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September 11, 2009

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

Dear Ms. Cole:

Re: Docket No. 090007-EI

Enclosed are an original and fifteen copies of Gulf Power Company's Preliminary List of Issues, to be filed in the above referenced Environmental Cost Recovery Clause docket.

Sincerely,

Susan D. Ritenour

mv

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BCR Enclosures
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cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No.: **090007-EI**

CERTIFICATE OF SERVICE

11th I HEREBY CERTIFY that a copy of the foregoing has been furnished this day of September, 2009, by regular U. S. Mail to the following:

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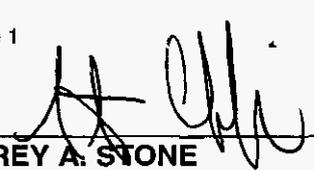
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Docket No. 090007 - EI
Filed: September 11, 2009

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 final environmental cost recovery true-up amounts for the period January 2008 through December 31, 2008?

GULF: Over recovery of \$1,381,411. (Vick, Dodd)

ISSUE 2: What are the estimated/actual environmental cost recovery true-up amounts for the period January 2009 through December 2009?

GULF: Over recovery of \$405,127. (Vick, Dodd)

ISSUE 3: What are the projected environmental cost recovery amounts for the period January 2010 through December 2010?

GULF: \$155,938,965. (Vick, Dodd)

ISSUE 4: What are the environmental cost recovery amounts, including true-up amounts, for the period January 2010 through December 2010?

GULF: Recovery of \$154,152,427 (excluding revenue taxes). (Dodd)

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 2010 through December 2010?

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. (Dodd)

ISSUE 6: What are the appropriate jurisdictional separation factors for the projected period January 2010 through December 2010?

GULF: The demand jurisdictional separation factor is 96.42160%. Energy jurisdictional separation factors are calculated each month based on retail KWH sales as a percentage of projected total territorial KWH sales. (Dodd)

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

GULF: See table below: (Dodd)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH
RS, RSVP	1.391
GS	1.384
GSD, GSDT, GSTOU	1.372
LP, LPT	1.343
PX, PXT, RTP, SBS	1.322
OS-I/II	1.327
OSIII	1.358

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

GULF: The new environmental cost recovery factors should be effective beginning with the first billing cycle for January 2010 and thereafter through the last billing cycle for December 2010. The first billing cycle may start before January 1, 2010, and the last cycle may be read after December 31, 2010, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Dodd)

Company-Specific Environmental Cost Recovery Issues

Gulf Power Company (Gulf)

ISSUE 9: Should Gulf be allowed to recover the costs associated with its proposed Plant Smith Reclaimed Water Project?

GULF: Yes. (Vick, Dodd)

ISSUE 10: How should the costs associated with the Plant Smith Reclaimed Water Project be allocated to the rate classes?

GULF: Capital costs for the Plant Smith Reclaimed Water Project should be allocated to the rate classes on a 12 CP and 1/13 Average Demand basis. (Dodd)

ISSUE 11: Should Gulf be allowed to recover the costs associated with its proposed Plant Crist Unit 6 Precipitator Project?

GULF: Yes. (Vick, Dodd)

ISSUE 12: How should the costs associated with the Plant Crist Unit 6 Precipitator Project be allocated to the rate classes?

GULF: Capital costs for the Plant Crist Unit 6 Precipitator Project should be allocated to the rate classes on a 100% energy basis. (Dodd)

ISSUE 13: Should the Commission approve Gulf's Environmental Compliance Program Update for the Clean Air Interstate Rule and Clean Air Visibility Rule as reasonable and prudent?

GULF: Yes. (Vick, Dodd)

Respectfully submitted this 11th day of September, 2009.



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