

Susan D. Ritenour
Secretary and Treasurer
and Regulatory Manager

One Energy Place
Pensacola, Florida 32520-0781

Tel 850.444.6231
Fax 850.444.6026
SDRITENO@southernco.com

RECEIVED-TPSC

10 SEP 28 PM 3:31

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

Gulf discovered a transposition error in its previously reported 2009 GPIF reward amount. The reward amount previously reported was \$88,250 but the correct reward amount is \$82,250. Enclosed are revised pages which reflect the correct reward amount.

Sincerely,

Susan D. Ritenour (lw)

DM 5
PA _____
CR _____
CL _____
AD _____
SC _____
DM _____
PC _____
LK CFRPR

vm

Enclosures

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

DOCUMENT ID: 100001-EI

18109 SEP 28 2010

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:

John T. Burnett, Esq.
Progress Energy Service Co.
P. O. Box 14042
St. Petersburg FL 33733-4042

Mehrdad Khojasteh
Florida Public Utilities Company
P. O. Box 3395
West Palm Beach FL 33402-3395

Lisa Bennett, Esq.
FL Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0863

John T. Butler, Esq.
Senior Attorney for Florida Power &
Light Company
700 Universe Boulevard
Juno Beach FL 33408-0420

Patricia Ann Christensen
Associate Public Counsel
Office of Public Counsel
111 West Madison Street, Rm. 812
Tallahassee, FL 32399- 1400

Wade Litchfield
Vice President
Florida Power & Light Co.
215 S. Monroe Street, Ste. 810
Tallahassee FL 32301-1859

John W. McWhirter, Jr., Esq.
Attorney for FIPUG
McWhirter Reeves & Davidson
P.O. Box 3350
Tampa, FL 33601-3350

James D. Beasley, Esq.
J. Jeffrey Wahlen
Attorneys for Tampa Electric Co.
Ausley & McMullen
P. O. Box 391
Tallahassee FL 32302

Paula K. Brown, Administrator
Regulatory Coordination
Tampa Electric Company
P. O. Box 111
Tampa FL 33601

Paul Lewis, Jr.
Progress Energy Florida, Inc.
106 E. College Ave., Ste. 800
Tallahassee FL 32301-7740

Curtis D. Young
Florida Public Utilities Company
PO Box 3395
West Palm Beach, FL 33402-3395

Beth Keating
Akerman Senterfit
106 East College Ave. Suite 1200
Tallahassee, FL 32301

Vicki Kaufman
Jon Moyle
Keefe Anchors Gordon & Moyle PA
118 N. Gadsden St.
Tallahassee, FL 32301

Cecilia Bradley
Senior Assistant Attorney General
Office of the Attorney General
The Capitol-PL01
Tallahassee FL 32399-1050

James W. Brew
F. Alvin Taylor
Brickfield, Burchette, et al., P.C.
1025 Thomas Jefferson St., NW
Eighth Floor, West Tower
Washington, DC 20007-5201

Shayla L. McNeill, Capt. USAF
Karen S. White
AFLSA/JACL-ULT
139 Barnes Drive, Suite 1
Tyndall AFB, FL 32403

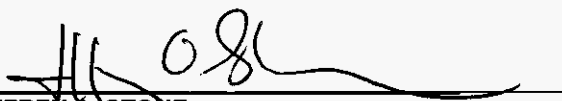
John Rogers, General Counsel
Florida Retail Federation
100 East Jefferson Street
Tallahassee FL 32301

Robert Scheffel Wright
John T. LaVia, III
Young van Assenderp, P.A.
225 S. Adams Street, Suite 200
Tallahassee FL 32301

Randy B. Miller
White Springs Agricultural Chemicals
PO Box 300
15483 Southeast 78th Street
White Springs, FL 32096

Ms. Cheryl Martin
Florida Public Utilities Company
PO Box 3395
West Palm Beach, FL 33402-3395

Michael C. Barrett
Div Of Economic Regulation
FL Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850



JEFFREY A. STONE

Florida Bar No. 325933

RUSSELL A. BADDERS

Florida Bar No. 007455

STEVEN R. GRIFFIN

Florida Bar No. 0627569

BEGGS & LANE

P. O. Box 12950

Pensacola FL 32591-2950

(850) 432-2451

Attorneys for Gulf Power Company

1 Q. What were the heat rate results for the period?

2 A. The detailed calculations of the actual average net operating heat rates for the
3 Company's GPIF units are on pages 2 through 9 of Schedule 3.

