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COMMISSION
CLERK



September 27, 2010

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

Dear Ms. Cole:

Re: Docket No. 100001-EI

Enclosed is Gulf Power Company's Preliminary List of Issues and Positions, to be filed in the above referenced docket.

Also, enclosed is a CD containing the Preliminary List of Issues in Microsoft Word as prepared on a Windows XP operating system.

Sincerely,

Susan D. Ritenour (dw)

vm

- COM _____
- APA _____
- ECR _____
- GCL _____
- RAD _____
- SSC _____
- ADM _____
- OPC _____
- CLK _____

Enclosures
containing same also fwd to ECK.
cc: Beggs & Lane
Jeffrey A. Stone, Esq.

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Fuel and Purchased Power Cost**)
Recovery Clause with Generating)
Performance Incentive Factor)

Docket No.: 100001-EI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing was furnished by U.S. Mail this 27th day of September, 2010, on the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and)
Generating Performance Incentive)
Factor)
_____)

Docket No. 100001-EI
Filed: September 27, 2010

GULF POWER COMPANY'S PRELIMINARY LIST OF ISSUES AND POSITIONS

Gulf Power Company, ("Gulf Power", "Gulf", or "the "Company"), by and through its undersigned attorneys, hereby files this preliminary list of issues and positions, saying:

COMPANY-SPECIFIC FUEL ADJUSTMENT ISSUES

ISSUE 4A: Should the Commission approve as prudent, GULF's actions to mitigate the volatility of natural gas, residual oil, and purchased power prices, as reported in GULF's April 2010 and August 2010 hedging reports?

GULF: Yes. (Ball)

ISSUE 4B: Should the Commission approve Gulf's 2011 Risk Management Plan?

GULF: Yes. (Ball)

GENERIC FUEL ADJUSTMENT ISSUES

ISSUE 6: What are the appropriate actual benchmark levels for calendar year 2010 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

GULF: \$1,603,413. (Dodd, Ball)

ISSUE 7: What are the appropriate estimated benchmark levels for calendar year 2011 for gains on non-separated wholesale energy sales eligible for a shareholder incentive?

GULF: \$1,017,585. (Dodd, Ball)

ISSUE 8: What are the appropriate fuel adjustment true-up amounts for the period January 2009 through December 2009?

GULF: Over recovery \$9,959,388. (Ball, Dodd)

ISSUE 9: What are the appropriate fuel adjustment true-up amounts for the period January 2010 through December 2010?

GULF: Under recovery \$23,786,207. (Ball, Dodd)

ISSUE 10: What are the appropriate total fuel adjustment true-up amounts to be collected/refunded from January 2011 to December 2011?

GULF: Collection of \$13,826,819. (Dodd)

ISSUE 11: What is the appropriate revenue tax factor to be applied in calculating each investor-owned electric utility's levelized fuel factor for the projection period January 2011 through December 2011?

GULF: 1.00072. (Dodd)

ISSUE 12: What are the appropriate projected net fuel and purchased power cost recovery and Generating Performance Incentive amounts to be included in the recovery factor for the period January 2011 through December 2011?

GULF: \$570,992,471 including prior period true-up amounts and revenue taxes. (Dodd)
Note that this amount reflects the revision of a transposition error in the GPIF reward amount (\$82,250 originally filed as \$88,250).

ISSUE 13: What are the appropriate levelized fuel cost recovery factors for the period January 2011 through December 2011?

GULF: 5.104 cents/kWh. (Dodd)

ISSUE 14:

What are the appropriate fuel recovery line loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class/delivery voltage level class?

GULF:

See table below: (Dodd)

Group	Rate Schedules	Line Loss Multipliers
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00525921
B	LP, LPT, SBS(2)	0.98890061
C	PX, PXT, RTP, SBS(3)	0.98062822
D	OSI/II	1.00529485

(1) Includes SBS customers with a contract demand in the range of 100 to 499 KW
(2) Includes SBS customers with a contract demand in the range of 500 to 7,499 KW
(3) Includes SBS customers with a contract demand over 7,499 KW

ISSUE 15: What are the appropriate fuel cost recovery factors for each rate class/delivery voltage level class adjusted for line losses?

