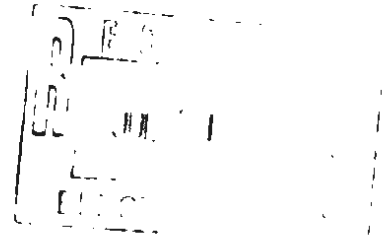




July 30, 1998

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:

980943-EG

Enclosed are an original and fifteen copies of Gulf Power Company's Petition for Waiver of Rule 25-17.015(1), F.A.C.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 6.1 format as prepared on a Windows NT based computer.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Cranmer".

Susan D. Cranmer  
Assistant Secretary and Assistant Treasurer

lw

Enclosure

cc: Beggs and Lane  
Jeffrey A. Stone, Esquire  
Florida Public Service Commission  
Cochran Keating, Esquire  
Steel, Hector & Davis  
Charles Guyton, Esquire

RECEIVED

JUL 31 1998

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DOCUMENT NUMBER-DATE

88092 AUG-3 88

FPSC RECORDS-REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Gulf Power Company's petition for )  
waiver of the requirements of rule subsection ) Docket No.: 98 \_\_\_\_\_-EI  
25-17.015(1), Florida Administrative Code. ) Date Filed: July 30, 1998  
\_\_\_\_\_ )

**GULF POWER COMPANY'S  
PETITION FOR WAIVER OF RULE 25-17.015(1), F.A.C.**

Notices and communications with respect to this petition and docket should be addressed to:

Jeffrey A. Stone  
Russell A. Badders  
Beggs & Lane  
P. O. Box 12950  
Pensacola, FL 32576-2950

Susan D. Cranmer  
Assistant Secretary and Assistant Treasurer  
Gulf Power Company  
One Energy Place  
Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned counsel, and pursuant to Section 120.542 of the Florida Statutes, hereby petitions the Florida Public Service Commission ("the Commission") to waive certain filing period provisions of Rule 25-17.015(1), Florida Administrative Code ("the ECCR Rule"). Specifically, Gulf Power is requesting that the Commission waive those provisions of the ECCR Rule that would otherwise prevent Gulf Power from changing the frequency and timing of its Energy Conservation Cost Recovery ("ECCR") clause to a 12-month calendar year basis effective January 1, 1999. As grounds for the relief requested by this petition, the Company respectfully shows:

1. Gulf Power is an investor-owned electric utility providing retail electric service to customers within northwest Florida and, pursuant to the provisions of Chapter 366 of the Florida Statutes, is subject to economic regulation by the Commission. The Company's principal offices are physically located at 500 Bayfront Parkway, Pensacola, Florida 32501. The principal address of the Company for U.S. Mail is Gulf Power Company, One Energy Place, Pensacola, Florida 32520.

DOCUMENT NUMBER DATE  
08092 AUG-3 88  
FPSC-REGULATORY REPORTING

2. Gulf seeks a waiver of those portions of Rule 25-17.015(1), Florida Administrative Code, which require Gulf to file an Energy Conservation Cost Recovery ("ECCR") based on a period other than a calendar year. Gulf requests that the Commission waive the portions of Rule 25-17.015(1) which set forth the reporting periods and permit Gulf to file cost recovery factors for the calendar year 1999 with a projection period of January 1 through December 31, 1999, an estimated/actual true up for the period April 1998 through December 1998, and a final true up for the period October 1997 through March 1998.

3. On May 19, 1998, the Commission issued Order No. PSC-98-0691-FOF-PU in Docket No. 980269-PU. In that order, the Commission approved a change in the frequency and timing of cost recovery hearings for the Fuel and Purchased Power Cost Recovery Clause, Capacity Cost Recovery Clause, Generating Performance Incentive Factor, Energy Conservation Cost Recovery Clause, Purchased Gas Adjustment True-up, and the Environmental Cost Recovery Clause. All of the clauses except for ECCR are to make the transition to 12-month calendar year cycles effective January 1, 1999. The transition to an annual, calendar basis in the ECCR clause requires an amendment to Rule 25-17.015, Florida Administrative Code. Rule making to amend this rule will not be resolved in time to transition to an annual, calendar year ECCR clause in 1999. By this petition, Gulf seeks permission to make the transition to an annual, calendar year ECCR clause in 1999 by establishing annual, calendar year factors in the ECCR clause at the same hearing in November 1998 when the Company's other adjustment factors will be set on an annual, calendar year basis. For Gulf Power, this would obviate the need for an additional cost recovery clause hearing in February 1999 as currently contemplated. For Gulf Power's customers, this would make all scheduled changes to cost recovery factors for

1999 effective January 1, 1999 by eliminating the otherwise contemplated rate change for ECCR that would occur effective April 1, 1999.

4. The following table sets forth the specific provisions of Rule 25-17.015(1), F.A.C. which Gulf Power is seeking to have waived along with the corresponding alternative that Gulf is seeking to implement:

