

ORIGINAL

**GULF POWER COMPANY**

**Before the Florida Public Service  
Commission**

**Prepared Direct Testimony & Exhibit of  
Michael F. Oaks**

**Docket No. 000001-EI**

**Date of Filing: September 20, 2000**

DOCUMENT NUMBER-DATE

**11860 SEP 21 8**

FPSC-RECORDS/REPORTING

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5 Q. Please state your name and business address.

6 A. My name is Michael F. Oaks and my business address is One Energy  
7 Place, Pensacola, Florida 32520-0328.

8

9 Q. What is your occupation?

10 A. I am the Fuel Manager at Gulf Power Company.

11

12 Q. Mr. Oaks, will you please describe your education and experience?

13 A. I graduated from Belhaven College in Jackson, Mississippi, in 1977 with a  
14 Bachelor of Science Degree in Chemistry. I joined Gulf Power Company  
15 in 1977 as a Chemist. Since then, I have held various positions with the  
16 Company, including Water Chemistry Specialist, Water Quality Specialist,  
17 Environmental Affairs Specialist, Environmental Audit Administrator, and  
18 Compliance Administrator. I was promoted to my present position in May  
19 1996.

20

21 Q. What are your duties as Fuel Manager?

22 A. I supervise and administer the Company's fuel procurement,  
23 transportation, budgeting, contract administration, and quality control to  
24 ensure the generating plants are provided an adequate low cost fuel  
25 supply with minimal operational problems.

1 Q. Are you the same Michael F. Oaks who has previously submitted  
2 testimony in this proceeding.

3 A. Yes.

4

5 Q. Mr. Oaks, what is the purpose of your testimony in this docket?

6 A. The purpose of my testimony is to support Gulf Power Company's  
7 projection of fuel expenses for the period January 1, 2001 to  
8 December 31, 2001 and to be available to answer any questions that may  
9 arise concerning the Company's fuel procurement procedures.

10

11 Q. Have you prepared an exhibit that contains information to which you will  
12 refer in your testimony?

13 A. Yes. I have prepared an exhibit consisting of one schedule. Schedule 1  
14 of my exhibit is a tabulation of projected and actual fuel cost for the past  
15 ten years. The purpose of this schedule is to illustrate the accuracy of our  
16 short-term projections of fuel expenses.

17

18 Counsel: We ask that Mr. Oaks' exhibit consisting of one schedule be  
19 marked as Exhibit No. \_\_\_\_\_ (MFO-2).

20

21 Q. Has Gulf Power Company made any changes to its methods in this period  
22 for projecting fuel cost?

23 A. No.

24

25

1 Q. Does the 2001 projection of fuel expenses reflect any major changes in  
2 Gulf's fuel purchasing program during this period?

3 A. No.

4  
5 Q. How much spot market coal does Gulf Power project it will purchase  
6 during the January 2001 through December 2001 period.

7 A. We are projecting the purchase of approximately 1,834,100 tons on the  
8 spot market. This represents approximately 35.20% of our projected  
9 purchase requirements.  
10

11 Q. Mr. Oaks, does this conclude your testimony?

12 A. Yes.  
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**GULF POWER COMPANY  
PROJECTED VS ACTUAL FUEL COST OF SYSTEM NET GENERATION**

**Cents/KWH Fuel Cost (1)**

<b>Period Ending</b>	<b>Projected</b>	<b>Actual</b>	<b>Difference %</b>
March 1991	2.1028	2.2128	5.23
September 1991	2.1184	2.1255	0.34
March 1992	1.9524	2.0660	6.84
September 1992	1.9448	2.0401	4.90
March 1993	1.9458	1.9425	(0.17)
September 1993	1.9924	2.0408	2.43
March 1994	1.9050	2.0498	7.60
September 1994	1.8662	1.9373	3.81
March 1995	1.8874	2.0388	8.02
September 1995	2.0456	2.0344	(0.55)
March 1996	1.9795	2.0743	4.79
September 1996	2.0405	1.9639	(3.75)
March 1997	1.9282	2.0332	5.45
September 1997	1.9434	1.9431	(0.02)
March 1998	1.8734	1.8647	(0.46)
September 1998	1.5916	1.6361	2.80
December 1999	1.5291	1.5696	2.65
December 2000	1.6048	-	-
December 2001	1.5782	-	-

(1) Line No. 1 from FPSC Schedule A-1.

AFFIDAVIT

STATE OF FLORIDA     )  
                                  )  
COUNTY OF ESCAMBIA )

Docket No. 000001-EI

Before me the undersigned authority, personally appeared Michael F. Oaks, who being first duly sworn, deposes, and says that he is the Fuel Manager at Gulf Power Company, a Maine corporation, and that the foregoing is true and correct to the best of his knowledge, information, and belief. He is personally known to me.

  
\_\_\_\_\_  
Michael F. Oaks  
Fuel Manager

Sworn to and subscribed before me this September 20, 2000.

  
\_\_\_\_\_  
Notary Public, State of Florida at Large

Commission Number:

Commission Expires:

