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October 6, 2006

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. 060002-EG

Enclosed are an original and fifteen 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,

*Susan D. Ritenour*

lw

Enclosure

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

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery )  
Clause ) Docket No. 060002-EG  
) Date Filed: October 6, 2006  
)

**PREHEARING STATEMENT OF GULF POWER COMPANY**

Gulf Power Company, (“Gulf Power”, “Gulf”, or “the Company”), by and through its undersigned attorneys, and pursuant to Rule 25-22.038(3), Florida Administrative Code, files this prehearing statement, saying:

**A. APPEARANCES:**

JEFFREY A. STONE, Esquire, RUSSELL A. BADDERS, Esquire  
and STEVEN R. GRIFFIN, 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. William D. Eggart	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>
(WDE-1)	Eggart	Schedules CT-1 through CT-6
(WDE-2)	Eggart	Schedules C-1 through C-5

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 factors present the best estimate of Gulf's Conservation expense for the period January 2007 through December 2007, 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 final conservation cost recovery true-up amount for the period January 2005 through December 2005?

**GULF:** Over recovery \$863,487. (Eggart)

**ISSUE 2:** What are the appropriate conservation cost recovery factors for the period January 2007 through December 2007?

**GULF:** The Company's proposed conservation cost recovery factors by customer class for the period January 2007 through December 2007 are as follows:

<b>RATE CLASS</b>	<b>CONSERVATION COST RECOVERY FACTORS ¢/kWh</b>
RS, RSVP	0.088
GS	0.087
GSD, GSDT, GSTOU	0.083
LP, LPT	0.079
PX, PXT, RTP, SBS	0.074
OSI/II	0.070
OSIII	0.077

(Eggart)

**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 2007 and thereafter through the last billing cycle for December 2007. The first billing cycle 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. (Eggart)

**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.

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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 6-8, 2006, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 6<sup>th</sup> day of October, 2006.

Respectfully submitted,



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**Attorneys for Gulf Power Company**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery )

Docket No.: 060002-EG

**CERTIFICATE OF SERVICE**

lath I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this day of October, 2006, on the following:

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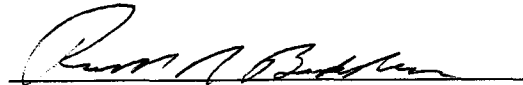
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