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Pensacola, Florida 32520

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ORIGINAL

October 9, 1998



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. 980002-EG

Enclosed for official filing in the above referenced docket are an original and ten (10) copies of the following:

1. Petition of Gulf Power Company for Approval of the Final Conservation Cost Recovery True-up Amounts* for October 1997 through March 1998; Estimated Conservation Cost Recovery True-up Amounts for April 1998 through December 1998; Projected Conservation Cost Recovery Amounts for January 1999 through December 1999; and the Conservation Cost Recovery Factor to be Applied Beginning with the Period January 1999 through December 1999.
2. Prepared direct testimony and exhibit of M. D. Neyman. 11374-98

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

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Sincerely,
Susan D. Cranmer
Susan D. Cranmer
Assistant Secretary and Assistant Treasurer

Petition
DOCUMENT NUMBER - DATE
11373 OCT 12 98
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Conservation Cost Recovery)
_____)

Docket No. 980002-EG

Certificate of Service

I HEREBY CERTIFY that a true copy of the foregoing was furnished by hand delivery or the U. S. Mail this 9th day of October 1998 to the following:

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Conservation Cost Recovery)
) Docket No.: 980002-EG
) Filed: October 12, 1998
)

**PETITION OF GULF POWER COMPANY FOR APPROVAL OF
THE "FINAL CONSERVATION COST RECOVERY TRUE-UP AMOUNTS"
FOR OCTOBER 1997 THROUGH MARCH 1998;
ESTIMATED CONSERVATION COST RECOVERY TRUE-UP AMOUNTS
FOR APRIL 1998 THROUGH DECEMBER 1998;
PROJECTED CONSERVATION COST RECOVERY AMOUNTS
FOR JANUARY 1999 THROUGH DECEMBER 1999;
AND THE CONSERVATION COST RECOVERY FACTOR TO BE APPLIED
BEGINNING WITH THE PERIOD JANUARY 1999 THROUGH DECEMBER 1999**

Notices and communications with respect to this petition and docket should be addressed to:

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Susan D. Cranmer
Assistant Secretary and Assistant Treasurer
Gulf Power Company
One Energy Place
Pensacola, FL 32520-0780

GULF POWER COMPANY ("Gulf Power", "Gulf", or "the Company"), by and through its undersigned attorneys, and pursuant to Section 366.82(5) of the Florida Statutes and Rule 25-17.015 of the Florida Administrative Code, hereby petitions the Florida Public Service Commission for recovery of the "final conservation cost recovery true-up amounts" for October 1997 through March 1998; for approval of its estimated energy conservation true-up factor for the period April 1998 through December 1998 for approval of the projected energy conservation amounts for the period January 1999 through December 1999; and for approval of the proposed energy conservation cost recovery factor to be applied beginning with the period January 1999 through December 1999. In support thereof the Company would respectfully show:

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FPSC-RECORDS/REPORTING

1. Gulf is a corporation with its headquarters located at 500 Bayfront Parkway, Pensacola, Florida 32520. The Company is an investor-owned electric utility operating under the jurisdiction of this Commission.

2. Pursuant to Section 366.82 of the Florida Statutes, Gulf's energy conservation programs and goals have been approved and adopted by order of this Commission. The implementation of these programs has resulted in certain reasonable and prudent unreimbursed costs incurred or to be incurred which the Company hereby petitions to be recovered through its rates and charges pursuant to Rule 25-17.015, F.A.C., and the orders and procedures of this Commission.

3. Incorporated by reference into this petition are the testimony and exhibit of M. D. Neyman submitted in June 1998 and the testimony and exhibit of M. D. Neyman submitted with this petition.¹ The two composite exhibits present reports of Gulf's various programs and incorporate the appropriate and necessary data and information to show the energy conservation cost calculations projected for the period January 1999 through December 1999 and the appropriate true-up adjustment to be applied based on actual data through July 1998 and estimated data for the remainder of the period through December 1998.

4. The "final conservation cost recovery true-up amounts" were filed with the Commission in June 1998 as shown on Schedule CT-1. The final true-up amount for the period October 1997 through March 1998, as presented in the testimony and exhibit of M. D. Neyman

¹The composite exhibit attached to the June testimony contains the Company's CT schedules for the six month period ending March 1998. The composite exhibit attached to the October testimony contains the Company's C schedules for the twelve month period ending December 1999 and includes data related to the nine month period April 1998 through December 1998.

filed in June 1998, is \$167,208 over recovery which amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be refunded in the next period.

5. Gulf has calculated its estimated true-up amount for the period April 1998 through December 1998 to be an over recovery of \$786,723. This amount is hereby submitted for approval by the Commission to be included in the calculation of the conservation cost recovery factors to be refunded during the projection period.

6. Gulf projects recoverable expenditures of \$2,666,748 for its approved conservation programs during the twelve month period beginning January 1999 and ending December 1999.

7. Gulf projects its retail energy sales during the period January 1999 through December 1999 will be 9,660,164,000 kilowatthours (KWH).

8. On the basis of the final true-up for the period October 1997 through March 1998, the estimated true-up for the period April 1998 through December 1998, the cost projections for the period January 1998 through December 1999, and proper consideration of both

projected kilowatthour sales and the adjustment for revenue taxes, the Company's proposed conservation cost recovery factors by customer class for the period January 1999 through December 1999 are as follows:

RATE CLASS	CONSERVATION COST RECOVERY FACTORS ¢/KWH
RS, RST	0.021
GS, GST	0.020
GSD, GSDT	0.020
LP, LPT	0.019
PX, PXT, RTP, CSA	0.018
OSI, OS11	0.018
OSIII	0.019
OSIV	0.023
SBS	0.018

WHEREFORE, Gulf Power Company respectfully requests the Commission to authorize the Company to recover its unreimbursed costs reasonably and prudently incurred in accordance with this petition and thereby approve the final conservation cost recovery true-up amounts for the period October 1997 through March 1998, the estimated conservation cost

recovery true-up amount for April 1998 through December 1998, the projected conservation cost recovery amounts for January 1999 through December 1999, and the conservation cost recovery factors to be applied beginning with the period January 1999 through December 1999.

Dated this 9 day of October, 1998



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