



October 13, 1999

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. 990001-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 8 for Windows 6.1 format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

AFA	<u>Wandover</u>	
APP	_____	lw
CAF	_____	
CMU	_____	Enclosure
CTR	_____	
EAG	<u>Bohanna</u>	cc: Beggs and Lane
LEG	_____	J. A. Stone, Esquire
MAS	<u>3</u>	
CPC	_____	
PAI	_____	
SEC	<u>1</u>	
WAW	_____	
OTH	_____	

DOCUMENT NUMBER-DATE

12497 OCT 14 99

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990001-EI
Filed: October 13, 1999

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 estimated fuel adjustment true-up amounts for the period January 1999 through December 1999?

GULF: Under recovery \$11,302,259. (Oaks, Howell, Davis)

ISSUE 2: What are the total fuel adjustment true-up amounts to be collected during the period January, 2000 through December, 2000?

GULF: Under recovery \$13,752,459. (Davis)

ISSUE 3: What are the appropriate levelized fuel cost recovery factors for the period January, 2000 through December, 2000?

GULF: 1.950¢/KWH. (Oaks, Howell, Davis)

ISSUE 4: 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 January, 2000, through December, 2000. Billing cycles may start before January 1, 2000, and the last cycle may be read after December 31, 2000, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Davis)

ISSUE 5: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

GULF: See table below: (Davis)

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

ISSUE 6: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

GULF: See table below: (Davis)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS, OSIII, OSIV	1.974	2.431	1.731
B	LP, SBS	1.913	2.356	1.678
C	PX, RTP, SBS	1.876	2.311	1.646
D	OSI, OSII	1.906	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 7: What is the appropriate revenue tax factor to be applied in calculating each company's levelized fuel factor for the projection period of January, 2000 through December 2000?

GULF: 1.01597. (Davis)

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 October, 1997 through March, 1998?

GULF: \$36,679 penalty. (Douglas)

ISSUE 14: What should the GPIF targets/ranges be for the period January 2000 through December 2000?

GULF: See table below: (Douglas)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	84.3	11.75	3.95	10,629
Crist 7	77.3	13.66	9.02	10,235
Smith 1	90.6	6.83	2.58	10,332
Smith 2	89.2	7.38	3.43	10,137
Daniel 1	75.3	14.47	10.19	10,237
Daniel 2	74.5	16.39	9.14	10,105
EAF = Equivalent Availability Factor POF = Planned Outage Factor EUOF = Equivalent Unplanned Outage Factor				

Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Generic Capacity Cost Recovery Issues

ISSUE 20: What is the estimated purchased power capacity cost recovery true-up amount for the period January, 1999 through December, 1999?

GULF: Under recovery of \$12,942. (Howell, Davis)

ISSUE 21: What is the total capacity cost recovery true-up amount to be refunded during the period January, 2000 through December, 2000?

GULF: \$68,182. (Davis)

ISSUE 22: What is the appropriate projected net purchased power capacity cost amount to be included in the recovery factor for the period January, 2000 through December, 2000?

GULF: \$14,086,953. (Howell, Davis)

ISSUE 23: What are the appropriate capacity cost recovery factors for the period January, 2000 through December, 2000?

GULE: See table below: (Davis)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST, RSVP	.167
GS, GST	.166
GSD, GSDT	.135
LP, LPT	.111
PX, PXT, RTP, SBS	.096
OSI, OSII	.041
OSIII	.101
OSIV	.270

Company-Specific Capacity Cost Recovery Issues

ISSUE 24: What is the appropriate regulatory treatment for transmission revenue received from non-separated wholesale energy sales not made through the Energy Broker Network (EBN)?

GULF: The transmission revenue associated with the sale of energy should be credited to the customer through the fuel clause.

ISSUE 25: What is the appropriate regulatory treatment for the generation-related gain on non-separated wholesale energy sales not made through the(EBN)?

GULF: The profit on economy energy sales should be split 80/20 between the customer and the company. The customer's portion should be passed to the customer through the fuel clause.

ISSUE 26: Should the Commission eliminate the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B?

GULF: No.

Respectfully submitted this 13th day of October, 1999.



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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. 990001-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 13th day of October 1999 on the following:

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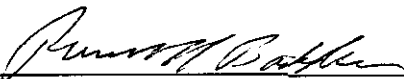
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