

Gulf Power Company
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FILE COPY

Susan D. Cranmer
Assistant Secretary and
Assistant Treasurer

the southern electric system

August 6, 1996

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0870

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Dear Ms. Bayo:

RE: Docket No. 960007-E1

Enclosed are an original and fifteen copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Petition in WordPerfect for Windows 6.1 format as prepared on a MS-DOS based computer.

Sincerely,

Susan D. Cranmer

RECEIVED & FILED

Enclosure

d
EPSC-BUREAU OF RECORDS

cc: Beggs and Lane
Jeffrey A. Stone, Esquire

DOCUMENT NUMBER-DATE

08239 AUG-7 96

EPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL
FILE COPY

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

Docket No. 960007-EI
Filed: August 7, 1996

**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 October, 1995 through March, 1996?

GULF: Over recovery \$686,617. (Vick, Cranmer)

ISSUE 2: What are the estimated environmental cost recovery true-up amounts for the period April, 1996 through September, 1996?

GULF: Over recovery \$399,066. (Vick, Cranmer)

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

GULF: Refund of \$1,085,683. (excluding revenue taxes). (Cranmer)

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

GULF: \$4,579,828 (six-month factors for October 1996 through March 1997);
\$9,974,077 (twelve-month factors for October 1996 through September 1997).
(Vick, Cranmer)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ISSUE 5:

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

GULF:

See table below: (Cranmer)

RATE CLASS	ENVIRONMENTAL COST RECOVERY FACTORS ¢/KWH	
	Traditional Six-Month (Oct-Mar)	Proposed Twelve-Month (Oct-Sept)
RS, RST	0.128	0.124
GS, GST	0.126	0.122
GSD, GSDT	0.112	0.109
LP, LPT	0.106	0.103
PX, PXT, RTP	0.098	0.095
OSI, OSII	0.083	0.081
OSIII	0.103	0.100
OSIV	0.141	0.136
SBS	0.106	0.103

ISSUE 6:

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 October, 1996, through March, 1997. Billing cycles may start before October 1, 1996, and the last cycle may be read after March 31, 1997, so that each customer is billed for six months regardless of when the adjustment factor became effective. (Cranmer)

If Gulf's request for authority to implement annual environmental cost recovery factors is approved, the new environmental cost recovery factors should be effective beginning with the specified billing cycle and thereafter for the billing period October 1996 through September 1997. Billing cycles may start before

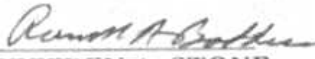
October 1, 1996 and the last billing cycle may be read after September 30, 1997 so that each customer is billed for the twelve months regardless of when the environmental cost recovery factors became effective. (Cranmer)

Company-Specific Environmental Cost Recovery Issues

ISSUE 9: Should the Commission approve Gulf Power Company's request to change the recovery cycle for purposes of the environmental cost recovery clause from two six-month periods (October through March; April through September) to a twelve month recovery cycle (October through September) with factors to be set annually in August?

GULF: Yes. (Cranmer)

Respectfully submitted this 6th day of August, 1996.


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Attorneys for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Environmental Cost Recovery)
Clause)
_____)

Docket No. 960007-EI

Certificate of Service

I HEREBY CERTIFY that a copy of the foregoing has been furnished
this 10th day of August 1996 by U.S. Mail or hand delivery to the following:

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