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ORIGINAL



October 4, 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. 010002-EG

Enclosed for official filing in the above referenced docket are an original and ten (10) copies of the following:

1. Petition of Gulf Power Company. 12676-01
2. Prepared direct testimony and exhibit of Michael J. McCarthy. 12677-01

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 8 format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

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Enclosures

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

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DOCUMENT NUMBER-DATE

12676 OCT-5 01

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)
_____)

Docket No. 010002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 4~~th~~ day of October 2001 to the following:

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
) Docket No.: 010002-EG
) Filed: October 5, 2001
)
_____)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
THE FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2000 THROUGH DECEMBER 2000;
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2001 THROUGH DECEMBER 2001;
PROJECTED CONSERVATION COST RECOVERY AMOUNTS
FOR JANUARY 2002 THROUGH DECEMBER 2002;
AND THE CONSERVATION COST RECOVERY FACTORS TO BE APPLIED
BEGINNING WITH THE PERIOD JANUARY 2002 THROUGH DECEMBER 2002**

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

Jeffrey A. Stone
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Pensacola, FL 32576-2950

Susan D. Ritenour
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 attorneys, and pursuant to Section 366.82(5) of the Florida Statutes and Rule 25-17.015 of the Florida Administrative Code, hereby petitions the Florida Public Service Commission for recovery of the final conservation cost recovery true-up amounts for January 2000 through December 2000; for approval of its estimated energy conservation true-up factor for the period January 2001 through December 2001 for approval of the projected energy conservation amounts for the period January 2002 through December 2002; and for approval of the proposed energy conservation cost recovery factors to be applied beginning with the period

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FPSC-COMMISSION CLERK

January 2002 through December 2002. In support thereof the Company would respectfully show:

1. Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Pensacola, Florida 32520. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.

2. Pursuant to Section 366.82 of the Florida Statutes, Gulf's energy conservation programs and goals have been approved and adopted by order of this Commission. The implementation of these programs has resulted in certain reasonable and prudent unreimbursed costs incurred or to be incurred which the Company hereby petitions to be recovered through its rates and charges pursuant to Rule 25-17.015, F.A.C., and the orders and procedures of this Commission.

3. Incorporated by reference into this petition are the testimony and exhibit of M. J. McCarthy, submitted in May 2001 and the testimony and exhibit of M. J. McCarthy submitted with this petition.¹ The two composite exhibits present reports of Gulf's various programs and incorporate the appropriate and necessary data and information to show the energy conservation cost calculations projected for the period January 2002 through December 2002 and the appropriate true-up adjustment to be applied based on actual data through August 2001 and estimated data for the remainder of the period through December 2001.

¹The composite exhibit attached to the May testimony contains the Company's CT schedules for the twelve month period ending December 2000. The composite exhibit attached to this testimony contains the Company's C schedules for the twelve month period ending December 2002 and includes data related to the current period January through August 2002 actual and September through December 2001 estimated.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in May 2001 as shown on Schedule CT-1. The final true-up amount for the period January 2000 through December 2000, as presented in the testimony and exhibit of M. J. McCarthy filed in May 2001, is \$78,831 over recovery which amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be refunded in the next period.

5. Gulf has calculated its estimated true-up amount for the period ending December 2001 to be an under recovery of \$1,044,914. This amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be collected during the projection period.

6. Gulf projects recoverable expenditures of \$5,022,328 for its approved conservation programs during the twelve month period beginning January 2002 and ending December 2002.

7. Gulf projects its retail energy sales during the period January 2002 through December 2002 will be 10,265,773,000 kilowatthours (KWH).

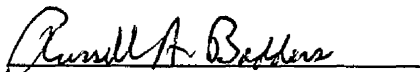
8. On the basis of the final true-up for the period January 2000 through December 2000, the estimated true-up for the period January 2001 through December 2001, the cost projections for the period January 2002 through December 2002, and proper consideration of both projected kilowatthour sales and the adjustment for revenue taxes, the Company's proposed conservation cost recovery factors by customer class for the period January 2002 through December 2002 are as follows:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RST	0.064
GS, GST	0.064
GSD, GSdT	0.059
LP, LPT	0.056
PX, PXT, RTP, CSA	0.053
OSI, OS11	0.045
OSIII	0.056
OSIV	0.049
SBS	0.053

WHEREFORE, Gulf Power Company respectfully requests the Commission to authorize the Company to recover its unreimbursed costs reasonably and prudently incurred in accordance with this petition and thereby approve the final conservation cost recovery true-up amounts for the period January 2000 through December 2000, the estimated conservation cost

recovery true-up amount for January 2001 through December 2001, the projected conservation cost recovery amounts for January 2002 through December 2002, and the conservation cost recovery factors to be applied beginning with the period January 2002 through December 2002.

Dated this 4th day of October, 2001



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