

Gulf Power Company
500 Bayfront Parkway
Post Office Box 1151
Tallahassee, Florida 32301-1770
Telephone 904 444-6315

JLE

FILE COPY

Jack L. Haskins
Manager of Rates and Regulatory Matters
and Assistant Secretary

February 3, 1995

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0870

Dear Ms. Bayo:

RE: Docket No. **950001-EI**

Enclosed are an original and fifteen copies of the Preliminary Statement of Gulf Power Company Regarding Issues and Positions to be filed in the above docket.

Also enclosed is a 3.5 inch double sided, high density diskette containing the Statement in WordPerfect for Windows 6.0a format as prepared on a MS-DOS based computer.

Sincerely,

Jack L. Haskins

- ACK _____
- AFA _____ lw
- APP _____ Enclosures
- CAF _____
- CMR _____ cc: Beggs and Lane
- CMR _____ Jeffrey A. Stone, Esquire
- CMR _____
- EAG Dudley _____
- LEG 1 _____
- LIN 4 _____
- WPC _____
- WCH _____
- WEC 1 _____
- WAS _____
- WTH _____

"Our business is customer satisfaction"

DOCUMENT NUMBER-DATE
01315 FEB-6 95
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Fuel and Purchased Power)
Cost Recovery Clauses and) Docket No. 950001-EI
Generating Performance Incentive) Filed: Feb. 6, 1995
Factor)
_____)

**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,
saying¹:

Generic Fuel Adjustment Issues

ISSUE 1: What are the appropriate final fuel adjustment true-up
amounts for the period April, 1994 through September,
1994?

GULF: Under recovery of \$2,394,382. (Gilchrist, Howell,
Cranmer)

ISSUE 2: What are the estimated fuel adjustment true-up amounts
for the period October, 1994 through March, 1995?

GULF: Under recovery of \$556,052. (Gilchrist, Howell,
Cranmer)

¹ The issue numbers for generic issues are the same as
those set forth in Order No. PSC-94-0963-PHO-EI, the prehearing
order issued prior to the August 1994 hearings. At this time,
Gulf is not taking a position on the generic oil backout issues
or on any company-specific issues relating to other utilities.
As a result, numeric gaps in the sequences of issues is intended.
Stipulated issues are indicated with an asterisk in the margin.

DOCUMENT NUMBER-DATE

01315 FEB-6 95

FPSC-RECORDS/REPORTING

ISSUE 3: What are the total fuel adjustment true-up amounts to be collected during the period April, 1995 through September, 1995?

GULF: \$2,950,434. (Cranmer)

ISSUE 4: What are the appropriate levelized fuel cost recovery factors for the period April, 1995 through September, 1995?

GULF: 2.314 cents per KWH. (Gilchrist, Howell, Cranmer)

*ISSUE 5: What should be the effective date of the new fuel adjustment charge, oil backout charge and conservation cost recovery charge for billing purposes?

The factor should be effective beginning with the specified fuel cycle and thereafter for the period April, 1995, through September, 1995. Billing cycles may start before April 1, 1995, and the last cycle may be read after September 30, 1995, so that each customer is billed for six months regardless of when the adjustment factor became effective.

ISSUE 6: What are the appropriate fuel recovery loss multipliers to be used in calculating the fuel cost recovery factors charged to each rate class?

GULF: See table below: (Cranmer)

Group	Rate Schedules*	Line Loss Multipliers
A	RS, GS, GSD, SBS OSIII, OSIV	1.01228
B	LP, SBS	0.98106
C	PX, SBS	0.96230
D	OSI, OSII	1.01228

*The multiplier applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; 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 customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

ISSUE 7: What are the appropriate Fuel Cost Recovery Factors for each rate group adjusted for line losses?

GULF: See table below: (Cranmer)

Group	Rate Schedules*	Fuel Cost Factors ¢/KWH		
		Standard	Time of Use	
			On-Peak	Off-Peak
A	RS, GS, GSD, SBS OSIII, OSIV	2.342	2.563	2.237
B	LP, SBS	2.270	2.484	2.168
C	PX, SBS	2.227	2.437	2.127
D	OSI, OSII	2.266	N/A	N/A

*The recovery factor applicable to customers taking service under Rate Schedule SBS is determined as follows: customers with a Contract Demand in the range of 100 to 499 KW will use the recovery factor applicable to Rate Schedule GSD; 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 customers with a Contract Demand over 7,499 KW will use the recovery factor applicable to Rate Schedule PX.

