

ORIGINAL

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April 18, 2000

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

Dear Ms. Bayo:

RE: Docket No. 991779-EI

Enclosed are an original and fifteen copies of the Prehearing Statement of Gulf Power Company 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 8 format as prepared on a Windows NT based computer.

Sincerely,

Susan D. Ritenour

Revered Susan D. Ritenour
Assistant Secretary and Assistant Treasurer

lw

cc: *Harlow*
Beggs and Lane
Jeffrey A. Stone, Esquire

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- APP _____
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- CMU _____
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- OTH _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of the appropriate application)
of incentives to wholesale power sales by) Docket No.: 991779-EI
investor-owned electric utilities.) Filed: April 19, 2000
_____)

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-00-0195-PCO-EI issued January 26, 2000 and Rule 25-22.038(3), Florida Administrative Code, files this prehearing statement, saying:

A. APPEARANCES:

JEFFREY A. STONE, Esquire, and RUSSELL A. BADDERS, Esquire, of Beggs & Lane, 700 Blount Building, 3 West Garden Street, Post Office Box 12950, Pensacola, Florida 32576-2950
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>Subject Matter</u>	<u>Issues</u>
(Direct)		
1. M. W. Howell (Gulf)	importance to utility customers of retaining the existing 20 percent shareholder incentive applicable to economy energy sales; types of economy energy sales to which the existing 20 percent shareholder incentive should be applicable	1, 2
(Rebuttal)		
1. M. W. Howell (Gulf)	response to direct testimony of David E. Dismukes	1, 2

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

C. EXHIBITS:

NONE

D. STATEMENT OF BASIC POSITION:

Gulf Power Company's Statement of Basic Position:

It is the basic position of Gulf Power Company that the Commission should continue its policy of allowing the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B. The 20 percent shareholder incentive for economy energy sales should be applied to all non-separated wholesale economy energy sales regardless of whether they are made "off-broker" or through the EBN.

E. STATEMENT OF ISSUES AND POSITIONS¹:

ISSUE 1: Should the Commission eliminate the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B?

GULF: No. The Commission should not take any action to remove or reduce the existing 20 percent shareholder incentive available to utilities making economy energy sales. By establishing in 1984 the existing incentive mechanism applicable to economy energy sales, the Commission recognized the need for and overall benefit of increased sales of economy energy. The existing system has well served the customers of Florida's investor owned electric utilities for over 15 years. The competitive market changes that have recently occurred have only increased the importance of this incentive mechanism as a means to encourage continued participation in the economy energy market for the immediate benefit of customers and shareholders alike. (Howell)

¹This docket was opened at the direction of the panel of the Commission assigned to Docket No. 990001-EI in order to allow the full Commission to consider the issues regarding continuation of the existing incentive mechanism applied to economy energy transactions (see discussion at pages 4 through 5 of Order No. PSC-99-2512-FOF-EI, issued December 22, 1999 in Docket No. 990001-EI). The issues listed in this prehearing statement were taken directly from the prehearing order for the earlier proceeding, Order No. PSC-99-2271-PHO-EI, issued November 18, 1999 (see issues 11 and 12).

ISSUE 2: If the Commission should decide to maintain the 20 percent shareholder incentive set forth in Order No. 12923, issued January 24, 1984, in Docket No. 830001-EU-B, what types of economy energy sales should be eligible for the 20 percent shareholder incentive?

GULF: The 20 shareholder incentive for economy energy sales should be applied to all non-separated wholesale economy energy sales regardless of whether they are made "off-broker" or through the EBN. Gulf Power Company's non-separated wholesale economy energy sales are categorized for internal purposes as "economy" sales and "external" sales to differentiate the sales based on whether they are made to non-affiliated utilities that are directly interconnected to the Southern electric system ("economy") or to non-affiliated utilities and power marketers that are not directly interconnected to the Southern electric system ("external"). Regardless of internal designation, the 20 percent shareholder incentive should be applied to all of Gulf's non-separated wholesale economy energy sales. (Howell)

F. STIPULATED ISSUES:

GULF: 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. 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 May 10, 2000, Gulf respectfully requests an opportunity to submit additional statements of position and, if necessary, file additional testimony.

Dated this 18th day of April, 2000.

Respectfully submitted,



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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Review of the appropriate application)
of incentives to wholesale power sales by)
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Docket No. 991779-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 18th day of April 2000 on the following:

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