

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Environmental Cost)
Recovery Clause.)
_____)

Docket No. 060007-EI
Filed: September 15, 2006

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 Environmental Cost Recovery Issues

ISSUE 1: What are the appropriate final environmental cost recovery true-up amounts for the period January 2005 through December 2005?

GULF: Over recovery \$1,659,043. (Vick, Martin)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period January, 2006 through December, 2006?

GULF: Over recovery \$2,874,720. (Vick, Martin)

ISSUE 3: What are the total environmental cost recovery true-up amounts to be collected/refunded during the period January 2007 though December 2007?

GULF: Refund of \$4,533,763. (excluding revenue taxes). (Martin)

ISSUE 4: What are the appropriate projected environmental cost amounts to be included in the recovery factors for the period January 2007 through December 2007?

GULF: \$48,178,803. (Vick, Martin)

ISSUE 5: What depreciation rates should be used to develop the depreciation expense included in the total environmental cost recovery amounts for the period January 2007 through December 2007?

GULF: The depreciation rates used to calculate the depreciation expense should be the rates that are in effect during the period the allowed capital investment is in service. (Martin)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2007 through December 2007?

GULF: The demand jurisdictional separation factor is 96.64872%. Energy jurisdictional separation factors are calculated each month based on retail KWH sales as a percentage of projected total territorial KWH sales. (Martin)

ISSUE 7: What are the appropriate Environmental Cost Recovery Factors for each rate group?

GULF: See table below: (Martin)

| RATE CLASS | ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH |
|-------------------|--|
| RS, RSVP | .387 |
| GS | .385 |
| GSD, GSDT, GSTOU | .379 |
| LP, LPT | .367 |
| PX, PXT, RTP, SBS | .357 |
| OS-I/II | .354 |
| OSIII | .367 |

ISSUE 8: What should be the effective date of the new environmental cost recovery factors for billing purposes?

GULF: The factors should be effective beginning with the specified billing cycle and thereafter for the period January, 2007, through December, 2007. Billing cycles may start before January 1, 2007, and the last cycle may be read after December 31, 2007, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Martin)

Company-Specific Environmental Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 15th day of September, 2006.

/s/Russell A. Badders

JEFFREY A. STONE

Florida Bar No. 325953

RUSSELL A. BADDERS

Florida Bar No. 7455

Steven R. Griffin

Florida Bar No. 0627569

Beggs & Lane

P. O. Box 12950

Pensacola, FL 32591

(850) 432-2451

Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: **Environmental Cost**)
Recovery Clause)
_____)

Docket No.: **060007-EI**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 15th day of September, 2006, by U. S. mail to the following:

Martha Brown, Esq.
Senior Counsel
FL Public Service Comm.
2540 Shumard Oak Blvd.
Tallahassee FL 32399-0850

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

Ms. Brenda Irizarry
Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa FL 33601

John T. Butler, Esq.
Squire Sanders & Dempsey
200 S. Biscayne Blvd., Ste.4000
Miami FL 33131-2398

Gary V. Perko, Esq.
Hopping Green & Sams, P. A.
P. O. Box 6526
Tallahassee FL 32314

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Ave., Ste. 800
Tallahassee FL 32301-7740

Patricia Ann Christensen, Esq.
Office of Public Counsel
111 W. Madison St., Room 812
Tallahassee FL 32399-1400

John T. Burnett, Esq.
Progress Energy Service Co.
P. O. Box 14042
St. Petersburg FL 33733-4042

William G. Walker, III
Florida Power & Light Co.
215 South Monroe Street
Suite 810
Tallahassee FL 32301-1859

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

Robert Scheffel Wright, Esq.
John T. LaVia, III, Esq.
Young van Assenderp, P.A.
225 S. Adams St., Suite 200
Tallahassee FL 32301

R. Wade Litchfield, Esq.
Assoc. General Counsel
700 Universe Boulevard
Juno Beach, FL 33408-0420

Timothy J. Perry, Esq.
McWhirter Reeves & Davidson
117 S. Gadsden Street
Tallahassee FL 32301

Florida Retail Federal
100 East Jefferson Street
Tallahassee, FL 32301

/s/Russell A. Badders
JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 0007455
STEVEN GRIFFIN
Florida Bar No. 0627569
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32591-2950
(850) 432-2451
Attorneys for Gulf Power Company