4
5 As was done for the prior GPIF periods, and as indicated on pages 10 through 17
6 of Schedule 3, the target equations were used to adjust actual results to the target
7 basis. These equations, submitted in September 2008, are shown on page 20 of
8 Schedule 3. As calculated on page 21 of Schedule 3, the adjusted actual average
9 net operating heat rates correspond to the following GPIF unit heat rate points:
10 +3.86 for Crist 4, 0.00 for Crist 5, 0.00 for Crist 6, -1.88 for Crist 7,
11 -2.26 for Smith 1, +1.02 for Smith 2, +1.97 for Daniel 1, and +1.72 for Daniel 2.

12
13 Q. What number of Company points was achieved during the period, and what reward
14 or penalty is indicated by these points according to the GPIF procedure?

15 A. Using the unit equivalent availability and heat rate points previously mentioned,
16 along with the appropriate weighting factors, the number of Company points
17 achieved was 0.22 as indicated on page 2 of Schedule 4. This calculated to a
18 reward in the amount of \$82,250.

19
20 Q. Please summarize your testimony.

21 A. In view of the adjusted actual equivalent availabilities, as shown on page 11 of
22 Schedule 2, and the adjusted actual average net operating heat rates achieved, as
23 shown on page 21 of Schedule 3, evidencing the Company's performance for the
24 period, Gulf calculates a reward in the amount of \$82,250 as provided for by the
25 GPIF plan.

1 Q. What has been included in this filing to reflect the GPIF reward/penalty for the
2 period of January 2009 through December 2009?

3 A. The GPIF result is shown on Line 31 of Schedule E-1 as an increase of
4 .0007¢/kwh to the levelized fuel factor, thereby rewarding Gulf \$82,250.

5

6 Q. What is the appropriate revenue tax factor to be applied in calculating the
7 levelized fuel factor?

8 A. A revenue tax factor of 1.00072 has been applied to all jurisdictional fuel costs
9 as shown on Line 29 of Schedule E-1.

10

11 Q. Mr. Dodd, how were the line loss multipliers used on Schedule E-1E
12 calculated?

13 A. The line loss multipliers were calculated in accordance with procedures
14 approved in prior filings and were based on Gulf's latest mwh Load Flow
15 Allocators.

16

17 Q. Mr. Dodd, what fuel factor does Gulf propose for its largest group of customers
18 (Group A), those on Rate Schedules RS, GS, GSD, and OSIII?

19 A. Gulf proposes a standard fuel factor, adjusted for line losses, of 5.131¢/kwh
20 for Group A. Fuel factors for Groups A, B, C, and D are shown on Schedule
21 E-1E. These factors have all been adjusted for line losses.

22

23 Q. Mr. Dodd, how were the time-of-use fuel factors calculated?

24 A. The time-of-use fuel factors were calculated based on projected loads and
25 system lambdas for the period January 2011 through December 2011. These

SCHEDULE E-1
 Revised 9/27/2010

**FUEL AND PURCHASED POWER
 COST RECOVERY CLAUSE CALCULATION
 GULF POWER COMPANY
 PROPOSED FOR THE PERIOD: JANUARY 2011 - DECEMBER 2011**