Rule Provision	Alternative Requirement Sought
25-17.015(1) Requirement that ECCR proceedings be held "during the first quarter of each calendar year." As currently contemplated by the Commission, this proceeding for 1999 would occur in February 1999.	ECCR hearing for the 1999 calendar year during the last quarter of 1998. This would allow the hearing to be held in November 1998 at the same time a hearing is held for Gulf's other adjustment clauses.
25-17.015(1)(a) Requirement that the annual final true-up filing be "for the most recent 12-month historical period from April 1 through March 31 that ends prior to the annual ECCR proceedings." Pursuant to Commission action on July 21, 1998 in Docket No. 980269-PU, the next final true-up period for ECCR is for the six months from October 1997 through March 1998.	Permission to have an ECCR final true-up period of October 1997 through March 1998 for the factors to be implemented effective January 1, 1999. Gulf's current ECCR factors include a final true-up through September 1997. The final true-up for the period April 1998 through December 1998 will be incorporated into factors to be implemented effective January 1, 2000.
25-17.015(1)(b) Requirement that there be "an annual estimated/actual true-up filing showing eight months actual and four month projected" data for the period beginning April 1 following the period set forth in paragraph (1)(a) of the rule.	Permission to have the next ECCR estimated/actual true-up filing be for the period April 1998 through December 1998. Actual data for the period April through July 1998 and estimated data for the period August 1998 through December 1998 would be utilized. This modified estimated/actual true-up filing period is consistent with the proposed final true-up period proposed for the November 1999 hearing (see block immediately above) and would facilitate complete transition of the ECCR to a calendar year cycle by the time of the proceedings to be held November 1999.

<b>Continued:</b>	
<b>Rule Provision</b>	<b>Alternative Requirement Sought</b>
25-17.015(1)(c) Requirement that the projection filing show data for a twelve-month period beginning April 1.	Permission to have a projection filing for twelve-month period beginning January 1, 1999. This would make the ECCR clause consistent with the projection filings for Gulf's other adjustment clauses. In addition, this would allow the estimated/actual true up period for the ECCR proceeding in November 1999 to be a calendar year.
25-17.015(1)(d) Requirement that the petition setting forth the ECCR factors be for factors beginning April 1 following the hearing.	Permission to file a petition with annual ECCR factors to be effective January 1, 1999 following the hearing to be held in November 1998.
25-17.015(1)(e) Requirement that Gulf file a form PSC/EAG/44 for the first six months of the reporting period in paragraph (1)(a) of the Rule.	Permission to file a form PSC/EAG/44 for the six months ending June 1998. This will clarify the filing requirement for this form as part of the transition to a calendar year cycle for ECCR.

5. In Order No. PSC-98-0691-FOF-PU, the Commission found that an annual ECCR hearing would have the advantage of reducing the number of hearing days and provide efficiencies for the utilities and the Commission. The Commission also found that it would benefit the customers by allowing them to better project electricity costs. The annual period that the ECCR clause is currently following does not coincide with the other adjustment clauses, thereby eliminating the advantages and efficiencies sought by the Commission in moving the ECCR to an annual period. The result of not allowing the transition to an annual, calendar basis at this time would be that the customers would have confusing adjustment clause rates associated with the differing periods.

6. On June 11, 1998, Florida Power & Light Company ("FPL") filed a petition for Waiver of Rule 25-17.015(1), F. A. C. in Docket No. 980740-EI. Gulf and FPL are requesting the same relief for the same reasons. Gulf's petition hereby adopts and incorporates by reference the statements contained in FPL's petition in support of the relief requested therein. For the convenience of the reader, a copy of FPL's petition is attached hereto as Exhibit A. As discussed by FPL in their petition (See page 6, FPL petition), the Commission recognized the benefits of having all the adjustment clauses, including the ECCR clause, on the same recovery period. See, Order No. PSC-98-0691-FOF-PU at page 8- 9, and 13.

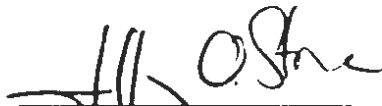
7. In addition to the reasons set forth by FPL in paragraphs 6, 7, 8, 9 and 10 of its petition, which are incorporated herein by reference, Gulf Power will face substantial hardship if this request for waiver is not granted due to the fact that the Company's preparation for a February ECCR hearing would occupy the same personnel resources that will be preparing for proceedings in Docket No. 971006-EG, In Re: Adoption of Numeric Conservation Goals for Gulf Power Company ("Goals Docket"). Preparation for the Goals Docket will take place during the time period that Gulf would be preparing for and attending a February ECCR hearing. Participating in both the Goals Docket and an ECCR hearing during the first quarter of 1999 would strain Gulf's available personnel and other resources and create a substantial hardship.

8. The statute which Rule 25-17.015(1), Florida Administrative Code, implements is Section 366.82(5), Florida Statutes (1997). The purpose of the underlying statute is to set up an adjustment clause for the recovery of conservation costs. This purpose will be achieved with the waiver requested herein. In fact, for the reasons stated in Order No. PSC-98-0691-FOF-PU, the ECCR clause will operate more efficiently if Gulf's request for rule waiver is granted.

9. The waiver sought by this petition is temporary. Once the proposed rule making proceeding to amend the ECCR Rule is completed, no further need will exist for a waiver.

WHEREFORE, Gulf Power Company respectfully requests the Commission to approve a waiver of Rule 25-17.015(1), Florida Administrative Code as set forth in the body of this petition in order to permit Gulf to file ECCR cost recovery factors for the calendar year 1999 which presume: (a) a final true up for the period October 1997 through March 1998; (b) an estimated/actual true up for the period April 1998 through December 1998; and (c) a projection period of January 1 through December 31, 1999.

Respectfully submitted the 30<sup>th</sup> day of July, 1998.



**JEFFREY A. STONE**  
Florida Bar No. 325953

**RUSSELL A. BADDERS**  
Florida Bar No. 7455

**Beggs & Lane**  
P. O. Box 12950  
Pensacola, Florida 32576-2950  
(850) 432-2451

**Attorneys for Gulf Power Company**

CERTIFICATE

I HEREBY CERTIFY that, in order to comply with Section 120.542(5) of the Florida Statutes, a copy of the foregoing petition has been sent to the Administrative Procedures Committee by U.S. Mail this 30<sup>th</sup> day of July, 1998.



**Attorney for Petitioner**