GULF: See table below: (Dodd)

Group	Rate Schedules*	Line Loss Multipliers	Fuel Cost Factors ¢/KWH		
			Standard	Time of Use	
				On-Peak	Off-Peak
A	RS, RSVP,GS, GSD, GSDT, GSTOU, OSIII, SBS(1)	1.00525921	5.131	6.013	4.762
B	LP, LPT, SBS(2)	0.98890061	5.047	5.916	4.684
C	PX, PXT, RTP, SBS(3)	0.98062822	5.005	5.866	4.645
D	OSI/II	1.00529485	5.081	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: (1) customers with a contract demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; (2) customers with a contract demand in the range of 500 to 7,499 KW will use the recovery factor applicable to Rate Schedule LP; and (3) customers with a contract demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

ISSUE 16: What should be the effective date of the fuel adjustment charge and capacity cost recovery charge for billing purposes?

GULF: The new fuel and capacity factors should be effective beginning with the first billing cycle for January 2011 and thereafter through the last billing cycle for December 2011. The first billing cycle may start before January 1, 2011, and the last cycle may be read after December 31, 2011, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Dodd)

COMPANY-SPECIFIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

NONE RAISED BY GULF POWER COMPANY

GENERIC GENERATING PERFORMANCE INCENTIVE FACTOR ISSUES

ISSUE 21: What is the appropriate generation performance incentive factor (GPIF) reward or penalty for performance achieved during the period January 2009 through December 2009 for each investor-owned electric utility subject to the GPIF?

GULF: \$82,250 reward. (Young)
 Note that the reward amount (\$88,250) included in Melvin A. Young's and Richard W. Dodd's prefiled testimony and exhibits reflected a transposition error. Revisions of the impacted testimony and exhibits were filed with the FPSC on September 27, 2010.

ISSUE 22: What should the GPIF targets/ranges be for the period January 2011 through December 2011 for each investor-owned electric utility subject to the GPIF?

GULF: See table below: (Young)

Unit	EAF	POF	EUOF	Heat Rate
Crist 4	97.5	0.0	2.5	11,038
Crist 5	81.2	15.9	2.9	11,135
Crist 6	71.8	23.6	4.7	11,121
Crist 7	82.5	8.2	9.3	10,650
Smith 1	88.5	6.3	5.2	10,457
Smith 2	95.4	0.0	4.7	10,426
Daniel 1	94.0	0.0	6.0	10,518
Daniel 2	77.0	17.3	5.8	10,417
EAF = Equivalent Availability Factor (%) POF = Planned Outage Factor (%) EUOF = Equivalent Unplanned Outage Factor (%)				

COMPANY-SPECIFIC CAPACITY COST RECOVERY FACTOR ISSUES

NONE RAISED BY GULF POWER COMPANY

GENERIC CAPACITY COST RECOVERY FACTOR ISSUES

ISSUE 27: What are the appropriate capacity cost recovery true-up amounts for the period January 2009 through December 2009?

GULF: Over recovery of \$2,618,214. (Ball, Dodd)

ISSUE 28: What are the appropriate capacity cost recovery true-up amounts for the period January 2010 through December 2010?

GULF: Over recovery of \$545,466. (Ball, Dodd)

ISSUE 30: What are the appropriate total capacity cost recovery true-up amounts to be collected/refunded during the period January 2011 through December 2011?

GULF: Refund of \$3,163,680. (Dodd)

ISSUE 31: What are the appropriate projected net purchased power capacity cost recovery amounts to be included in the recovery factor for the period January 2011 through December 2011?

GULF: \$45,129,549 including prior period true-up amounts and revenue taxes. (Ball, Dodd)

ISSUE 32: What are the appropriate jurisdictional separation factors for capacity revenues and costs to be included in the recovery factor for the period January 2011 through December 2011?

GULF: 96.44582%. (Ball, Dodd)

ISSUE 33: What are the appropriate capacity cost recovery factors for the period January 2011 through December 2011?

GULF: See table below: (Dodd)

RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RSVP	0.476
GS	0.434
GSD, GSDT, GSTOU	0.376
LP, LPT	0.328
PX, PXT, RTP, SBS	0.292
OS-I/II	0.174
OSIII	0.282

COMPANY-SPECIFIC CAPACITY COST RECOVERY ISSUES

NONE RAISED BY GULF POWER COMPANY

Respectfully submitted this 27th day of September, 2010.

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