Line			(a) \$	(b) KWH	(c) ¢ / KWH
1	Fuel Cost of System Net Generation	E-3	621,972,069	13,244,806,000	4.6960
2	Coal Car Investment				
3	Other Generation	E-3	2,528,728	50,524,000	5.0050
4	Hedging Settlement	E-2			
5	Total Cost of Generated Power	(Line 1 - 4)	<u>624,500,797</u>	<u>13,295,330,000</u>	<u>4.6971</u>
6	Fuel Cost of Purchased Power (Exclusive of Economy)	E-7			
7	Energy Cost of Schedule C & X Econ. Purch.	E-9			
8	Energy Cost of Other Econ. Purch. (Nonbroker)	E-9	34,635,000	929,227,000	3.7273
9	Energy Cost of Schedule E Economy Purch.	E-9			
10	Capacity Cost of Schedule E Economy Purchases	E-2			
11	Energy Payments to Qualifying Facilities	E-8			
12	Total Cost of Purchased Power	(Line 6 - 11)	<u>34,635,000</u>	<u>929,227,000</u>	<u>3.7273</u>
13	Total Available KWH	(Line 5 + 12)		<u>14,224,557,000</u>	
14	Fuel Cost of Economy Sales	E-6	(6,505,000)	(163,605,000)	3.9760
15	Gain on Economy Sales	E-6	(961,000)	0	N/A
16	Fuel Cost of Other Power Sales	E-6	(77,266,000)	(1,799,627,000)	4.2934
17	Total Fuel Cost & Gains on Power Sales	(Line 14 - 16)	<u>(84,732,000)</u>	<u>(1,963,232,000)</u>	<u>4.3159</u>
18	Net Inadvertant Interchange				
19	Total Fuel & Net Power Trans.	(Line 5+12+17+18)	<u>574,403,797</u>	<u>12,261,325,000</u>	<u>4.6847</u>
20	Net Unbilled Sales *				
21	Company Use *		1,024,169	21,862,000	4.6847
22	T & D Losses *		<u>32,170,210</u>	<u>686,708,000</u>	<u>4.6847</u>
23	System KWH Sales		<u>574,403,797</u>	<u>11,552,755,000</u>	<u>4.9720</u>
24	Wholesale KWH Sales		<u>18,120,553</u>	<u>364,452,000</u>	<u>4.9720</u>
25	Jurisdictional KWH Sales		<u>556,283,244</u>	<u>11,188,303,000</u>	<u>4.9720</u>
25a	Jurisdictional Line Loss Multiplier		<u>1.0007</u>		<u>1.0007</u>
26	Jurisdictional KWH Sales Adjusted for Line Losses		<u>556,672,642</u>	<u>11,188,303,000</u>	<u>4.9755</u>
27	True-Up **		<u>13,826,819</u>	<u>11,188,303,000</u>	<u>0.1236</u>
28	Total Jurisdictional Fuel Cost		<u>570,499,461</u>	<u>11,188,303,000</u>	<u>5.0991</u>
29	Revenue Tax Factor				<u>1.00072</u>
30	Fuel Factor Adjusted For Revenue Taxes		<u>570,910,221</u>	<u>11,188,303,000</u>	<u>5.1027</u>
31	GPIF Reward/(Penalty) **		<u>82,250</u>	<u>11,188,303,000</u>	<u>0.0007</u>
32	Fuel Factor Adjusted for GPIF		<u>570,992,471</u>	<u>11,188,303,000</u>	<u>5.1035</u>
33	Fuel Factor Rounded to Nearest .001(¢ / KWH)				5.104

*For informational purposes only

** Calculation Based on Jurisdictional KWH Sales

SCHEDULE E-1C
Revised 9/27/2010

**CALCULATION OF GENERATING PERFORMANCE
INCENTIVE FACTOR AND TRUE-UP FACTOR
GULF POWER COMPANY
TO BE INCLUDED IN THE PERIOD: JANUARY 2011 - DECEMBER 2011**

1. TOTAL AMOUNT OF ADJUSTMENTS:		
A. Generating Performance Incentive Reward/(Penalty)	\$	82,250
B. True-Up (Over)/Under Recovered	\$	13,826,819
2. Jurisdictional KWH sales		
For the period: January - December 2011		11,188,303,000
3. ADJUSTMENT FACTORS:		
A. Generating Performance Incentive Factor		0.0007
B. True-Up Factor		0.1236

SCHEDULE E-1D
 Revised 9/27/2010

**DETERMINATION OF FUEL RECOVERY FACTOR
 TIME OF USE RATE SCHEDULES
 GULF POWER COMPANY
 PROPOSED FOR THE PERIOD: JANUARY 2011 - DECEMBER 2011**

		<u>NET ENERGY FOR LOAD</u>	
		%	
	On-Peak	29.45	
	Off-Peak	<u>70.55</u>	
		100.00	
	<u>AVERAGE</u>	<u>ON-PEAK</u>	<u>OFF-PEAK</u>
Cost per KWH Sold	4.9720	5.8491	4.6056
Jurisdictional Loss Factor	1.0007	1.0007	1.0007
Jurisdictional Fuel Factor	4.9755	5.8532	4.6088
GPIF	0.0007	0.0007	0.0007
True-Up	<u>0.1236</u>	<u>0.1236</u>	<u>0.1236</u>
TOTAL	5.0998	5.9775	4.7331
Revenue Tax Factor	<u>1.00072</u>	<u>1.00072</u>	<u>1.00072</u>
Recovery Factor	5.1035	5.9818	4.7365
Recovery Factor Rounded to the Nearest .001 ¢/KWH	5.104	5.982	4.737
	HOURS:		
	ON-PEAK	25.48%	
	OFF-PEAK	<u>74.52%</u>	
		100.00%	

