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July 21, 1997

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. **970007-EI**

Enclosed are an original and ten copies of the Preliminary Statement of Gulf Power Company regarding Issues and Positions in the above docket

Also enclosed is a 3.5 inch double sided high density diskette containing the Statement in WordPerfect for Windows 6.1 format as prepared on a MS-DOS based computer.

Sincerely,

ACK

[Handwritten signature of Susan D. Cranmer]

Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

lw

1 Enclosure

3 cc Beggs and Lane
Jeffrey A. Stone, Esquire

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DOCUMENT NUMBER-DATE
07322 JUL 22 97
FPOB RECORDS/REPOR

FILE COPY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No 970007-EI
Filed July 22, 1997

**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 April, 1996 through September, 1996?

GULF: Over recovery \$525,673 (Vick, Oaks, Cranmer)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period October, 1996 through September, 1997?

GULF: Over recovery \$88,687 (Vick, Oaks, Cranmer)

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

GULF: Refund of \$614,360 (excluding revenue taxes) (Cranmer)

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

GULF: \$11,291,801 (Vick, Oaks, Cranmer)

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07322 JUL 22 97
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ISSUE 5:

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

GULE:

See table below: (Cranmer)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RST	0.138
GS, GST	0.136
GSD, GSDT	0.118
LP, LPT	0.111
PX, PXT, RTP	0.101
OSI, OSII	0.082
OSIII	0.107
OSIV	0.154
SBS	0.112

ISSUE 6:

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

GULE:

The factors should be effective beginning with the specified billing cycle and thereafter for the period October, 1997, through September, 1998. Billing cycles may start before October 1, 1997, and the last cycle may be read after September 30, 1998, so that each customer is billed for twelve months regardless of when the adjustment factor became effective (Cranmer)

Company-Specific Environmental Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 21st day of July, 1997



JEFFREY A. STONE

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RUSSELL A. BADDERS

Florida Bar No. 007455

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(904) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No 970007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 21st day of July 1997 by U.S. Mail or hand delivery to the following

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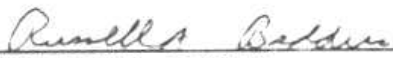
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