

One Energy Place
Pensacola, Florida 32520

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June 22, 2001

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. 010283-EI

Enclosed are an original and fifteen copies of the Prehearing Statement of Gulf Power Company to be filed in the above docket.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Statement in WordPerfect 6.0 format as prepared on a Windows NT based computer.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour (lw)".

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosures

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE
07798 JUN 25 2001
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Calculation of Gains and)
appropriate regulatory treatment for)
non-separated wholesale energy sales by)
investor-owned electric utilities)
_____)

Docket No. 010283-EI
Date Filed: June 22, 2001

PREHEARING STATEMENT OF GULF POWER COMPANY

Gulf Power Company, (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned attorneys, and pursuant to Order No. PSC-01-0517-PCO-EI and Rule 25-22.038(3), Florida Administrative Code, files this prehearing statement, saying:

A. APPEARANCES:

JEFFREY A. STONE, Esquire, and RUSSELL A. BADDERS,
Esquire, of Beggs & Lane, 700 Blount Building, 3 West Garden
Street, P.O. Box 12950, Pensacola, FL 32576-2950
On behalf of Gulf Power Company.

B. WITNESSES: All witnesses known at this time, who may be called by Gulf Power Company, along with the subject matter and issue numbers which will be covered by the witness' testimony, are as follows:

<u>Witness</u> (Direct)	<u>Subject Matter</u>	<u>Issues</u>
1. Susan D. Ritenour	Regulatory Treatment of the credit for SO ₂ allowances	1

C. EXHIBITS:

NONE

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the Commission should allow Gulf to credit the fuel cost recovery clause for the SO₂ emission allowance component of non-separated wholesale energy sales.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Energy Conservation Cost Recovery Issues

ISSUE 1: What is the appropriate regulatory treatment for Gulf Power Company's SO₂ emission allowances associated with its non-separated wholesale energy sales?

GULF: For non-separated wholesale energy sales that contain a SO₂ emission allowance component, that portion of the sales price associated with the SO₂ emission allowance should be credited to the fuel clause.

ISSUE 2: What is the appropriate regulatory treatment for the fuel and energy interchange associated with non-separated wholesale energy sales?

GULF: The fuel and purchased power cost recovery clause should be credited for an amount equal to the incremental fuel cost of generating the energy for non-separated wholesale energy sales.

ISSUE 3: What is the appropriate regulatory treatment for the operation and maintenance (O&M) expenses associated with non-separated wholesale energy sales?

GULF: Operating revenues should be credited for an amount equal to the incremental O&M expenses related to generating the energy for non-separated wholesale energy sales.

ISSUE 4: How should the Commission implement Part II of Order No. PSC-00-1744-PAA-EI, in Docket No. 991779-EI, issued September 26, 2000, concerning the application of incentives to wholesale energy sales?

GULF: Gulf agrees with the stipulation proposed in Staff's revised preliminary list of issues dated June 20, 2001. In the event that the parties are unable to stipulate to Staff's language, Gulf reserves the right to take an alternate position

on this issue at the prehearing conference in this docket.

ISSUE 5: Should this docket be closed?

GULF: Yes

F. STIPULATED ISSUES

GULF: Yet to be determined. Gulf is willing to stipulate that the testimony of all witnesses whom no one wishes to cross examine be inserted into the record as though read, cross examination be waived, and the witness's attendance at the hearing be excused.

G. PENDING MOTIONS:

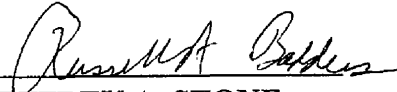
GULF: None.

H. OTHER MATTERS:

GULE: To the best knowledge of counsel, Gulf has complied, or is able to comply, with all requirements set forth in the orders on procedure and/or the Commission rules governing this prehearing statement. If other issues are raised for determination at the hearing set for August 2, 2001, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this ^{22nd} day of June, 2001.

Respectfully submitted,



JEFFREY A. STONE

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RUSSELL A. BADDERS

Florida Bar No. 007455

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(850) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Calculation of gains and appropriate)
regulatory treatment for non-separated wholesale)
energy sales by investor-owned electric utilities) Docket No. 010283-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 June 2001 on the following:

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