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October 7, 2004

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. 040002-EG

Enclosed are an original and ten copies of the Preliminary Statement of Gulf Power Company regarding Issues and Positions in the above docket.

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

Sincerely,

CMP _____
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Enclosures

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

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery
Clause

Docket No. 040002-EG
Filed: October 8, 2004

PRELIMINARY STATEMENT OF GULF POWER COMPANY
REGARDING ISSUES AND POSITIONS

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"), by and through its undersigned attorneys, files this preliminary statement of issues and positions, saying:

Generic Energy Conservation Cost Recovery Issues

ISSUE 1: What is the appropriate adjusted net true-up amount for the period January 2003 through December 2003?

GULF: Under recovery \$355,105. (Carter)

ISSUE 2: What are the appropriate conservation cost recovery factors for the period January 2005 through December 2005?

GULF: The Company's proposed conservation cost recovery factors by customer class for the period January 2005 through December 2005 are as follows:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.088
GS	0.087
GSD, GSDT, GSTOU	0.084
LP, LPT	0.079
PX, PXT, RTP, CSA, SBS	0.074
OSI/II	0.069
OSIII	0.077

(Carter).

ISSUE 4: What should be the effective date of the new conservation cost recovery factors for billing purposes?

GULF: The new conservation cost recovery factors should be effective beginning with the first billing cycle for January 2005 and thereafter through the last billing cycle for December 2005. The first billing cycle may start before January 1, 2005, and the last cycle may be read after December 31, 2005, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

Gulf Power Company-Specific Conservation Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Dated this 7th day of October, 2004

Respectfully submitted,



JEFFREY A. STONE

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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. 040002-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 7th day of October 2004 to the following:

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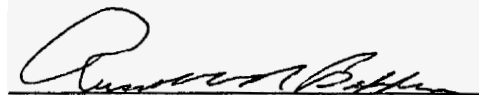
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