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Pensacola, Florida 32520

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October 23, 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. 010002-EG

Enclosed are an original and ten 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 8 for Windows 6.1 format as prepared on a Windows NT based computer.

Sincerely,

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

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

Enclosure

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

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause)
)
_____)

Docket No. 010002-EG
Date Filed: October 24, 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-00-0951-PCO-EG 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 (Direct)</u>	<u>Subject Matter</u>	<u>Issues</u>
1. Michael J. McCarthy	True-up; Components of Gulf's Conservation Plan and associated costs; projections and program results	1, 2, 3, 4

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
_____ (MJM-1)	McCarthy	Schedules CT-1 through CT-6
_____ (MJM-2)	McCarthy	Schedules C-1 through C-5

D. STATEMENT OF BASIC POSITION

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the proposed ECCR factors present the best estimate of Gulf's Conservation expense for the period January 2002 through December 2002, including the true-up calculations and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Energy Conservation Cost Recovery Issues

ISSUE 1: What is the final end-of-period true-up amount for the period January 2000 through December 2000?

GULE: Under recovery \$867,223.

ISSUE 2: What are the appropriate conservation cost recovery factors by customer class for the period January 1, 2002 through December 2002?

GULE: See table below:

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	0.053
OSI, OSII	0.045
OSIII	0.056
OSIV	0.049
SBS	0.053

(McCarthy).

ISSUE 3: What should be the effective date of the conservation cost recovery factors for billing purposes?

GULF: The factors should be effective beginning with the specified conservation cost recovery cycle and thereafter for the period January 2002 through December 2002. Billing cycles may start before January 1, 2002, and the last cycle may be read after December 31, 2002, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Company-Specific Conservation Cost Recovery Issues

ISSUE 4: Should Gulf Power Company (GPC) be allowed to recover expenses associated with providing a free 40-gallon electric water heater for residential customers switching from gas to electric through the ECCR?

GULF: Gulf has not petitioned or otherwise requested to recover expenses associated with providing a free 40-gallon electric water heater for residential customers switching from gas to electric through the ECCR. This issue should be removed from consideration in this docket as it is not ripe for decision by the Commission at this time. (McCarthy)

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:

GULF: 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 hearings set for November 20-21, 2001, Gulf respectfully requests an

opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 23rd day of October, 2001.

Respectfully submitted,



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

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Attorneys for Gulf Power Company

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 23rd day of October 2001 to the following:

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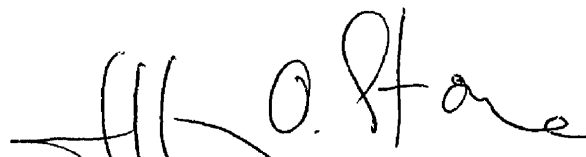
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