Gulf Power Company-Specific Fuel Adjustment Issues

NONE RAISED BY GULF POWER COMPANY

Generic Generating Performance Incentive Factor Issues

ISSUE 13: What is the appropriate GPIF reward or penalty for performance achieved during the period April, 1994 through September, 1994?

GULF: Reward \$22,931. (Fontaine)

ISSUE 14: What should the GPIF targets/ranges be for the period April, 1995 through September, 1995?

GULF: See table below: (Fontaine)

Unit	EAF	POF	EUOF	Heat Rate
Crist 6	76.6	13.1	10.3	10,804
Crist 7	76.4	8.7	14.9	10,675
Smith 1	81.4	13.1	5.5	10,147
Smith 2	87.7	4.9	7.4	10,270
Daniel 1	90.5	4.4	5.1	10,291
Daniel 2	97.5	0.0	2.5	10,107

EAF = Equivalent Availability Factor
POF = Planned Outage Factor
EUOF = Equivalent Unplanned Outage Factor

Gulf Power Company-Specific GPIF Issues

NONE RAISED BY GULF POWER COMPANY

Generic Capacity Cost Recovery Issues

ISSUE 19: What is the final capacity cost recovery true-up amount for the April 1994 through September 1994 period?

GULF: Over recovery of \$221,434. (Howell, Cranmer)

ISSUE 20: What is the estimated capacity cost recovery true-up amount for the period October 1994 through March 1995?

GULF: Under recovery \$101,423. (Howell, Cranmer)

ISSUE 21: What is the total capacity cost recovery true-up amount to be collected during the period April 1995 through September 1995?

GULF: \$120,011. (Cranmer)

ISSUE 22: What are the appropriate projected net purchased power capacity cost amounts to be included in the recovery factors for the period April 1995 through September 1995?

GULF: \$2,672,392. (Howell, Cranmer)

ISSUE 22 What are the appropriate capacity cost recovery factors for the period April 1995 through September 1995 ?

GULF: See table below: (Cranmer)

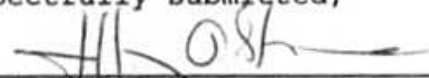
RATE CLASS	CAPACITY COST RECOVERY FACTORS ¢/KWH
RS, RST	0.070
GS, GST	0.068
GSD, GSDT, SBS	0.053
LP, LPT, SBS	0.046
PX, IXT, SBS	0.037
OSI, OSII	0.005
OSIII	0.041
OSIV	0.005

Gulf Power Company-Specific Capacity Cost Recovery Issues

NONE RAISED BY GULF POWER COMPANY

Dated this 3rd day of February, 1995.

Respectfully submitted,



G. EDISON HOLLAND, JR.

Florida Bar No. 261599

JEFFREY A. STONE

Florida Bar No. 325953

Beggs & Lane

P. O. Box 12950

(700 Blount Building)

Pensacola, FL 32576-2950

(904) 432-2451

Attorney® for Gulf Power Company

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

) Docket No. 950001-EI
)

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 3rd day of February, 1995 on the following:

Martha Brown, Esquire
FL Public Service Commission
101 East Gaines Street
Tallahassee FL 32399-0863

Jack Shreve, Esquire
Office of Public Counsel
111 W. Madison St., Suite 812
Tallahassee FL 32399-1400

James McGee, Esquire
Florida Power Corporation
P. O. Box 14042
St. Petersburg FL 33733-4042

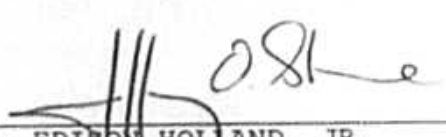
Matthew M. Childs, Esquire
Steel, Hector & Davis
215 South Monroe, Suite 601
Tallahassee FL 32301-1804

Suzanne Brownless, Esquire
2546 Blair Stone Pines Drive
Tallahassee FL 32301

Lee L. Willis, Esquire
James D. Beasley, Esquire
Macfarlane Ausley Ferguson
& McMullen
P. O. Box 391
Tallahassee FL 32302

Floyd R. Self, Esquire
Messer, Vickers, Caparello,
French and Madison
P. O. Box 1876
Tallahassee FL 32302-1876

Richard J. Salem, Esquire
Salem, Saxon & Nielsen, P.A.
101 E. Kennedy Blvd.
Suite 3200, One Barnett Plaza
P. O. Box 3399
Tampa FL 33601



G. EDISON HOLLAND, JR.
Florida Bar No. 261599
JEFFREY A. STONE
Florida Bar No. 325953
RUSSELL A. BADDERS
Florida Bar No. 0007455
BEGGS & LANE
P. O. Box 12950
Pensacola FL 32576
(904) 432-2451
Attorneys for Gulf Power Company