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ORIGINAL



January 22, 1998

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. 980001-EI

Enclosed are an original and ten copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions to be filed 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 Windows NT based computer.

Sincerely,

ACK _____
AFA _____
APP _____
DAF _____
DMM _____
DTR _____
lw

Susan D. Cranmer

Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

Enclosure

LEG 1 cc: Beggs and Lane
LW 3 Jeffrey A. Stone, Esquire
DMM _____
DTR _____
RCH _____
SAC 1 _____
WAS _____
DTH _____

DOCUMENT NUMBER - DATE

01274 JAN 23 88

FPSC-RECORDS/REPORTING

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and)
Generating Performance Incentive)
Factor)
_____)

Docket No. 980001-EI
Filed: January 23, 1998

**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 Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period April, 1997 through September, 1997?

GULF: Over recovery \$2,886,443. (Oaks, Howell, Cranmer)

ISSUE 2: What are the estimated fuel adjustment true-up amounts for the period October, 1997 through March, 1998?

GULF: Under recovery \$1,127,041. (Oaks, Howell, Cranmer)

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April, 1998 through September, 1998?

GULF: Over recovery \$1,759,402. (Cranmer)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1998 through September, 1998?

GULF: 1.626¢/KWH. (Oaks, Howell, Cranmer)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ISSUE 5:

What should be the effective date of the new fuel adjustment charge, oil backout charge and capacity cost recovery charge for billing purposes?

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

ISSUE 6:

What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

GULE:

See table below: (Cranmer)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, SBS, OSIII, OSIV	1.01228
B	LP, LPT, SBS	0.98106
C	PX, PXT, RTP, SBS, CSA	0.96230
D	OSI, OSII	1.01228

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

GULE: See table below: (Cranmer)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS, OSIII, OSIV	1.646	2.169	1.395
B	LP, LPT, SBS	1.595	2.102	1.352
C	PX, PXT, RTP, SBS, CSA	1.565	2.062	1.326
D	OSI, OSII	1.463	N/A	N/A

*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 8: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of October 1997, through March 1998?

GULE: 1.01609. (Cranmer)

Company-Specific Fuel Adjustment Issues

NONE RAISED BY GULF POWER COMPANY

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1997 through September, 1997?

GULF: \$300,745 penalty. (Fontaine)

ISSUE 14: What should the GPIF targets/ranges be for the period April, 1998 through September, 1998?

GULF: See table below: (Fontaine)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	85.2	8.75	6.04	10,584
Crist 7	87.0	2.71	10.27	10,291
Smith 1	83.4	13.66	2.98	10,197
Smith 2	72.8	21.84	5.37	10,311
Daniel 1	67.9	25.67	6.40	10,508
Daniel 2	91.1	4.92	4.01	10,270

EAF = Equivalent Availability Factor
POF = Planned Outage Factor
EUOF = Equivalent Unplanned Outage Factor

Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 22nd day of January, 1998.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)
_____)

Docket No. 980001-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 22nd day of January 1998 on the following:

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