



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. 990007-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

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

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APP _____
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EAG *Handwritten*
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SEC _____
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OTH _____

cc: Beggs and Lane
J. A. Stone, Esquire

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 990007-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 Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period October, 1997 through September 1998 and for October 1998 through December 1998?

GULF: Under recovery \$14,963 for October, 1997 through September 1998
Over recovery \$ 65,238 for October 1998 through December 1998
(Vick, Ritenour)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January, 1999 through December, 1999?

GULF: Over recovery \$303,910. (Vick, Ritenour)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected/refunded during the period January 2000 though December 2000?

GULF: Refund of \$354,185. (excluding revenue taxes). (Ritenour)

ISSUE 4: What are the appropriate projected environmental cost amounts to be included in the recovery factors for the period January 2000 through December 2000?

GULF: \$11,570,838. (Vick, Ritenour)

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

GULF: See table below: (Ritenour)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RST, RSVP	0.125
GS, GST	0.125
GSD, GSDT	0.114
LP, LPT	0.104
PX, PXT, RTP, SBS	0.098
OSI, OSII	0.082
OSIII	0.103
OSIV	0.160

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 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. (Ritenour)

ISSUE 7: Should the Commission set minimum filing requirements for utilities upon a petition for approval of recovery of new projects through the ECRC?

GULE: Any MFRs set by the Commission should address questions to be answered such as what legal requirement is being met and what alternatives, if any, were available. They should not take the shape of a prescriptive set of forms to be filled out with data requests that may not be applicable or pertinent. (Ritenour)

ISSUE 8: Should the Commission require utilities to petition for approval of recovery of new projects through the ECRC prior to the due date for filing projection testimony when the company becomes aware that a new project will be necessary in the upcoming projection period?

GULE: No. (Ritenour)

ISSUE 9: What is the appropriate methodology for making an adjustment to ECRC project costs to reflect retirements of replaced plant-in-service that are being recovered through base rates?

GULE: It is not necessary or appropriate to make an adjustment to the total cost associated with a capital project recoverable through ECRC. (Ritenour)

ISSUE 10: What is the appropriate methodology for making an adjustment to ECRC project costs to reflect payroll charges that are being recovered through base rates?

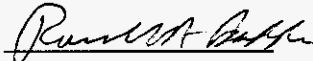
GULE: No adjustment should be made to reduce total ECRC project costs by the cost of capitalized payroll charges. (Ritenour)

Company-Specific Environmental Cost Recovery Issues

ISSUE 11: Should the Commission approve Gulf Power Company's Gulf Coast Ozone Study (GCOS) program for cost recovery through the Environmental Cost Recovery Clause?

GULE: Yes. (Vick)

Respectfully submitted this 13th day of October, 1999.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 990007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 13th day of October 1999 by U.S. Mail or hand delivery to the following:

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