

ORIGINAL



July 12, 2001

Ms. Blanca S. Bayo, Director
Division of the Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

Dear Ms. Bayo:

Re: Docket No. 010001-EI, Fuel and Purchased Power Cost Recovery
Clause and Generating Performance Incentive Factor - Post Workshop
Comments

Gulf Power Company appreciated the opportunity to discuss in a workshop setting the alternatives for the length of the cost recovery period for the fuel cost recovery clause.

Much of the discussion at the workshop on June 27, 2001 centered on the pros and cons of the status quo and the two alternatives proposed by staff in a letter dated May 25, 2001. A third alternative proposed verbally by the staff at the workshop was the focus of our post workshop comments.

Gulf supports this third proposal which incorporates features of the current filing schedule and allows flexibility for any company that has a need for more frequent filings. The following is an outline of Gulf's understanding of the proposed procedure:

- Annual projections (proposing calendar year factors) and true-ups would be filed on the current schedule.
- Annual hearings would be scheduled for November, as they are now.
- If a company wanted new factors to be implemented in July, they would file testimony and projections in March.
- An April hearing date would be reserved each year in case it was needed to establish new factors beginning in July.

Certified a True Copy.

Linda G. Malone
ASST. Secretary
GULF POWER COMPANY

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Ms. Blanca S. Bayo
July 12, 2001
Page Two

- The currently established mid-course correction procedures would continue for all companies regardless of whether or not factors were changed in July.

Gulf continues to believe that the reasons for implementing the calendar year recovery period in 1999 are still valid today. The above proposal would allow Gulf and others to continue to benefit from the efficiency of annual hearings. It, however, recognizes that there may be a need to file revised projections in the spring for a mid-year change in the factors. We believe this policy represents all the needs of the parties and urge the staff to implement this improvement to the current practice.

Sincerely,

Susan D. Ritenour (lw)

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

cc: Beggs and Lane
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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. 010001-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 12th day of July 2001 on the following:

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