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ORIGINAL



November 7, 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. 020007-EG

Enclosed are an original and ten copies of Gulf Power Company's Motion for Leave to File Supplemental Testimony and the Supplemental Testimony of Susan D. Ritenour to be filed in the above docket.

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

Sincerely,

Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

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CAF _____
CMP _____
COM 5 orig test
CTR _____
ECR (test)
GCL 1 (test)
OPC _____
MMS _____
SEC 1
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Susan D. Ritenour
Supplemental Testimony
DOCUMENT NUMBER-DATE

12282 NOV-88

FPSC-COMMISSION CLERK

Motion to leave to file
Supplemental Testimony
DOCUMENT NUMBER-DATE

12281 NOV-88

FPSC-COMMISSION CLERK

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 020007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 7th day of November 2002 by U.S. Mail or hand delivery to the following:

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DOCUMENT NUMBER-DATE

12281 NOV-8 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost Recovery Clause)
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_____)

Docket No.: 020007-EI
Filed: November 8, 2002

**GULF POWER COMPANY'S
MOTION FOR LEAVE TO FILE
SUPPLEMENTAL TESTIMONY**

GULF POWER COMPANY (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned counsel, hereby moves for leave to file the supplemental direct testimony and exhibit of Susan D. Ritenour. In support of this request, the Company would respectfully show:

1. At the close of business on October 30, 2002, Commission Order No. PSC-02-1396-PAA-EI [“the Order”] issued October 9, 2002 in Docket No. 020943-EI became final agency action. Docket No. 020943-EI was opened to address Gulf’s petition for approval of an Agreement between Gulf and the Florida Department of Environment Protection (DEP) and the cost recovery of related expenditures and expenses through the environmental cost recovery clause (ECRC). As noted in the Order, as part of the agreement between Gulf and DEP, Plant Crist Units 1-3 will be retired early. As part of the Company’s response to an informal data request in Docket No. 020943-EI, Gulf presented two alternatives to the Commission with regard to the treatment of the remaining undepreciated balances for these three units. One method would allow Gulf to continue to depreciate/amortize the remaining undepreciated balance over the period through 2011, which is when the units were otherwise scheduled to be retired. Under this method, there would be no incremental amount of depreciation/amortization expense beyond that already reflected in the Company’s base rates and consequently there would be no incremental costs associated with the early retirement to be recovered through the ECRC. The

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other method was to accelerate the depreciation/amortization of the units so that there would be no undepreciated balance remaining at the beginning of 2006 when the Company's next scheduled depreciation study and associated depreciation rates would take effect. This method, which was adopted by the Commission in Order No. PSC-02-1396-PAA-EI, will result in an incremental increase to the Company's depreciation/amortization amounts for these units during 2003, 2004, and 2005. In Order No. PSC-02-1396-PAA-EI, the Commission approved recovery through the ECRC of "the incremental costs associated with the new retirement schedule."

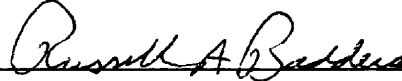
2. As a result of the Commission's action in Docket No. 020943-EI, two new issues specific to Gulf have been raised in Docket No. 020007-EI, issues 10A and 10B. These two new issues address the allocation of the new environmental costs for implementing the Agreement between Gulf and the DEP for the year 2003 and how Gulf will recover the **depreciation expense** associated with the retirement of Crist Units 1, 2 and 3.

3. The supplemental direct testimony and exhibit of Susan D. Ritenour addresses issues 10A and 10B in an effort to provide the Commission with information on which to make an informed decision.

4. The supplemental direct testimony and exhibit of Susan D. Ritenour are being submitted concurrently with this motion.

WHEREFORE, Gulf requests that the Commission grant leave to file the supplemental direct testimony and exhibit of witness Susan D. Ritenour and that it accept for filing the testimony that is submitted concurrently herewith.

Dated the 7th day of November, 2002.



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