

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com



October 15, 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-EI

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 Microsoft Word for Windows format as prepared on a Windows NT based computer.

Sincerely,

A handwritten signature in cursive script that reads "Susan D. Ritenour (dw)". The signature is written in black ink on a light-colored background.

db

Enclosure

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

DOCUMENT NUMBER-DATE
11167 OCT 18 04
FPSC-COMMISSION CLERK

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 15th day of October 2004 to the following:

Norman Horton, Jr., Esquire
Messer, Caparello, & Self, P.A.
P. O. Box 1876
Tallahassee FL 32302-1876

Robert Vandiver, Esquire
Office of Public Counsel
111 W. Madison St., Suite 812
Tallahassee FL 32399-1400

R. Wade Litchfield, Esquire
Natalie F. Smith, Esquire
Florida Power & Light Company
700 Universe Boulevard
Juno Beach FL 33408

Lee L. Willis, Esquire
James D. Beasley, Esquire
Ausley & McMullen
P. O. Box 391
Tallahassee FL 32302

Ansley Watson, Jr., Esquire
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa FL 33601-1531

Vicki Gordon Kaufman, Esquire
McWhirter Reeves
117 S. Gadsden Street
Tallahassee FL 32301

Martha Brown, Esquire
Staff Counsel
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

James McGee, Esquire
Progress Energy Service Co., LLC
P. O. Box 14042
St. Petersburg FL 33733-4042

John W. McWhirter, Jr., Esq.
McWhirter Reeves
400 N Tampa St Suite 2450
Tampa FL 33602

Kenneth A. Hoffman, Esq.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee FL 32302-0551



JEFFREY A. STONE

Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 0007455
Beggs & Lane
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause) Docket No. 040002-EG
) Date Filed: October 18, 2004
)

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, P.O. Box 12950, Pensacola, FL
32591-2950
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</u> (Direct)	<u>Subject Matter</u>	<u>Issues</u>
1. Angela T. Carter	True-up; components of Gulf's conservation plan and associated costs; projections and program results	1, 2, 3

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
(ATC-1)	Carter	Schedules CT-1 through CT-6
(ATC-2)	Carter	Schedules C-1 through C-5

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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 factor presents the best estimate of Gulf's Conservation expense for the period January 2005 through December 2005, 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 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

ISSUE 3: 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.

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 8-10, 2004, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 15h day of October, 2004.

Respectfully submitted,



JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 007455

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591-2950

(850) 432-2451

Attorneys for Gulf Power Company