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October 11, 2007

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OCT 12 AM 10:10
COMMISSION
CLERK

Ms. Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850

Dear Ms. Cole:

RE: Docket No. 070002-EI

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

CMP _____ Sincerely,
COM 5 _____
CTR _____ *Susan D. Ritenour*
ECR _____ *bub*

GCL 2 + diskette _____

OPC _____

RCA _____ bh

SCR _____ Enclosures

SGA _____

SEC _____ cc: Beggs & Lane
Jeffrey A. Stone, Esq.

OTH _____

DOCUMENT NUMBER - DATE
09349 OCT 12 06
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
Clause) Docket No. 070002-EG
) Date Filed: October 12, 2007
)

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-07-0166-PCO-EG establishing the prehearing procedure in this docket, 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 |

DOCUMENT NUMBER-DATE
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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 factors present the best estimate of Gulf's Conservation expense for the period January 2008 through December 2008, 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 are the appropriate final conservation cost recovery true-up amounts for the period January 2006 through December 2006?

GULF: Over recovery \$952,442. (Eggart)

ISSUE 2: What are the appropriate conservation cost recovery factors for the period January 2008 through December 2008?

GULF: The Company's proposed conservation cost recovery factors by customer class for the period January 2008 through December 2008 are as follows: (Eggart)

| RATE CLASS | CONSERVATION COST RECOVERY FACTORS ¢/kWh |
|-------------------|---|
| RS, RSVP | 0.097 |
| GS | 0.094 |
| GSD, GSDT, GSTOU | 0.090 |
| LP, LPT | 0.085 |
| PX, PXT, RTP, SBS | 0.081 |
| OSI, OSII | 0.071 |
| OSIII | 0.084 |

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 2008 and thereafter through the last billing cycle for December 2008. The first billing cycle may start before January 1, 2008, and the last cycle may be read after December 31, 2008, 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.

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, 2007, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 11th day of October, 2007.

Respectfully submitted,



JEFFREY A. STONE

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RUSSELL A. BADDERS

Florida Bar No. 0007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
_____)

Docket No.: 070002-EG

CERTIFICATE OF SERVICE

11th I HEREBY CERTIFY that a true copy of the foregoing was furnished by U. S. mail this day of October, 2007, on the following:

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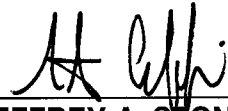
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