

Gulf Power Company
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ORIGINAL
FILE COPY

Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

July 11, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. 950007-EI

Enclosed for official filing are an original and fifteen copies of the Prehearing Statement of Gulf Power Company to be filed in the above referenced docket.

ADM _____
ACA _____
ATP _____
CAF _____
CMT _____
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CWT _____

Also enclosed is a 3.5 inch double sided, high density diskette containing the Statement in WordPerfect for Windows 6.0a format as prepared on a MS-DOS based computer.

Sincerely,

Jack L. Haskins

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT CONTROL
06598 JUL 12 1995
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
SEE COPY

IN RE: Environmental Cost) Docket No. 950007-EI
Recovery Clause.) Filed: July 12, 1995
_____)

PREHEARING STATEMENT OF GULF POWER COMPANY

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"),
by and through its undersigned attorneys, and pursuant to Rule
25-22.038(3), Florida Administrative Code, files this prehearing
statement, saying:

A. APPEARANCES:

JEFFREY A. STONE, Esquire, and RUSSELL A.
BADDERS, Esquire, of Beggs & Lane, 700 Blount
Building, 3 West Garden Street,
P.O. Box 12950, Pensacola, FL 32576-2950
On behalf of Gulf Power Company.

DOCUMENT # DATE

06598 JUL 12 95

FPSC-RECORDS/REPORTING

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>Subject Matter</u>	<u>Issues</u>
(<u>Direct</u>)		
1. M. L. Gilchrist (Gulf)	CAA Emission Allowances	2, 4
2. J. O. Vick (Gulf)	Environmental Compliance Activities, true-up and projections	1, 2, 4
3. S. D. Cranmer (Gulf)	Environmental Compliance Cost Recovery calculations, true-up and projections	1, 2, 3, 4, 5, 6, 9

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ (JOV-1)	Vick	ECR Investment Expenditures, Operations and Maintenance Expenses, Florida's Title V Program, Approval of Post-Closure/Closure Plan of Fly Ash Pond at Plant Daniel
_____ (SDC-1)	Cranmer	Calculation of final true-up, 4/94 through 9/94; Calculation of true-up and interest provision, 4/94 through 9/94; Calculation of interest provision, 4/94 through 9/94; Recoverable ECR costs related to investment by Plant Expenditure item ("PE"), 4/94 through 9/94; Recoverable O & M costs by FERC account, 4/94 through 9/94
_____ (SDC-2)	Cranmer	Total Recoverable Revenue Requirements, Plant Schedules, Recoverable Operations and Maintenance Expenses, Calculation of Environmental Cost Recovery Factors
_____	Cranmer	Gulf Power Company's responses to Staff's First Set of Interrogatories, No. 1-12

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 environmental cost recovery factors present the best estimate of Gulf's cost for its environmental compliance activities for the period October 1995 through March 1996, including the true-up calculations and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Environmental Cost Recovery Issues¹

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period October, 1994 through March, 1995?

GULF: Over recovery \$101,428. (Vick, Cranmer)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period April, 1995 through September, 1995?

GULF: Over recovery \$428,156. (Gilchrist, Vick, Cranmer)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected/refunded during the period October, 1995 through March, 1996?

GULF: Refund of \$529,584 (excluding revenue taxes). (Cranmer)

ISSUE 4: What are the appropriate projected environmental cost amounts to be included in the recovery factors for the period October, 1995 through March, 1996?

GULF: \$5,418,716. (Gilchrist, Vick, Cranmer)

¹The numbers reflected in Gulf's positions on the generic issues will change as a result of the stipulation regarding Issue 9A below reached with Staff at the deposition of S. D. Cranmer on July 11, 1995. Staff and the Company agreed to set the annual accrual for dismantlement costs that will be recovered through the ECRC at \$147,889, retroactive to January 1, 1994. Revised schedules and revisions to the positions on the issues will be available at or before the prehearing conference set for 7/19/95.

ISSUE 5: What are the appropriate Environmental Cost Recovery Factors for each rate group?

GULF: See table below: (Cranmer)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RST	0.156
GS, GST	0.155
GSD, GSDT, SBS	0.139
LP, LPT, SBS	0.129
PX, PXT, RTP, SBS	0.119
OSI, OSII	0.090
OSIII	0.127
OSIV	0.090

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 6: 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 October 1995 through March 1996. Billing cycles may start before October 1, 1995 and the last cycle may be read after March 31, 1996 so that each customer is billed for six months regardless of when the adjustment factor became effective. (Cranmer)

Company-Specific Environmental Cost Recovery Issues

Gulf Power Company

ISSUE 9A: Should the Commission approve Gulf Power Company's request to recover the cost for dismantlement associated with ECRC investments through the Environmental Cost Recovery Clause? (Deferred from March hearing.)

GULF: Yes. Gulf is requesting the recovery of a fixed dismantlement accrual, offset by the revenue requirements on the accumulated reserve balance. (See SDC-2, Schedule 4, Page 16) This represents a change in the method Gulf used in past ECRC filings to calculate the amount of dismantlement costs recoverable through ECRC. Gulf has adjusted the over-recovery of ECRC costs to reflect the change in methodology effective January 1994 consistent with the effective date of the flat dismantlement accrual established by Order No. PSC-93-1808-FOF-EI in Docket No. 930221-EI. (Cranmer)

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:

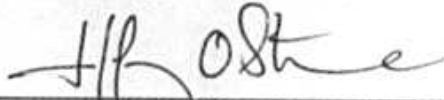
GULF: None.

H. 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 August 9-11, 1995, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 11th day of July, 1995.

Respectfully submitted,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)

Docket No. 950007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished this 11th day of July 1995 by U.S. Mail or hand delivery to the following:

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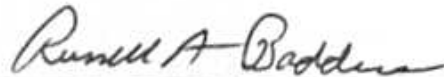
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