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September 26, 2014



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

RE: Docket No. 140002-EG

Dear Ms. Stauffer:

Attached is the Prehearing Statement of Gulf Power Company to be filed in the above-referenced docket. Pursuant to the Order Establishing Procedure, a copy of this Prehearing Statement prepared using Microsoft Word is being provided to Commission staff and all parties.

Sincerely,

A handwritten signature in black ink that reads "Robert L. McGee, Jr." in a cursive script.

Robert L. McGee, Jr.  
Regulatory and Pricing Manager

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Attachments

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

CLK note: CD of DN in  
Word received and  
forwarded to ECO 9/29/14.  
MHM

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery            )           Docket No.           140002-EG  
Clause    )           Date Filed:   September 26, 2014  
  )

**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-14-0085-PCO-EG, issued February 4, 2014, 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> <u>(Direct)</u>	<u>Subject Matter</u>	<u>Issues</u>
1. Jennifer L. Todd	True-up; components of Gulf's conservation plan and associated costs; projections and program results.	1, 2, 3, 4
 <u>(Rebuttal)</u>		
2. Jennifer L. Todd	Rebuttal to Witnesses Jeffrey Pollock, Kenneth Baker and Steven Chriss	

C. EXHIBITS:

<u>Exhibit Number</u>	<u>Witness</u>	<u>Description</u>
(JLT-1)	Todd	Schedules CT - 1 through CT - 6
(JLT-2)	Todd	Schedules C - 1 through C - 6

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 at this time for the period January 2015 through December 2015, including the true-up calculations and other adjustments allowed by the Commission.

E. STATEMENT OF ISSUES AND POSITIONS

Generic Legal Issue

**ISSUE A:** For each utility, what is the appropriate end date for the Commission's approved solar pilot programs?

**GULF:** In Order No. PSC-10-0608-PAA-EG, the Commission approved Gulf Power's solar pilot programs as set forth in Gulf's 2010 Demand-Side Management Plan ("DSM Plan"). As shown on pages 2-120 through 2-122 of the approved DSM Plan, participation projections for Gulf's solar pilot programs were included for years 2010-2014. There are no participants projected for the solar pilot programs for 2015. Consequently, it has been Gulf Power's understanding and belief that the solar pilots would end in 2014. Nevertheless, if it is the Commission's desire to continue the pilots through 2015 in order to achieve a five-year pilot term, Gulf Power will not oppose such a decision.

Generic Energy Conservation Cost Recovery Issues

**ISSUE 1:** What are the final conservation cost recovery true-up amounts for the period January 2013 through December 2013?

**GULF:** Under recovery of \$1,579,073. (Todd)

**ISSUE 2:** What are the total conservation cost recovery amounts to be collected during the period January 2015 through December 2015?

**GULF:** Recovery of \$26,816,812 (including prior true-up amounts and revenue taxes). (Todd)

**ISSUE 3:** What are the conservation cost recovery factors for the period January 2015 through December 2015?

**GULF:** The Company's proposed conservation cost recovery factors by customer class for the period January 2015 through December 2015 are as follows: (Todd)

<b>RATE CLASS</b>	<b>CONSERVATION COST RECOVERY FACTORS ¢/kWh</b>
RS	0.250
RSVP, Tier 1	(3.000)
RSVP, Tier 2	(1.629)
RSVP, Tier 3	6.251
RSVP, Tier 4	60.660
GS	0.246
GSD, GSDT, GSTOU	0.241
LP, LPT	0.232
PX, PXT, RTP, SBS	0.227
OSI, OSII	0.215
OSIII	0.234

**ISSUE 4:** 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 2015 and thereafter through the last billing cycle for December 2015. The first billing cycle may start before January 1, 2015, and

the last cycle may be read after December 31, 2015, so that each customer is billed for twelve months regardless of when the adjustment factor became effective. (Todd)

**OPT-OUT PROPOSALS:**

On September 5, 2014, the Florida Industrial Power Users Group and Wal-mart Stores East, LP/Sam's East, Inc. filed testimony advocating for "opt-out" provisions which would enable some large non-residential customers to avoid paying for certain energy efficiency programs through the Energy Conservation Cost Recovery Clause. Although no specific issue or issues have been agreed upon relating to this topic, Gulf filed rebuttal testimony on September 12, 2014 addressing aspects of the opt-out proposals. Notwithstanding its filing of rebuttal testimony, Gulf Power reserves its right to challenge the propriety of including "opt-out" issues in this docket and its right to take positions in response to any issues relating to the same that may be approved by the Commission.

**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. PENDING CONFIDENTIALITY REQUEST:**

**GULF:** None.

**I. 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 October 22-24, 2014, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 26<sup>th</sup> day of September, 2014.

Respectfully submitted,



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**Attorneys for Gulf Power Company**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: **Energy Conservation Cost** )  
**Recovery Clause** )

Docket No.: **140002-EG**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true copy of the foregoing was furnished by electronic mail this 26th day of September, 2014 to the following:

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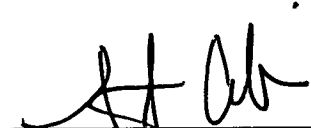
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