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ORIGINAL



October 3, 2002

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. 020002-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. *10722-02*
2. Prepared direct testimony and exhibit of *10723-02*
Michael J. McCarthy.

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

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

AUS	___
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Enclosures

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

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)
_____)

Docket No. 020002-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 3rd day of October 2002 to the following:

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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
) Docket No.: 020002-EG
) Filed: October 4, 2002
)
_____)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
THE FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2001 THROUGH DECEMBER 2001;
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR JANUARY 2002 THROUGH DECEMBER 2002;
PROJECTED CONSERVATION COST RECOVERY AMOUNTS
FOR JANUARY 2003 THROUGH DECEMBER 2003;
AND THE CONSERVATION COST RECOVERY FACTORS TO BE APPLIED
BEGINNING WITH THE PERIOD JANUARY 2003 THROUGH DECEMBER 2003**

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

Jeffrey A. Stone
Russell A. Badders
Beggs & Lane
P. O. Box 12950
Pensacola, FL 32501

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 2001 through December 2001; for approval of its estimated energy conservation true-up factor for the period January 2002 through December 2002 for approval of the projected energy conservation amounts for the period January 2003 through December 2003; and for approval of the proposed energy conservation cost recovery factors to be applied beginning with the period

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January 2003 through December 2003. 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 2002 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 2003 through December 2003 and the appropriate true-up adjustment to be applied based on actual data through August 2002 and estimated data for the remainder of the period through December 2002.

¹The composite exhibit attached to the May testimony contains the Company's CT schedules for the twelve month period ending December 2001. The composite exhibit attached to this testimony contains the Company's C schedules for the twelve month period ending December 2003 and includes data related to the current period January through August 2002 actual and September through December 2002 estimated.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in May 2002 as shown on Schedule CT-1. The final true-up amount for the period January 2001 through December 2001, as presented in the testimony and exhibit of M. J. McCarthy filed in May 2002, is \$365,595 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 2002 to be an over recovery of \$141,610. 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 \$6,152,048 for its approved conservation programs during the twelve month period beginning January 2003 and ending December 2003.

7. Gulf projects its retail energy sales during the period January 2003 through December 2003 will be 10,337,091,000 kilowatthours (KWH).

8. On the basis of the final true-up for the period January 2001 through December 2001, the estimated true-up for the period January 2002 through December 2002, the cost projections for the period January 2003 through December 2003, 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 2003 through December 2003 are as follows:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.061
GS, GST	0.061
GSD, GSDT	0.057
LP, LPT	0.055
PX, PXT, RTP, CSA	0.052
OS-I/II	0.047
OSIII	0.054
OSIV	0.047
SBS	0.052

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 2001 through December 2001, the estimated conservation cost

recovery true-up amount for January 2002 through December 2002, the projected conservation cost recovery amounts for January 2003 through December 2003, and the conservation cost recovery factors to be applied beginning with the period January 2003 through December 2003.

Dated this 3rd day of October, 2002



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