FUEL AND PURCHASED POWER COST RECOVERY CLAUSE CALCULATION
GULF POWER COMPANY
ESTIMATED FOR THE PERIOD OF: JANUARY 2011 - DECEMBER 2011

LINE	LINE DESCRIPTION	(a) JANUARY	(b) FEBRUARY	(c) MARCH	(d) APRIL	(e) MAY	(f) JUNE	(g) JULY	(h) AUGUST	(i) SEPTEMBER	(j) OCTOBER	(k) NOVEMBER	(l) DECEMBER	(m) TOTAL
	\$													
1	Fuel Cost of System Generation	40,380,499	37,827,346	48,069,951	50,473,951	53,702,609	58,091,638	60,495,326	61,471,916	57,146,750	53,105,758	48,112,227	53,094,098	621,972,069
1a	Other Generation	143,143	129,329	143,143	138,538	285,986	276,777	285,986	285,986	276,777	143,143	276,777	143,143	2,528,728
2	Fuel Cost of Power Sold	(2,346,000)	(2,521,000)	(5,670,000)	(7,385,000)	(5,937,000)	(7,100,000)	(7,401,000)	(9,278,000)	(8,725,000)	(9,469,000)	(9,563,000)	(9,337,000)	(84,732,000)
3	Fuel Cost of Purchased Power	6,323,000	3,881,000	1,294,000	1,138,000	2,345,000	3,362,000	4,214,000	5,060,000	2,879,000	1,659,000	1,047,000	1,433,000	34,635,000
3a	Demand & Non-Fuel Cost of Pur Power	0	0	0	0	0	0	0	0	0	0	0	0	0
3b	Qualifying Facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Energy Cost of Economy Purchases	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Hedging Settlement	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Total Fuel & Net Power Trans. (Sum of Lines 1 - 5)	44,500,642	39,316,675	43,837,094	44,365,489	50,396,595	54,630,415	57,594,312	57,539,902	51,577,527	45,438,901	39,873,004	45,333,241	574,403,797
7	System KWH Sold	913,479,000	772,984,000	838,245,000	842,677,000	983,035,000	1,107,072,000	1,198,322,000	1,189,136,000	1,045,670,000	944,762,000	819,923,000	897,450,000	11,552,755,000
7a	Jurisdictional % of Total Sales	96.7490	96.6713	96.8193	97.1188	96.8729	96.8814	96.8858	96.8942	96.8612	97.0073	96.7080	96.6036	96.8453
8	Cost per KWH Sold (¢/KWH)	4.8716	5.0864	5.2296	5.2648	5.1266	4.9347	4.8062	4.8388	4.9325	4.8096	4.8630	5.0513	4.9720
8a	Jurisdictional Loss Multiplier	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007	1.0007
8b	Jurisdictional Cost (¢/KWH)	4.8750	5.0900	5.2333	5.2685	5.1302	4.9382	4.8096	4.8422	4.9360	4.8130	4.8664	5.0548	4.9755
9	GPIF (¢/KWH) *	0.0008	0.0009	0.0008	0.0008	0.0007	0.0006	0.0006	0.0006	0.0007	0.0007	0.0009	0.0008	0.0007
10	True-Up (¢/KWH) *	0.1304	0.1542	0.1420	0.1408	0.1210	0.1074	0.0992	0.1000	0.1138	0.1257	0.1453	0.1329	0.1236
11	TOTAL	5.0062	5.2451	5.3761	5.4101	5.2519	5.0462	4.9094	4.9428	5.0505	4.9394	5.0126	5.1885	5.0998
12	Revenue Tax Factor	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072	1.00072
13	Recovery Factor Adjusted for Taxes	5.0098	5.2489	5.3800	5.4140	5.2557	5.0498	4.9129	4.9464	5.0541	4.9430	5.0162	5.1922	5.1035
14	Recovery Factor Rounded to the Nearest .001 ¢/KWH	5.010	5.249	5.380	5.414	5.256	5.050	4.913	4.946	5.054	4.943	5.016	5.192	5.104

* CALCULATIONS BASED ON JURISDICTIONAL KWH SALES

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
August 31, 2010
Page 2

Sep. 27

bc w/enclosures: H. R. Ball
H. H. Bell, III
C. S. Boyett
R. W. Dodd
R. W. Grove
R. G. Livingston
R. S. Teel
S. D. Ritenour
M. A. Young