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September 30, 2005

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. 050001-EI

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

Sincerely,

Susan D. Ritenour

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Enclosure

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

DOCUMENT NUMBER-DATE

09353 OCT-3 05

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and)
Generating Performance Incentive)
Factor)
_____)

Docket No. 050001-EI
Filed: October 3, 2005

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, hereby files this preliminary statement of issues and positions, saying:

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up amounts for the period January 2004 through December 2004?

GULF: Over recovery \$18,641,731. (Ball, Davis)

ISSUE 2: What are the appropriate estimated fuel adjustment true-up amounts for the period January 2005 through December 2005?

GULF: Under recovery \$30,102,348. (Ball, Davis)

ISSUE 3: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded during the period January 2006 through December 2006?

GULF: Under recovery \$11,460,617. (Davis)

ISSUE 4: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period of January 2006 through December 2006?

GULF: 1.00072. (Davis)

ISSUE 5: What are the projected net fuel and purchased power cost recovery amounts to be included in the recovery factor for the projection period of January 2006 through December 2006?

GULF: \$347,469,048. (Davis)

ISSUE 6: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

GULF: See table below: (Davis)

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, GS, GSD, SBS, OSIII	1.00526	3.092	3.615	2.869
B	LP, LPT, SBS	0.98890	3.042	3.557	2.823
C	PX, PXT, RTP, SBS	0.98063	3.016	3.527	2.799
D	OSI/II	1.00529	3.060	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; customers with a Contract Demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

ISSUE 7: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

GULF: See table below: (Davis)

Group	Rate Schedules	Line Loss Multipliers
A	RS, GS, GSD, SBS, OSIII	1.00526
B	LP, LPT, SBS	0.98890
C	PX, PXT, RTP, SBS	0.98063
D	OSI/II	1.00529

ISSUE 8: What are the appropriate Fuel Cost Recovery Factor for each rate group adjusted for line losses?

GULF: 3.076. (Davis)

ISSUE 9: What should be the effective date of the new fuel adjustment charge, oil backout charge and capacity cost recovery charge for billing purposes?

The new fuel factors should be effective beginning with the first billing cycle for January 2006 and thereafter through the last billing cycle for December 2006. The first billing cycle may start before January 1, 2006, and the last cycle may be read after December 31, 2006, so that each customer is billed for twelve months regardless of when the adjustment factor became effective.

ISSUE 10: What are the appropriate actual benchmark levels for calendar year 2005 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

GULF: \$2,717,207. (Davis, Ball)

ISSUE 11: What are the appropriate estimated benchmark levels for calendar year 2006 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

GULF: \$3,125,487. (Davis, Ball)

Company-Specific Fuel Adjustment Issues

NONE RAISED BY GULF POWER COMPANY

Generic Generating Performance Incentive Factor Issues

ISSUE 17: What is the appropriate GPIF reward or penalty for performance achieved during the period January 2004 through December 2004?

GULF: \$441,988 reward. (Noack)

ISSUE 18: What should the GPIF targets/ranges be for the period January 2006 through December 2006?

GULF: See table below: (Noack)

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	87.1	12.1	0.8	10,493
Crist 5	92.4	6.3	1.3	10,375
Crist 6	90.2	0.0	9.8	10,171
Crist 7	80.8	8.2	11.0	10,268
Smith 1	90.1	0.0	1.9	10,176
Smith 2	84.1	6.3	9.6	10,222
Daniel 1	93.6	2.5	3.9	10,181
Daniel 2	81.5	15.3	3.2	10,027

EAF = Equivalent Availability Factor
POF = Planned Outage Factor
EUOF = Equivalent Unplanned Outage Factor

Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Generic Capacity Cost Recovery Issues

ISSUE 23: What is the appropriate final purchased power capacity cost recovery true-up amount for the period January 2004 through December 2004?

GULF: Over recovery of \$428,009. (Ball, Davis)

ISSUE 24: What is the estimated purchased power capacity cost recovery true-up amount for the period January 2005 through December 2005?

GULF: Over recovery of \$913,842. (Ball, Davis)

ISSUE 25: What is the appropriate total capacity cost recovery true-up amount to be collected/refunded during the period January 2006 through December 2006?

GULF: \$1,341,851 refund. (Davis)

ISSUE 26: What is the appropriate projected net purchased power capacity cost amount to be included in the recovery factor for the period January 2006 through December 2006?

GULF: \$27,149,254. (Ball, Davis)

ISSUE 27: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2006 through December 2006?

GULF: 96.64872%. (Ball, Davis)

ISSUE 28: What are the appropriate capacity cost recovery factors for the period January, 2005 through December, 2005?

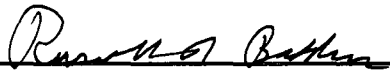
GULF: See table below: (Davis)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.272
GS	0.263
GSD, GSDT, GSTOU	0.233
LP, LPT	0.202
PX, PXT, RTP, SBS	0.169
OS-I/II	0.116
OSIII	0.175

Company-Specific Capacity Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 30th day of October, 2005.



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power Cost)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No. 050001-EI

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 30th day of September 2005 on the following:

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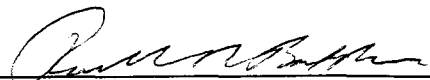
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