilities)
)

Docket No. 890737-PU

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 31 day of January, 1990 by U. S. Mail or hand delivery to the following:

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